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Ofgem
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Date: 19.12.12

Ref: **Ofgem Consultation The Retail Market Review – Updated proposals for businesses**

Dear Louise

In answer to the specific questions raised Power Efficiency responds as below. It has set out its own thoughts on what should be covered within The Code on several occasions including our original submission dated 15th January 2012. We have no reason to revise these views.

6. **Third Party Intermediaries**

Question 19: Power Efficiency (PE) does agree with the proposal for Ofgem to develop options for a single Code of Practice (the Code) for non- domestic TPI's.

Question 20: We do consider the Code should apply to all non-domestic TPI's, which will include those serving small business and large businesses. This should include all market participants including public sector buying organisations and all other form of energy brokers.

Question 21: The Code should be mandatory and could be enforced through a licence condition on suppliers so that they may only offer contracts to TPI's that are signatories to The Code. In that way Ofgem will, in effect, be regulating (through The Code) the manner in which TPI's operate (this is essential). If Ofgem is not able to be directly responsible for monitoring and enforcing The Code, a suitable body will have to be delegated that responsibility. It has been suggested that ESTA under Alan Aldridge's stewardship would be a suitable body to carry out this function and PE is supportive of this suggestion.

Question 22: As PE has made clear previously I would be very keen to register my interest on PE's behalf in attending the TPI working group and will work to ensure that a satisfactory solution to this issue is achieved.

Question: 23: There are TPI's working to different business models. Power Efficiency operates within the sector, acting mainly for medium to large energy users, where TPIs contract directly with end customers to provide a defined level of service, accessing the market to obtain the 'best' solution for its client.

Our fee is independent of the choice of supplier and, therefore, we have no conflict of interest when recommending the best supplier for the customer. Other TPI's operate in a different manner and The Code needs to show this differentiation clearly.

It is difficult to draw clear definitions of 'smaller business users' that might benefit from such TPI control therefore, in this context such a Code must apply to the business sector in general.

The introduction of a universal Code of Practice should be used to help differentiate fully independent TPIs (those that will facilitate access to a good range of suppliers without financial favour) from those that might operate in a less than fully independent manner.

Controls must be seen to improve the customer experience, rather than inhibit the actions of those professional bodies whose role it is to ensure that consumers get the best from the supply market. Part of OFGEM's brief is to enable customers to switch supplier more easily, the role of informed TPI's is a major facilitator of this.

Yours sincerely

Arthur Gibbons
Director