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2nd January 2013

Dear Louise
Response to RMR Consultation

I must apologise that this submission is late but trust that you will still be able to consider it within your deliberations.

We made the point in our previous response that it was difficult to comment on a document with so many variables and recommended a final document with some firm suggestions. Whilst acknowledging that there have been some moves in the majority of the document with positive suggestions, the Tpi section still has few firm recommendations and therefore our response may be less than what would have been expected. We made comments on the original document which may not still apply due to there having been a change in the suggestions. Overall we believe the number of options contained in the Tpi section could lead to "overkill" with a) A code of Practice b) The mis-selling regulations c) The suppliers Standards of Conduct which will almost certainly be fed down to the Tpi through the Tpi/supplier agreement. In reality one of these alone would suffice.

We would caution against trying to introduce a CoP that covered the whole range of Tpis from those dealing with hundreds of thousands of customers in the domestic market, switching sites which will have one set of rules for domestic and another for business and the face to face Tpi. The UJA have found it difficult to deal with two of these sectors but due to the vast knowledge we have gained through experience over the few years we have been operating, we will be merging the two in the future.

SECTION 3 SLC7A

Extending Protections

Having gained some success from the Probe in allowing consumers a real input as to whether they were micro businesses the "control" appears to have moved back to suppliers. There is no requirement for annual statements of consumption in this sector of the market, therefore having put monetary figures on the definition there must be a way of amending this. With the expected increase in energy bills, within two years' time the number of firms covered by SLC7A will gradually diminish without the increase in the financial figure. UJA acknowledge that the micro business definition is retained.

The claim that the definition will cover some 91% of all non-domestic meters is to say the least misleading as the definition as it stands applies to businesses not meters (sites). If the claim is to be justified then SLC7A should apply to meters (sites) not businesses. This in fact could be a way of introducing more sites into the definition.

Mandate contract end dates of bills

This appears to be a good thing which UJA support. However, there is a minor worry that a giant database of end dates could be manufactured for marketing.

Termination Notice

UJA support this. It raises a broader question that as the Ombudsman Service is involved in the disputes over 7A for micro businesses will this service be extended to the new definition.

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Rollovers

With the introduction of the above suggestions the rollover issue must not be put on the backburner, especially as the Energy Select Committee has now called for action in regard to the use of rollovers for overcharging consumers, a practice the UIA has continually highlighted.

SECTION 4 DEBT BLOCKING (OBJECTIONS)

This was being actively debated by Ofgem as far back as 2008 and still the process is not fit for purpose. The only way it will become so is when Ofgem applies its new powers that are suggested in the Energy Bill, of compensation for consumers when it is mis-used.

SECTION 5 STANDARDS OF CONDUCT FOR NON-DOMESTIC CONSUMERS AND SLC7B

This is for others to comment on but it seems very broad and vague and whilst applauding the aims we cannot see how it can be enforced without great effort by customers and much analysis from Ofgem whereas consumers are looking for quick and decisive action. We await the new enforcement rules which we understand are work in progress.

SECTION 6 THIRD PARTY INTERMEDIARIES

The first thing that the UIA must state is that virtually everything Ofgem is suggesting should be done has already been done by the UIA. This was in fact at the request of Ofgem and in consultation with the Office of Fair Trading; facilitated by Ofgem, and the UIA cannot see why a successful customer orientated CoP with a Redress Scheme supported by the OFT cannot be adopted by Ofgem for the industry. The UIA has consulted market stakeholders when first writing the CoP and has recently invited market stakeholders to contribute to an update of the code.

The UIA code is still available to be adopted by Ofgem; with amendments, and to be administered by the UIA as the relevant Trade Association for Tpis. The OFT recommend that a Trade Body is custodian of a Code of Practice and has a good template which the UIA has followed as near as possible in the Code construction. In addition the OFT has made complimentary statements in regard to the UIA code. The Business Innovation and Skills Department also suggests this approach. This would be following the precedence that has already been set by using the ERA to administer sales Codes of Practice and recently the Renewables Association has introduced a Code via the OFT. We welcome the opportunity to be part of the working group having walked this path before and knowing all the various alternatives we would not wish to comment at this stage except to say that we do not believe any Code can be compiled without knowing FIRST: Who will finance it? What Tpis it will apply to? What customers will it apply to? Who will administer it? How will Tpis be mandated to adhere to it?

Whilst not wanting to start a comparison between the two primary codes within the sector, at the present time one must highlight the differences to inform any debate that follows.

- Tpis have joined one code voluntarily to become Members and Tpis have been forced to join the other if they wish to represent the customer by searching the whole market.
- Tpi and supplier Members pay for the administration of one and a single supplier pays for the administration of the other
- One has a formally constituted administration and is owned by the members via a not-for-Profit Company which includes Tpis and suppliers, the other is not transparent in this matter.
- One truly is like the Ombudsman service in the way that it operates and is financed i.e. is complaints based, the other is audit based as far as Tpis are concerned with a complaints system. With over 500 Tpis in the market the UIA is against an audit of the workings of Tpis in that the market is competitive thus bringing with it its own controls and incentives; much of the auditing at the moments appears to be meaningless and would be almost impossible to formulate in such a diverse market; there are many issues of confidentiality to overcome and it is an unnecessary cost, to the consumer, to deal with what are a few rogue brokers which those operating in the market already are aware of. Those rogue brokers in existence are very clever in that they will manipulate any audits so that they pass. The only way to deal with them is quick and effective complaint dealings

- One has a fully transparent independent redress scheme; one is not transparent in this matter and leaves it to the supplier to sort problems.
- One has had input from the Office of Fair Trading and a meaningful comment and one has been created by a single supplier.

A future code should be simple but effective at the lowest cost to the customer (as he will ultimately pay)

The effectiveness will be measured by the reduction in complaints received by the various regulators.

Ofgem is seeking to control the suppliers' sales force by the implementation of several Standards of Conduct. One alternative would be to use of a similar tool together with the new powers of enforcement of Tpis in the new energy bill would be sufficient

The UIA works in the whole I & C sector and has seen issues around contracting with larger consumers that really needs a CoP to regulate. It is a fallacy to believe that the larger customers do not need protection. It is argued that they don't but many do not actually know how they are being affected and if they don't need the protection they won't use it. It is very unusual for a Tpi to only work in the small business sector as per the new specification in the RMR. To define the code this way would be an unnecessary demarcation.

Please do not hesitate to contact us if anything is unclear or you require further comment on any issue.

Yours sincerely

For and on behalf of the Utilities Intermediaries Association



R. R. Sinden
Operations Director