



Making a positive difference  
for energy consumers

Holders of Gas and Electricity  
Supply Licences, DECC,  
Consumer Futures, consumers  
and their representatives and  
other interested parties

Email: [rmr@ofgem.gov.uk](mailto:rmr@ofgem.gov.uk)

17 May 2013

Dear Colleague,

**Proposed licence modification of Standard Licence Condition (SLC) 1 and insertion of new SLC 25C of the gas and electricity domestic supply licences.**

The Gas and Electricity Markets Authority ('the Authority') has decided to proceed with a statutory consultation on the proposed modifications as set out in the modification notices under section 11A of the Electricity Act 1989 and section 23 of the Gas Act 1986 contained in appendices 1 and 2 of this consultation document. This follows consideration of responses to our Retail Market Review (RMR) domestic final proposals consultation, final impact assessment and proposed text for the modifications to the licence conditions published on 27 March 2013.

**Background**

On 27 March 2013 we published a consultation setting out our final proposals to modify the domestic supply licence conditions. This covered a range of policy proposals designed to make the retail market simpler, clearer and fairer. This consultation closed on 23 April 2013. Following detailed consideration of the points raised in responses, we are proceeding to statutory consultation on changes to the licence associated with our proposals to introduce legally binding Standards of Conduct (SOC). In particular, this involves the insertion of a new Standard Licence Condition (SLC 25C) and a new defined term in SLC 1.

We are still considering responses to consultation in relation to RMR proposals on tariff simplification and providing additional information to consumers. We are keen to move ahead with our proposals, and plan to publish a further statutory consultation once we have had an opportunity to fully consider stakeholder input in these areas.

Stakeholders were broadly supportive of our SOC proposals, but did have feedback regarding particular details of proposed guidance and licence condition drafting.

The following sections summarise our proposal to introduce the SOC as binding licence conditions, as set out in detail in the March 2013 consultation document. Where we have made changes to our proposal the detail is explained clearly below. The appendices contained in this document set out the detailed legal drafting to give effect to our proposals.

## Overview of responses and Ofgem's view

We received 35 responses to the March 2013 RMR consultation, although not all responses mentioned the SOC. All consumer groups supported our proposals and one noted the guidance we produced offered helpful clarity regarding our policy intent. In general, responses were positive and most stakeholders supported both the SOC policy intent and how it would have effect. There were some specific concerns raised about the licence condition drafting and our approach to enforcement.

### *Standards of Conduct proposal*

We are proposing to introduce new rules to oblige all energy suppliers (and their representatives) to treat consumers fairly. If implemented, this will require each supplier to embed the SOC in all aspects of their engagement with consumers, and ensure they have management and business systems as well as processes to achieve this. With the exception of Deemed Contracts, the SOC does not impose restrictions on the level of prices or charges. However, we note that under consumer protection regulations Ofgem currently has powers to consider the fairness of ancillary charges, and are able to draw on these powers where appropriate.

The SOC are designed to improve the interactions consumers have with energy suppliers in order to improve levels of consumer trust in the industry and the energy market.<sup>1</sup> This in turn is intended to improve consumers' experience in the market, promote increased consumer engagement and improve competitive pressure within the market. It will be for suppliers to take account of the SOC across all levels of their organisation and consider how decisions made across the business will impact consumers in the context of the SOC. This will involve suppliers identifying and delivering what consumers need. Ofgem will not be prescribing how suppliers should give operational effect to the SOC. As stated in our March 2013 consultation in section 4.15, we are proposing to introduce the SOC as a binding licence condition because voluntary interventions through the existing SOC<sup>2</sup> have not, in our view, resulted in improved interactions with suppliers or improved levels of consumer trust in suppliers.

### *Customer objective – Scope of the SOC*

The proposed licence condition for the SOC includes a customer objective that a supplier (and their representatives) must treat consumers fairly in respect of all interactions. This includes the treatment of individual consumers. A supplier would only be in breach of the SOC if its actions or omissions significantly favour the interest of the licensee and also give rise to the likelihood of consumer detriment.

A number of suppliers proposed amending SLC 25C.3, which outlines when a supplier would not be treating a customer fairly. Suppliers suggested the wording should refer to 'undue detriment', as opposed to 'detriment'. We take the view that our policy intent and expectation of supplier behaviour is clear and the addition of 'undue' would mitigate supplier responsibility to treat consumers fairly. Where a supplier has a right to do something, the effect of 'significantly favour' means that the SOC would not necessarily in itself prevent the supplier from ultimately exercising that right. The SOC will however capture whether the process for exercising the right and the manner in which it is exercised is fair and otherwise consistent with the SOC principles. For example, it will always be necessary for the supplier to employ its discretion before exercising a legal right.

We also received a comment in response to our March 2013 consultation that it may be possible for a supplier to breach the SOC even if they pass the fairness test. Ofgem can

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<sup>1</sup> In this letter we use the term "market" as shorthand for referring to the energy sector. For the avoidance of doubt this term is not intended to describe or otherwise suggest the approach that may be taken by Ofgem for the purposes of market definition in competition law investigations.

<sup>2</sup> Energy Supply Probe – Proposed Retail Market Remedies, 7 August 2009.

confirm that this is not the policy intent and would not be possible due to the drafting of paragraph 25C.5 of the legal text, which requires the supplier to ensure that the SOC are applied and interpreted in a manner consistent with the fairness test.

### *Approach to enforcement*

Some suppliers had concerns with the potential for regulatory risk and Ofgem adopting subjective assessments of compliance with the SOC. We also received feedback from one supplier that they would prefer a formal two-stage approach to enforcement.

As outlined in our March 2013 consultation, in the event that the SOC are introduced, we intend to use a bespoke approach to enforcement. This approach includes an assessment of the seriousness of the potential breach and will include consideration of whether a reasonable person, intent on complying with the SOC, would have acted in the way the supplier did in its interaction with consumers.

One supplier also queried whether they could be in breach of the SOC through their interactions with individual consumers. We will take a proportionate approach to enforcement and we see a role for the Ombudsman in relation to individual cases. A breach of the SOC may occur in relation to systematic issues as well as issues arising from the unfair treatment of individual consumers. As outlined in our March 2013 consultation document we would generally look to work with the Ombudsman to help foster a shared understanding of our objectives and expectations relating to the SOC. From the responses to consultation we were encouraged to continue dialogue with the Ombudsman to help clarify their decision-making process to suppliers, Ofgem and consumer groups.

Some suppliers questioned how new enforcement cases will be opened. Our approach to investigating issues will be in line with the criteria set out in chapter 3 of our Enforcement Guidelines.<sup>3</sup>

Ofgem is separately conducting a wider review of its approach to enforcement. A document outlining our initial thinking was published in March 2013.<sup>4</sup> As part of this review we have proposed an approach where final decisions in relation to contested enforcement cases are made by a specialist Enforcement Decision Panel. As noted in our March 2013 consultation (in section 4.32), this proposal, if implemented, may address concerns raised by some stakeholders with regard to how enforcement decisions are made and that it is important to ensure a consistent approach to assessing compliance with the SOC.

### *SLC drafting*

Under the SOC, suppliers will be required to communicate what they have done and are doing to comply with the SOC. Some suppliers requested clarification about this requirement. This communication must be updated and provided 'annually', meaning once a calendar year. This information must be provided on a supplier's or affiliate's website (if it has one) and does not necessarily have to be sent out in written form to all customers. However, if a consumer requests this information in written form it must be made available to them free of charge as soon as reasonably practicable.

If the SOC is implemented as planned following statutory consultation, the first of these communications should be available by the end of 2013. There are no specific requirements on what other information may or may not be provided with this messaging, but all information must comply with the SOC.

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<sup>3</sup> For more information, see the following link:

<http://www.ofgem.gov.uk/About%20us/enforcement/Documents1/Enforcement%20guidelines%202012.pdf>

<sup>4</sup> Open letter on the Review of Ofgem's enforcement activities – consultation on strategic vision, objectives and decision makers (March 2013).

One supplier stated the term 'cognate expressions' within the definition of Fair was ambiguous. Ofgem notes that this expression is commonly used in legislation and 'cognate expressions' has the ordinary dictionary meaning of 'words with a related origin' (i.e. in the context of SLC 25, the word 'fairly' is cognate with the word 'fair').

### *Guidance*

We received positive feedback on the guidance that we issued as part of the last consultation and consumer groups felt this helped clarify the terminology in the SOC. Following feedback we have made one amendment to our guidance presented in Appendix 7 to our March 2013 consultation document. Under our proposed guidance for expressions used in SLC 25C with regard to 'honest' and 'transparent' it was previously stated that suppliers must not 'whether deliberately or unconsciously' take advantage of a consumer's position. One supplier raised concerns about the inclusion of 'unconsciously' as they felt that, by definition, suppliers would find it difficult to be held to account for things they were not aware of. We have amended 'deliberately or unconsciously' to 'deliberately, recklessly or negligently' in order to ensure the guidance reflects our policy intent (i.e. to ensure suppliers take into account consumer needs and treat consumers fairly). We intend to issue the guidance as a final version in the event the SOC is introduced after statutory consultation.

As with other RMR proposals the SOC would require suppliers to have regard to guidance issued with relation to the SOC licence condition. As stated in SLC 25C.10, any new guidance or modifications to existing guidance will be consulted on. We would generally look to apply Ofgem's stated approach to consultation for requirements on the length of consultation.<sup>5</sup>

### *Communication of supplier actions*

We received positive feedback on the requirement that suppliers should inform consumers, on an annual basis, how they apply the principles of the SOC to their business. One consumer group suggested that it is important consumers are aware the SOC exist and feel confident enough to challenge their supplier where the supplier is not meeting the objectives outlined in the SOC.

### **Next steps**

This statutory consultation on the new licence condition will close on 18 June 2013. Once we have considered responses, the Authority aims to make a final decision on whether to implement the reforms by the beginning of July 2013.

If the Authority decides to implement the reforms, licence holders, trade bodies representing licence holders and The National Consumer Council will have 20 working days to decide (from the first working day after the Authority's decision is published) if they want to appeal against the reforms to the Competition Commission. Subject to the appeals process, it is intended that the reforms would start to take effect in August 2013.

If the Authority decides to implement the changes to the supply licence associated with the proposed Standards of Conduct we propose they would come into effect at the end of the minimum statutory period for implementation. This means domestic suppliers would need to ensure they were compliant with new SLC 25C from the date the licence modifications become effective, which we are proposing would be 56 days after the day the Authority's decision is published.

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<sup>5</sup> See: Guidance on Ofgem's approach to consultation (20 December 2011)  
<http://www.ofgem.gov.uk/About%20us/BetterReg/Documents1/guidance%20on%20ofgems%20approach%20to%20consultation.pdf>

Please note that any responses to the consultation will be placed on Ofgem's website unless marked as confidential. Ofgem prefers to receive responses in an electronic form so they can be placed easily on the Ofgem website. Subject to responses to the statutory consultation and, in the event that the Authority decides to proceed with the modifications, it is intended that the modifications will take effect in August 2013.

We are committed to continue our monitoring of the performance of the market, and in particular the impact of our new rules. We will review the impact of the RMR remedies no later than 2017 – and may examine specific issues as new information and evidence emerges. We believe that we are more likely to achieve the full benefits of our proposals if trust and confidence in third party intermediaries also improves, so we will continue to consider ways to promote this.

As noted above we also intend to publish another statutory consultation shortly covering the other elements of the RMR proposals from our March 2013 consultation.

If you have any queries regarding the content of this letter please contact Katie Brennan by email [rmr@ofgem.gov.uk](mailto:rmr@ofgem.gov.uk) or telephone 020 7901 7195.

Yours faithfully,

A handwritten signature in blue ink that reads "M. Frerk". The signature is written in a cursive style with a clear first initial and a surname.

Maxine Frerk  
**Partner Retail Markets & Research**

## Appendix 1 - Statutory Consultation Notice for Electricity Supply

**To: All holders of an electricity supply licence who are relevant licence holders for the purposes of section 11A(10) of the Electricity Act 1989.**

### **NOTICE OF PROPOSED MODIFICATION PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF THE ELECTRICITY SUPPLY LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(d) OF THE ELECTRICITY ACT 1989.**

WHEREAS:

1. Each of the companies to whom this notice is addressed holds an electricity supply licence granted, or treated as granted, pursuant to section 6(1)(d) of the Electricity Act 1989 (the "Act").

2. In accordance with section 11A (2), (3) and (4) of the Act, the Gas and Electricity Markets Authority (the "Authority") gives notice ("Notice") that it proposes to modify the standard conditions of the electricity supply licence by:

(a) inserting a new definition in paragraph 1.3 of standard condition 1; and

(b) inserting standard condition 25C.

3. Subject to responses to the statutory consultation, in the event that the Authority decides to proceed with the modifications, it is intended that the modifications will take effect on the following dates (which in the event that the Authority ultimately decides to make the licence modifications, will all be dates which are at least 56 days after the date on which the Authority's decision is published):

<b>Modifications</b>	<b>Date</b>
Insertion of a new definition in paragraph 1.3 of standard condition 1	A date which is 56 days after the date on which the Authority's decision is published.
Insertion of standard condition 25C	A date which is 56 days after the date on which the Authority's decision is published.

4. The reasons why the Authority proposes these modifications have been published by the Authority in the following documents:

(a) Ofgem's covering letter dated 17 May 2013;

(b) The Retail Market Review – Final domestic proposals (40/13), 27 March 2013;

(c) The Retail Market Review – Final Impact Assessment for domestic proposals (40/13), 27 March 2013;

(d) The Retail Market Review – Updated domestic proposals (135/12), 26 October 2012;

(e) The Retail Market Review: Domestic Proposals (166/11), 1 December 2011;

(f) The Retail Market Review – Findings and Initial Proposals (34/11), 21 March 2011;

These documents are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003) or from the Ofgem website at [www.ofgem.gov.uk](http://www.ofgem.gov.uk).

5. The effects of the proposed licence modifications are described in the documents referred to in paragraph 4 of this Notice and, in particular, the following document: The Retail Market Review – Final domestic proposals (40/13), 27 March 2013.

These documents are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003) or from the Ofgem website at [www.ofgem.gov.uk](http://www.ofgem.gov.uk).

6. The envisaged text for the proposed modifications is set out in the schedule to this Notice.

7. Any representations on the proposed modifications may be made on or before 18 June 2013 and sent to:

Katie Brennan  
Ofgem  
9 Millbank  
London SW1P 3GE  
Or by email to [rmr@ofgem.gov.uk](mailto:rmr@ofgem.gov.uk)



**17 May 2013**

**Maxine Frerk**  
**Partner Retail Markets & Research**  
**Ofgem**

**Authorised on behalf of the Authority**

## SCHEDULE

### PROPOSED MODIFICATION PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF THE ELECTRICITY SUPPLY LICENCE GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(d) OF THE ELECTRICITY ACT 1989.

#### 1. Insertion of additional definition in standard condition 1

The text set out below in red constitutes the envisaged drafting in respect of the proposed insertion of a new definition in paragraph 1.3 of standard condition 1 of the electricity supply licence:

**Affiliate Electricity Licensee** means any Subsidiary, Holding Company, or Subsidiary of a Holding Company of the licensee which holds a electricity supply licence granted or treated as granted pursuant to section 6(1)(d) of the Electricity Act 1989;

#### 2. Insertion of new standard condition 25C

The text set out below in red constitutes the envisaged drafting in respect of the proposed insertion of condition 25C in the standard conditions of the electricity supply licence:

#### **Standard condition 25C. Customer Objective and Standards of Conduct for supply activities**

##### **Application of standard condition**

25C.1. Subject to paragraph 25C.6, standard condition 25C applies to all activities of the licensee and any Representative which involve, or otherwise relate to, dealings with a Domestic Customer.

##### **Customer Objective**

25C.2 The objective of this condition is for the licensee and any Representative to ensure that each Domestic Customer is treated fairly ('the Customer Objective').

25C.3 For the purposes of this condition, the licensee or any Representative would not be regarded as treating a Domestic Customer fairly if their actions or omissions:

- (a) significantly favour the interests of the licensee; and
- (b) give rise to a likelihood of detriment to the Domestic Customer.

##### **Standards of Conduct**

25C.4 The Standards of Conduct are that:

- (a) the licensee and any Representative behave and carry out any actions in a Fair, honest, transparent, appropriate and professional manner;



(b) the licensee and any Representative provide information (whether in Writing or orally) to each Domestic Customer which:

- (i) is complete, accurate and not misleading (in terms of the information provided or omitted);
- (ii) is communicated (and, if provided in Writing, drafted) in plain and intelligible language;
- (iii) relates to products or services which are appropriate to the Domestic Customer to whom it is directed; and
- (iv) is otherwise Fair both in terms of its content and in terms of how it is presented (with more important information being given appropriate prominence);

(c) the licensee and any Representative:

- (i) make it easy for a Domestic Customer to contact the licensee;
- (ii) act promptly and courteously to put things right when the licensee or any Representative makes a mistake; and
- (iii) otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent.

### **Compliance with the Standards of Conduct**

25C.5. The licensee must take all reasonable steps to achieve the Standards of Conduct and ensure that it interprets and applies the Standards of Conduct in a manner consistent with the Customer Objective.

### **Exception to scope of condition**

25C.6 Apart from any matters relating to Deemed Contracts, standard condition 25C does not apply in respect of the amount or amounts of any Charges for the Supply of Electricity or any other type of charge or fee.

### **Provision and publication of information**

25C.7 The licensee must prepare and update annually information (hereafter referred to as the "Treating Customers Fairly Statement") which:

- (a) is set out in Writing;
- (b) uses a heading which clearly highlights that the information relates to how the licensee is seeking to treat customers fairly; and
- (c) includes the following information:
  - (i) the main actions taken and being taken by the licensee in line with the Customer Objective and Standards of Conduct; and
  - (ii) the service and treatment Domestic Customers can expect from the licensee and any Representative.

25C.8 If the licensee or any Affiliate Electricity Licensee has a Website, the licensee must publish the Treating Customers Fairly Statement on that Website in a position that is capable of easily being accessed by any person.

25C.9 If any person requests a copy of the Treating Customers Fairly Statement, the licensee must provide a Written copy to that person free of charge as soon as reasonably practicable.

### **Guidance**

25C.10 The licensee must have regard to any guidance on standard condition 25C (including in respect of definitions which appear in standard condition 1) which, following consultation (which may be conducted before this condition takes effect), the Authority may issue and may from time to time revise (following further consultation).

### **Definitions for condition**

25C.11 For the purposes of this condition:

**“Customer Objective”** is to be interpreted in accordance with paragraph 25C.2.

**“Fair”** and cognate expressions are to be interpreted in accordance with paragraph 25C.3.

**“Standards of Conduct”** means one or more of sub-paragraphs 25C.4(a) to (c).

**“Treating Customers Fairly Statement”** is to be interpreted in accordance with paragraph 25C.7.

## Appendix 2 - Statutory Consultation Notice for Gas Supply

**To: All holders of a gas supply licence who are in respect of any one or more modification relevant licence holders for the purposes of section 23(12) of the Gas Act 1986.**

### **NOTICE OF PROPOSED MODIFICATION PURSUANT TO SECTION 23 OF THE GAS ACT 1986 OF THE STANDARD CONDITIONS OF THE GAS SUPPLY LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 7A(1) OF THE GAS ACT 1986.**

WHEREAS:

1. Each of the companies to whom this notice is addressed holds a gas supply licence granted, or treated as granted, pursuant to section 7A(1) of the Gas Act 1986 (the "Act").
2. In accordance with section 23(2), (3) and (4) of the Act, the Gas and Electricity Markets Authority (the "Authority") gives notice ("Notice") that it proposes to modify the standard conditions of the gas supply licence by:
  - (a) inserting a new definition in paragraph 1.2 of standard condition 1; and
  - (b) inserting standard condition 25C.
3. Subject to responses to the statutory consultation, in the event that the Authority decides to proceed with the modifications, it is intended that the modifications will take effect on the following dates (which in the event that the Authority ultimately decides to make the licence modifications, will all be dates which are at least 56 days after the date on which the Authority's decision is published):

<b>Modifications</b>	<b>Date</b>
Insertion of a new definition in paragraph 1.2 of standard condition 1	A date which is 56 days after the date on which the Authority's decision is published.
Insertion of standard condition 25C	A date which is 56 days after the date on which the Authority's decision is published.

4. The reasons why the Authority proposes these modifications have been published by the Authority in the following documents:

- (a) Ofgem's covering letter dated 17 May 2013
- (b) The Retail Market Review – Final domestic proposals (40/13), 27 March 2013;
- (c) The Retail Market Review – Final Impact Assessment for domestic proposals (40/13), 27 March 2013;
- (d) The Retail Market Review – Updated domestic proposals (135/12), 26 October 2012;
- (e) The Retail Market Review: Domestic Proposals (166/11), 1 December 2011;
- (f) The Retail Market Review – Findings and Initial Proposals (34/11), 21 March 2011;

These documents are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003) or from the Ofgem website at [www.ofgem.gov.uk](http://www.ofgem.gov.uk).

5. The effects of the proposed licence modifications are described in the documents referred to in paragraph 4 of this Notice and, in particular, the following document: The Retail Market Review – Final domestic proposals (40/13), 27 March 2013.

These documents are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003) or from the Ofgem website at [www.ofgem.gov.uk](http://www.ofgem.gov.uk).

6. The envisaged text for the proposed modifications is set out in the schedule to this Notice.

7. Any representations on the proposed modifications may be made on or before 18 June 2013 and sent to:

Katie Brennan  
Ofgem  
9 Millbank  
London SW1P 3GE  
Or by email to [rmr@ofgem.gov.uk](mailto:rmr@ofgem.gov.uk)



**Maxine Frerk**  
**Partner Retail Markets & Research**  
**Ofgem**

**Authorised on behalf of the Authority**

**17 May 2013**

## SCHEDULE

### NOTICE OF PROPOSED MODIFICATION PURSUANT TO SECTION 23 OF THE GAS ACT 1986 OF THE STANDARD CONDITIONS OF THE GAS SUPPLY LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 7A(1) OF THE GAS ACT 1986.

#### 1. Insertion of additional definition in standard condition 1

The text set out below in red constitutes the envisaged drafting in respect of the proposed insertion of a new definition in paragraph 1.2 of standard condition 1 of the gas supply licence:

**Affiliate Gas Licensee** means any Subsidiary, Holding Company, or Subsidiary of a Holding Company of the licensee which holds a gas supply licence granted or treated as granted pursuant to section 7A(1) of the Gas Act 1986;

#### 2. Insertion of new standard condition 25C

The text set out below in red constitutes the envisaged drafting in respect of the proposed insertion of condition 25C in the standard conditions of the gas supply licence:

#### **Standard condition 25C. Customer Objective and Standards of Conduct for supply activities**

##### **Application of standard condition**

25C.1. Subject to paragraph 25C.6, standard condition 25C applies to all activities of the licensee and any Representative which involve, or otherwise relate to, dealings with a Domestic Customer.

##### **Customer Objective**

25C.2 The objective of this condition is for the licensee and any Representative to ensure that each Domestic Customer is treated fairly ('the Customer Objective').

25C.3 For the purposes of this condition, the licensee or any Representative would not be regarded as treating a Domestic Customer fairly if their actions or omissions:

- (a) significantly favour the interests of the licensee; and
- (b) give rise to a likelihood of detriment to the Domestic Customer.

##### **Standards of Conduct**

25C.4 The Standards of Conduct are that:

- (a) the licensee and any Representative behave and carry out any actions in a Fair, honest, transparent, appropriate and professional manner;
- (b) the licensee and any Representative provide information (whether in Writing or orally) to each Domestic Customer which:
  - (i) is complete, accurate and not misleading (in terms of the information provided or omitted);

(ii) is communicated (and, if provided in Writing, drafted) in plain and intelligible language;

(iii) relates to products or services which are appropriate to the Domestic Customer to whom it is directed; and

(iv) is otherwise Fair both in terms of its content and in terms of how it is presented (with more important information being given appropriate prominence);

(c) the licensee and any Representative:

(i) make it easy for a Domestic Customer to contact the licensee;

(ii) act promptly and courteously to put things right when the licensee or any Representative makes a mistake; and

(iii) otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent.

### **Compliance with the Standards of Conduct**

25C.5. The licensee must take all reasonable steps to achieve the Standards of Conduct and ensure that it interprets and applies the Standards of Conduct in a manner consistent with the Customer Objective.

### **Exception to scope of condition**

25C.6 Apart from any matters relating to Deemed Contracts, standard condition 25C does not apply in respect of the amount or amounts of any Charges for the Supply of Gas or any other type of charge or fee.

### **Provision and publication of information**

25C.7 The licensee must prepare and update annually information (hereafter referred to as the "Treating Customers Fairly Statement") which:

(a) is set out in Writing;

(b) uses a heading which clearly highlights that the information relates to how the licensee is seeking to treat customers fairly; and

(c) includes the following information:

(i) the main actions taken and being taken by the licensee in line with the Customer Objective and Standards of Conduct; and

(ii) the service and treatment Domestic Customers can expect from the licensee and any Representative.

25C.8 If the licensee or any Affiliate Gas Licensee has a Website, the licensee must publish the Treating Customers Fairly Statement on that Website in a position that is capable of easily being accessed by any person.

25C.9 If any person requests a copy of the Treating Customers Fairly Statement, the licensee must provide a Written copy to that person free of charge as soon as reasonably practicable.

## Guidance

25C.10 The licensee must have regard to any guidance on standard condition 25C (including in respect of definitions which appear in standard condition 1) which, following consultation (which may be conducted before this condition takes effect), the Authority may issue and may from time to time revise (following further consultation).

## Definitions for condition

25C.11 For the purposes of this condition:

**“Customer Objective”** is to be interpreted in accordance with paragraph 25C.2.

**“Fair”** and cognate expressions are to be interpreted in accordance with paragraph 25C.3.

**“Standards of Conduct”** means one or more of sub-paragraphs 25C.4(a) to (c).

**“Treating Customers Fairly Statement”** is to be interpreted in accordance with paragraph 25C.7.