



Roger Witcomb  
Chair, Energy Market Investigation  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
London  
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16 June 2015

Dear Mr Witcomb,

Please find below OVO Energy's Proposed Remedies paper, submitted in response to the Competition and Markets Authority ('CMA') energy market investigation. We believe these remedies will help create a fair, innovative, competitive market that works for everyone.

### **What is wrong with the current energy retail market?**

Today's market is failing customers. Millions of people, many of them vulnerable, are being punished for their loyalty, paying hundreds of pounds more for their energy than they should be.

That money is being used by the Big Six suppliers to hook in new customers with loss-leading tariffs. It's a terrible way to treat customers, destroying competition at their expense.

The situation is worsened by too many complex rules and regulations, which do little more than hold back nimbler, more customer-focused companies from competing.

### **The opportunity: Improved service and lower energy prices for millions of customers**

Our guiding principle at OVO Energy has been to keep things as simple as possible, for customers and for the company. Simplicity makes us transparent, efficient and helps build trust. The same principle should apply to regulation and markets; the system only works if everyone understands and respects clear, simple, well-enforced rules.

The CMA has a unique opportunity to sweep away the red tape (which has done little for competition or customers), and replace it with a regulatory model based on simplicity and common sense, underpinned by clear, strong and practical principles.

In this new competitive environment, companies with the customer's interests at heart would thrive. Those that profit from exploiting their customers would have no choice but to change.

## How do we get there?

There are three ways to make the energy market better for everyone.

1. **Fair pricing:** Energy suppliers' prices should reflect underlying costs. Suppliers should be stopped from overcharging loyal customers or running loss-leading tariffs that damage competition.
2. **Simple Regulation:** Regulation based on clear principles, with the priority being to avoid customer harm.
3. **Protect the vulnerable:** A regulated, annually-set social tariff that stops the most vulnerable customers from being exploited

We believe these changes will help create a competitive, innovative, fair energy market, resulting in improved service and lower energy prices for millions of customers.

We look forward to receiving the CMA's Interim Report in the coming weeks. Please let me know if you have any further questions.

Yours,



**Stephen Fitzpatrick**  
CEO and Founder