



Nigel Nash
The Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

E.ON UK plc
Westwood Way
Westwood Business Park
Coventry
West Midlands
United Kingdom
CV4 8LG

www.eon-uk.com

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Extension of Marketing Conditions until March 2009

Dear Nigel,

Do you agree with the proposal to extend the marketing conditions until March 2009?

Significant improvements in our industry has led to consumers being better protected against the threat of rogue Face to Face sellers and with the introduction of the Consumer Protection from Unfair Trading Regulations' due in April 2008 and the Unfair Commercial Practices Directive (UCPD), implemented into UK law as part of the regulations, consumers will have additional non sector specific protection. The directive seeks to stamp out unfair selling and marketing methods in a simpler and more effective way than the current sector specific laws.

The UCPD introduces a general prohibition on traders in all sectors engaging in unfair commercial practices against consumers. It will put in place a framework for dealing with sharp practices and rogue traders who may deliberately or otherwise set out to exploit the loopholes in existing legislation.

In addition to above, we believe that the EnergySure Code of Practice for the Face-To-Face Marketing of Energy Supply is sufficient to ensure adequate consumer protection during the period of change.

When energywatch cease to be in existence in October 2008 they will be replaced with the NCC and Consumer Direct and the introduction of new consumer protection regulations and complaint handling standards which all energy suppliers will have to comply with and a redress scheme into a statutory framework which will cover all types of energy complaints.

E.ON UK plc
Registered in
England and Wales
No 2366970
Registered Office:
Westwood Way
Westwood Business Park
Coventry CV4 8LG

However, we do understand the concerns Ofgem may have during the period of change for the introduction and embedding of the 'Consumer Protection from Unfair Trading Regulations' and would support a decision to extend the LC to allow the changes to effectively take effect.

The consideration, in our view, is not that consumers will not be protected by the removal of the LC, but that groups seeking to protect consumers by initiatives such as No Cold Calling zones may view the LC removal as an extra, albeit unnecessary, incentive to proliferate zones further and, thus, curtail consumer options to switch suppliers.

Alternatively, do you consider that industry self-governance arrangements, including the EnergySure Code are sufficiently effective that the marketing conditions can be removed in April 2008?

The EnergySure Code of Practice for the Face-To-Face Marketing of Energy Supply exceeds the standards of consumer protection currently required by law and aims to promote consumer confidence. All the main energy suppliers, operating in the residential market, in Great Britain are members of the Association.

The ERA is committed to improving customer experiences with their Electricity and Gas Suppliers, leading on areas such as industry good sales practice and protecting vulnerable customers.

Every supplier has a comprehensive annual compliance audit of its doorstep practices by an independent party. Energywatch direct selling complaints have reduced dramatically. In November 2006, complaints were less than 3% of those experienced in 2002.

The success of the AES Code has provided a sound basis for consumer protection and redress within the Energy sector. On this basis we feel that the current legislation and consumer protection is sufficient to remove the marketing conditions in April 2008.

Yours sincerely

Jon Harley
E.ON UK