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Dear Tony and Andy,

Open letter on Market Intelligence Service (MIS) development

This submission was prepared by Citizens Advice. Citizens Advice has statutory responsibilities to represent the interests of energy consumers in Great Britain. This document is entirely non-confidential and may be published on your website. If you would like to discuss any matter raised in more detail please do not hesitate to get in contact.

Question 1. We are inviting comments, views and ideas on the MIS development and its vision

In principle we support the development of a MIS, which should help deliver more reliable switching, in concert with Ofgem's switching programme. We welcome the proposal that the MIS should be flexible and developed incrementally. This will enable functions to be added and developed to meet changing needs and priorities of users and consumers. In our view there are three main areas which the Joint MIS Development Group (JMDG) should consider in their vision and development of the MIS.

Minimising costs and maximising benefits

The costs of developing the MIS will ultimately fall on consumers. In Ofgem's cost-benefit analysis, the development of a new MIS added £48m in costs to the switching programme over the 18 year period assessed, while not delivering significant benefits. Ofgem's assessment was that this 'does not therefore appear offer good value'.¹ The main driver of these costs was supplier costs for setting up and operating new arrangements to interface with the MIS.

¹https://www.ofgem.gov.uk/system/files/docs/2017/11/delivering_faster_and_more_reliable_switching_impact_assessment.pdf (para 3.165, page 53)

The JMDG should set out how their proposals will reduce costs, and maximise benefits, compared to the MIS option that was considered and rejected by Ofgem. We would expect that the Group will further assess costs and benefits of proposed changes of each release as the MIS is developed.

Alignment with the switching programme

It is essential that development of a MIS is closely aligned with Ofgem's switching programme in order to minimise the programme's delivery risk.

On the technical side, the Central Switching Service (CSS) is required to interface with the existing enquiry services, and so any changes resulting from the MIS development will need to be taken into account. On the regulatory side we agree with the JMDG that there is a role for the Retail Energy Code (REC) with regard to MIS functions. The REC is due to be developed over 2018/19, so close working will be required between the JMDG and Ofgem to determine areas where the REC will need to accommodate the new MIS (or where it may need to be amended in the future as the MIS develops).

Data protection

The Information Commissioner's Office (ICO) has previously set out that information connected to MPxNs is classed as personal data.² The new MIS could manage more data than the current systems, and widen the pool of users who are able to access this data (perhaps even allowing consumers to directly access and amend records). Data privacy and security should therefore be a priority. We welcome the JMDG's recognition of this issue, and the intention to produce Privacy Impact Assessments and engage with the ICO as necessary.

Question 2. We welcome comments on the ideas and any other scoping suggestions that have not yet been considered.

Not answered.

Question 3. We are interested to hear from any stakeholders that might have an interest in accessing gas and electricity data from a central source, including consumer advocacy bodies, as well as any other potential service users (e.g. metering agents and innovators in the market).

²<https://ico.org.uk/media/about-the-ico/consultation-responses/2015/1432296/ico-responses-to-energy-market-investigation-notice-of-possible-remedies-20150803.pdf> (page 3)

The Citizens Advice consumer service helpline and Extra Help Unit currently uses ECOES and DES to provide meter information to consumers. This enables us to quickly resolve consumer cases involving meter issues, without having to refer them on to other services. We would want to retain this complementary access following the development of the MIS. We are also currently in the process of procuring access to the ECOES API service, to help build a digital tool to enable users to identify their electricity network and apply to be added to the Priority Services Register (PSR). Depending on the functionality of the MIS we may wish to have further access, where doing so will benefit our clients.

We welcome the JMDG's recognition that innovative services could benefit from access to the API service and the MIS. These companies can sometimes struggle to engage with existing industry processes and bodies, which are geared to meet the needs of existing market participants. As such, the JMDG may benefit from approaching users of Ofgem's Innovation Link, and other innovation-focused groups and forums, to ensure their needs are considered in the development of the MIS.

Question 4. We are interested in hearing what the first MIS deliverable should entail, and where respondents are able to, what data is required to meet that requirement.

Development of the MIS should be aligned with the switching programme. As such any MIS deliverable should take account of the needs, priorities and aims of the programme. The JMDG should also take account of Ofgem's work to improve switching in the near term, for example by taking account of the outputs of the Erroneous Transfer Working Group (ETWG) and Ofgem's 'Better Data, Better Switching' project. Both of these are aiming to make better use of data for supplier performance assurance and compliance monitoring, so the new MIS should be designed to make market reporting quicker, easier and more accurate.

Beyond these considerations, the JMDG should do a cost-benefit analysis to prioritise those functions which offer most benefit to consumers. We agree with the JMDG suggestion that extending the API service to suppliers appears to be a sensible step to take.

Question 5. We welcome views on the unconstrained principle i.e. not to limit the MIS vision at this stage to retail markets.

We welcome this approach, as it should maximise the benefits to consumers of the new MIS, and potentially reduce the cost of services which might otherwise be

developed on bespoke platforms. However, this may throw up some regulatory issues if there are MIS functions that do not naturally fit within the auspices of the REC. Such issues should be considered by Ofgem and the JMDG during the development of the REC, and when non-retail functions are assessed for inclusion in the MIS.

Question 6. We welcome views on the funding and recovery approaches that should be considered as we go forward, noting that it will very likely need to flex around where the benefits will ultimately fall.

Not answered.

If you would like to discuss any aspect of this response further please let me know.

Yours Sincerely,

Alex Belsham-Harris

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