



Paul Bland  
Consumer & Competition Policy  
Department of Trade and Industry  
Bay 462,  
1 Victoria Street  
London  
SW1H 0ET

Dear Mr Bland,

**Representative actions in consumer protection legislation**

I have been asked on behalf of members of the Energy Retail Association (ERA) to respond to the DTI consultation on Representative Actions in Consumer Protection. The ERA represents the six major domestic energy suppliers within Great Britain: British Gas, Scottish & Southern Energy, RWE npower, Eon Powergen, EDF Energy and Scottish Power. This industry response may be supplemented with additional responses from individual energy suppliers.

Our response is restricted to Paragraph 33 of the consultation paper which proposes that the legislation should be used as a final measure for groups of consumers who are unable to obtain redress through any other means. We believe that the energy sector should be exempt from this legislation.

The energy retail sector has a strong record for working with the industry regulator, Ofgem, to continually improve industry practices. The industry has demonstrated its proficiency in protecting consumers by self-regulation through the success of the Energy Retail Association's Code of Practice for the Face-to-Face Marketing of Energy Supply, the Customer Transfer Programme, the Code of Practice for Accurate Bills and its revised policy on disconnection of vulnerable customers. The self-regulatory schemes are subject to rigorous monitoring and enforcement regimes by independent auditors to ensure that consumers are given robust protection.

According to the energy consumer body, energywatch, complaints against energy retailers have fallen by 70% since 2002. Through the ERA, energy retailers are addressing the problems that had been inherent in the processes adopted from the nationalised energy industry. Consumers are becoming increasingly empowered to seek redress directly with their energy company and the energy company will be compelled to resolve issues. There cases may also be supported by energywatch. However, there may be instances where a customer is unhappy with the resolution offered by their supplier.

In July this year an independent dispute resolution body, the Energy Services Ombudsman was established to provide consumers with an opportunity for resolving

disputes where they are not satisfied with their energy supplier's decision. The Energy Service Ombudsman adjudicates on disputes and its findings are binding on the supplier.

We have developed our complaint escalation and resolution practices to complement the DTI's consumer representation strategy and have supported an extension to Consumer Direct through the proposed Consumer Voice model.

With additional regulatory and legislative controls the energy sector provides consumers we believe that the additional proposed representative action is unnecessary and should not be applied in this sector.

For information I attach a copy of an information leaflet for consumers about the Energy Service Ombudsman.

Yours sincerely

Russell Hamblin-Boone  
Head of Communications and Policy

*Energy Retail Association*  
*5 October 2006*