

**Workshop on the code of practice for the
installation process in the domestic sector
30th September 2010**

N.B. Content does not represent a preferred option or view by Ofgem/DECC.

PURPOSE OF CODE

- There was widespread support among attendees for a code of practice for the installation process in the domestic sector.
- There was general agreement that the installation code of practice did not need to be consumer facing, in the sense that it would not be a document that consumers would access directly. It was noted that suppliers would be able to develop their own customer-facing materials, such as customer charters, which could communicate the commitments in the code of practice to consumers. Some suppliers explained that they have already started to develop these charters
- There was broad consensus that the purpose of the code of practice should be to deliver a positive experience of installation and to ensure that all customers receive good service. There was agreement that it should provide minimum standards for installers and suppliers, but there was debate around the level at which this minimum should be set.
- Several attendees suggested that the code of practice should form one part of a wider consumer engagement strategy. This should involve special considerations for the vulnerable among other things.
- Several attendees suggested that the code should aim to help consumers achieve energy efficiency savings.
- Suppliers asked that the code should complement and not duplicate existing industry codes and consumer protections, instead making reference to these other protections where necessary. Where additional protections may be required, attendees felt that consideration should be given to whether these are addressed through the code or using other mechanisms, such as modifications to licence conditions.

CONTENT OF CODE

- There was support for an appointments process, but consumer groups felt particularly strongly that this should be tailored as closely as possible to customer needs, and in some cases, the needs of specific groups such as the vulnerable. It was also suggested that appointments should be kept as brief as possible.
- Attendees highlighted the importance of information provision to customers. There was agreement that whilst information provision would vary between suppliers, it would be beneficial to ensure that key messages are consistent. Some consumer representatives suggested that clear branding and a standard consumer information pack might help.
- Verbal and physical demonstrations of the smart metering equipment (in particular, the in-home display) along with written instructions, were felt to be a key part of the visit, and an important factor in helping ensure benefit delivery. There was general acknowledgement that both of these elements should enable other members of the household, not present at the installation, to understand and use the equipment.

- All parties agreed that 'hygiene' measures, such as cleaning up mess, should be part of the code. Industry members felt it was important that installers should not be required to go to unreasonable lengths, such as removing shoes (which could compromise safety).
- The issue of meter location was discussed, but it was felt that this would be picked up better in industry codes and should be discussed elsewhere
- Suggested mechanisms for post-installation customer care included: contact details for problems; further advice; a clear complaints procedure including clarification of responsibilities; and a maintenance procedure.
- Some consumer representatives felt that there should be an obligation for a follow-up appointment, as a means of discussing any problems with the meter or IHD, and benefits to be gained from their use.
- Discussion took place around when the installation process should be defined as complete. It was suggested that the first correct bill should be the closing point of the installation process.

SALES AND MARKETING

- Concerns were raised regarding sales and marketing activities during the installation process, particularly for vulnerable consumers. Some consumer groups argued that it is not effective to rely solely on cooling-off periods to manage sales.
- At the same time, some attendees emphasised that the installation visit would be a rare opportunity to increase take up of energy efficiency measures, and that some consumers might benefit from learning about other products and services.
- Attendees voiced a spectrum of views between these two stances. However, there was general acknowledgement of the need to achieve a balance between focusing on the primary aim of the visit (i.e. installation of smart metering equipment) and sales activity.
- A range of possible options were suggested to address concerns about sales and marketing at the point of installation.
 - The initial contact letter could allow consumers to opt in, or opt out, of being sold products or given further energy efficiency advice.
 - Sales activity during the installation visit could be allowed provisionally and kept under review, for example by using 'mystery shoppers'.
 - Discussion of further products could be allowed during the installation but include the requirement that no contracts can be signed during the visit itself.
 - Discussion of further products could be limited to follow-up contact after installation.

GOVERNANCE

- No consensus was reached on the appropriate regulatory framework that should sit around the code. Consumer groups were keen that the code should be mandatory, underpinned by high-level licence obligations and with strong supporting governance arrangements. Suppliers favoured a more self-regulatory framework, and felt that building too much of the code into licence conditions would make it more difficult to modify over time. Questions were also raised about whether licence obligations should be limited to the duration of the rollout.
- There was general agreement that a process should be put in place to allow amendments to be made to the code during rollout, in the light of experience.
- There was support for the idea of an audit process, but some discussion over how far the audit should go. Some attendees suggested that the audit should measure compliance with the code in areas such as tariff sales and contract signing during the visit. Industry were supportive of a degree of oversight by Ofgem, but keen that any audit should not place direct responsibility for reductions in energy use with suppliers.

PROCESS FOR DEVELOPMENT

- Both the ERA and Consumer Focus noted that they have been working on drafts of the code of practice to help inform thinking in this area.
- Requests were made for the programme to clarify the process for developing the code and the implementation timeline. Consumer groups argued that Ofgem should have a key role in providing guidance on the content of the code and asked that the Authority have a role in approving the final code.
- A request was made that a voluntary provisional code should be put in place as soon as possible, and that this provisional code should closely reflect the final code.

NEXT STEPS

- It was considered beneficial to hold a follow-up workshop on the installation code of practice and a separate workshop on sales and marketing at the point of installation. There will also be a separate discussion on the topic of a code of practice for the non-domestic sector.