

FAO:Louise van Rensburg

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Dear Louise,

Thank you for giving us the opportunity to comment on The Retail Market Review – Updated proposals for businesses (Reference 134/12 dated 26 Oct 12). My response is only concerned with Chapter 6 – Third Party Intermediaries.

I should point out from the outset that Overheads UK is a member of the Association of Cost Management Consultants and that we already abide by the ACMC Code of Conduct – see http://www.theacmc.co.uk/code_of_conduct.php. If we are going to have a single COP I believe that the ACMC code of conduct could be used as a valid starting point. It is clear, simple and not too lengthy. It may not cover everything that OFGEM wishes to see in a COP but I would suggest that it is probably better to start from a short, simple document and add to it than starting from one that is perhaps 20 pages or more! At the end of the day, whatever COP is produced must be something that our business customers are prepared to read should they feel the need.

Here are my comments on the 5 questions that you posed in Chapter 6:

Question 19: Do stakeholders agree with the proposal for Ofgem to develop options for a single Code of Practice (the Code) for non-domestic TPIs? **Yes, for all of the reasons stated in paragraph 6.18, it is far better to have a single COP than numerous different ones produced by individuals, suppliers or groups.**

Question 20: Do stakeholder consider the Code should apply to all non-domestic TPIs (including those serving small business and large businesses)? **Yes, there is little point in having a COP unless it applies to all TPIs. The ACMC already has a single COP even though we are a fairly disparate group of companies. However, it is important that the OFGEM COP caters for all the different types of TPIs. For example, those that do/do not take commission from suppliers and those that do/do not agree gas or electricity contracts on behalf of suppliers. Clearly, this is where much of the discussions of the TPI working group should be focused and for that reason the TPI working group should include representation from as many TPIs as possible/practicable.**

Question 21: What do stakeholders consider should be the status of the Code, the framework in which it should sit, and who should be responsible for monitoring and enforcing the Code? **Note 76 on page 51 of the document questions the status of the COP by asking ‘whether it would be compulsory for all TPIs’ and goes on to state that ‘a number of respondents proposed that a TPI Code should be linked back to a licence condition on suppliers to only work with Accredited TPIs.’ Personally, I tend to agree that it should be compulsory and a sensible way ahead is for suppliers only to work with Accredited TPIs. However, that will only work if the COP is not too onerous and that accreditation is affordable for smaller TPIs (like Overheads UK). As for who should be responsible for monitoring and enforcing the Code, I think it should be OFGEM because there is no suitable industry body and any other third party is unlikely to be completely independent or unbiased.**

Question 22: Would you like to register your interest in attending the TPI working group? **Yes, I am keen to be involved in the Working Group. I notice that you are planning on convening the working group sometime in December so I would be grateful if you would let me know the details as soon as you are able.**

Question 23: What issues should Ofgem consider in the wider review of the TPI market? What are the benefits and downsides to looking across both the domestic and non-domestic market? **Overheads UK have very little interest in the domestic market and think there should be a separate COP for those TPIs who deal with domestic customers.**

Please let me know if you need anything else.

Kind regards,



Mark Frazer



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