

The background features a large, stylized white arrow pointing to the right, set against a blurred image of a modern building with a glass facade and a large, glowing, abstract shape resembling a stylized 'G' or a light fixture. The overall color palette is light blue and white.

Summary: Ofgem's views to date

Non-domestic Third Party Intermediary
(TPI) working group

Monday 22 April 2013

Background

- Over the past 4/5 years, Ofgem increasingly aware of issues non-domestic energy customers and suppliers have had with TPI's
- These included misselling, claims that fees not transparent, and our own surveys that showed lack of trust was more apparent in relation to TPIs than suppliers.
- This deeply concerned us:
 - customer detriment, and
 - TPIs play a significant role in the non-domestic market so a lack of trust could adversely affect the market (leading to additional customer harm).

Background

- In our retail Market Review, we considered a number of options, including accrediting TPI codes.
- But overwhelming call:
 - for there to only be one Code
 - for it to be mandatory
 - for it to be administered by an independent body
 - that this body is ideally Ofgem
 - and for this to be put in place as soon as possible


Background

- We are currently reviewing the regulatory framework for TPIs and Ofgem's role in it, more broadly (both domestic and non-domestic)
- But given calls for the non-domestic TPI Code to be put in place asap, we decided to start work on the Code contents in parallel, knowing the Code could not be finalised until the regulatory framework (and therefore the monitoring/enforcement) was known.

Background

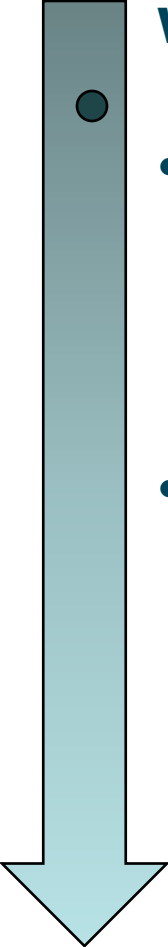
- We recognised that we would need input from industry stakeholders.
- We formed a working group:
 - Purpose of working group is to inform our views as we develop a non-domestic TPI Code.
- We are also taking into account other views from stakeholders not 'sitting at the table'.
- We will be consulting on our Code before anything is finalised.

Timeline of Working group

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- Meeting 1: February 2013
 - Who would the code cover & what is a TPI
 - Meeting 2: Beginning March 2013
 - What are the problems we want to fix & framework for Code
 - Meeting 3: End March 2013
 - Started populating framework
 - Meeting 4: April
 - Recap & continue with code elements
 - *Meeting 5: May*
 - *Options for regulatory framework*
 - *Meeting 6: June/July*
 - *Review Code against options*

Meeting 1: February 2013

Who would the Code cover?

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- Non-domestic Third Party Intermediaries (TPIs):
 - Only non-domestic, full range of market: those serving micro business right up to large businesses
 - Focussed on energy supply (recognising services may span other)
 - Not energy suppliers
 - Under current regulatory framework, suppliers are licensed entities and therefore the supply licence is the appropriate place to set out binding rules for suppliers
 - But recognise importance of facing the same rules/customer expectations. Will consider how best this can be reflected, depending on regulatory framework adopted by Code.

Meeting 1: February 2013

What is a non-domestic TPI?

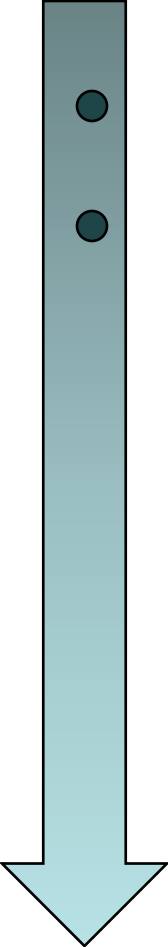
- For the purpose of the proposed Code, a non-domestic TPI is a person engaged in activities that involve acting as an intermediary between a non-domestic Consumer and an active Supplier.

Objective of the Code

- Protect the interests of non domestic consumers and, in particular, their interests in having the confidence that when using a TPI for energy related services, the TPI will act in an honest and transparent manner and effectively assist them with their energy needs.

Meeting 2: Beginning of March 2013

What are the key problems the Code is trying to fix?

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- No central body able to collate numbers of TPIs or numbers of complaints, so definitive % not possible now. But key themes from working group (through experience) identified the following main issues:

- call harassment/ pressure selling
- misleading information
- lack of clarity about the existence of fees
- unscrupulous lead generation
- lack of trust in the TPI market

Note: a perception of untrustworthiness not always linked to actual numbers, but can be highly detrimental

Meeting 2: Beginning of March 2013

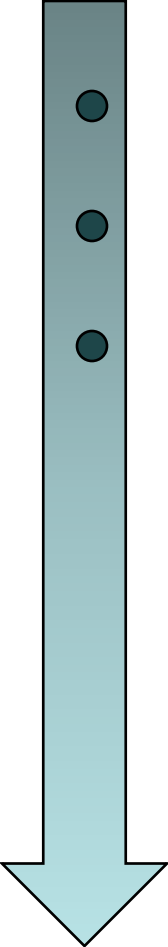


What Code framework to use?

- Groups considered applicability of OFT framework.
- Majority of elements deemed to be applicable.
- Ofgem adopted this framework to frame the future discussions of the Code contents.

Meeting 3: End of March 2013

Code framework elements discussed:

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- Training
 - Clear and truthful selling, marketing and advertising
 - No high pressure selling techniques
 - Pre and post contractual information
 - Good customer service

Meeting 4: April 2013



Code summary to date

Further Code framework elements to be discussed:

- Commission/Fees
- Complaints

The remaining elements around monitoring and enforcement will need to be discussed with a regulatory framework in mind – so, in later sessions

The building of the Code



- We have started pulling together the Code, building on the discussions to date

- The Code contents have the Objective as an over-arching requirement

3. Objective of the Code

3.1. The objective of this Code (the 'Objective') is to:
'protect the interests of non domestic consumers and, in particular, their interests in having the confidence that when using a Third Party Intermediary (TPI) for energy related services, the TPI will act in an honest and transparent manner and effectively assist them with their energy needs.'


The Code signatories shall take all reasonable steps:
a) to secure the achievement of the Objective; and
b) to avoid doing anything which jeopardises its ability to achieve the Objective.

The steps which the signatories shall take to secure the achievement of the Objective shall include, without limitation, all steps which are in chapter 3.

All TPis who sign up to this Code of Practice agree to take all reasonable steps to interpret and apply the Contents of the Code in a manner consistent with the Objective.

- Will send around for initial comment after today's elements have been incorporated

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 - *Meeting 6: June/July*
 - *Review*

The logo for Ofgem, consisting of the word "ofgem" in a white, lowercase, sans-serif font, centered within an orange rounded rectangle. The background of the slide features a collage of images: solar panels on the left, a gas valve on the right, and a blue gas meter at the bottom left, all set against a light, hazy background with a large white arrow pointing right.

ofgem

Promoting choice and value
for all gas and electricity customers