

Nigel Nash
Ofgem
9 Millbank
London
SW1P 3GE



24 January 2008

Dear Nigel

Regulation of marketing to domestic customers (MLC 25)

Further to our preliminary comments, dated 19 October 2007, regarding the future of the marketing licence condition, we write to you again to formalise our views.

We do not agree with your proposal to extend MLC 25 until March 2009. We strongly believe that the industry's self-governance arrangements are working and that MLC25 could be removed without any detriment to consumers. As highlighted in your letter:

- The industry has a proven track record that demonstrates that self-regulation is working and is an enduring feature (e.g. sales and marketing complaints have fallen by 97% and the reduction in complaints has been consistent).
- The EnergySure Code mirrors many of the requirements of MLC 25, and in some areas, exceeds them.
- Since September 2007, the remit of the Energy Supply Ombudsman (set up by suppliers) has been broadened to include selling disputes.
- From April 2008, the Consumer Protection from Unfair Trading Regulations will provide additional (arguably, more than MLC 25) protection for energy customers.

Although we acknowledge that there may be risks associated with removing MLC 25 during a period of change to the arrangements for consumer representation, we would like to assure you that these changes do not affect the integrity and robustness of the self-governance arrangements in place. In line with Better Regulation principles, MLC 25 should be removed in April 2008. It would not be proportionate to extend MLC25 by another year when evidence shows that self regulation is working and additional measures have been/will be introduced.

I hope you find our comments useful. If you have any questions or wish to discuss further, please contact me on 020 7752 2423.

Yours sincerely

Mari Toda
Gas and Electricity Policy Manager