

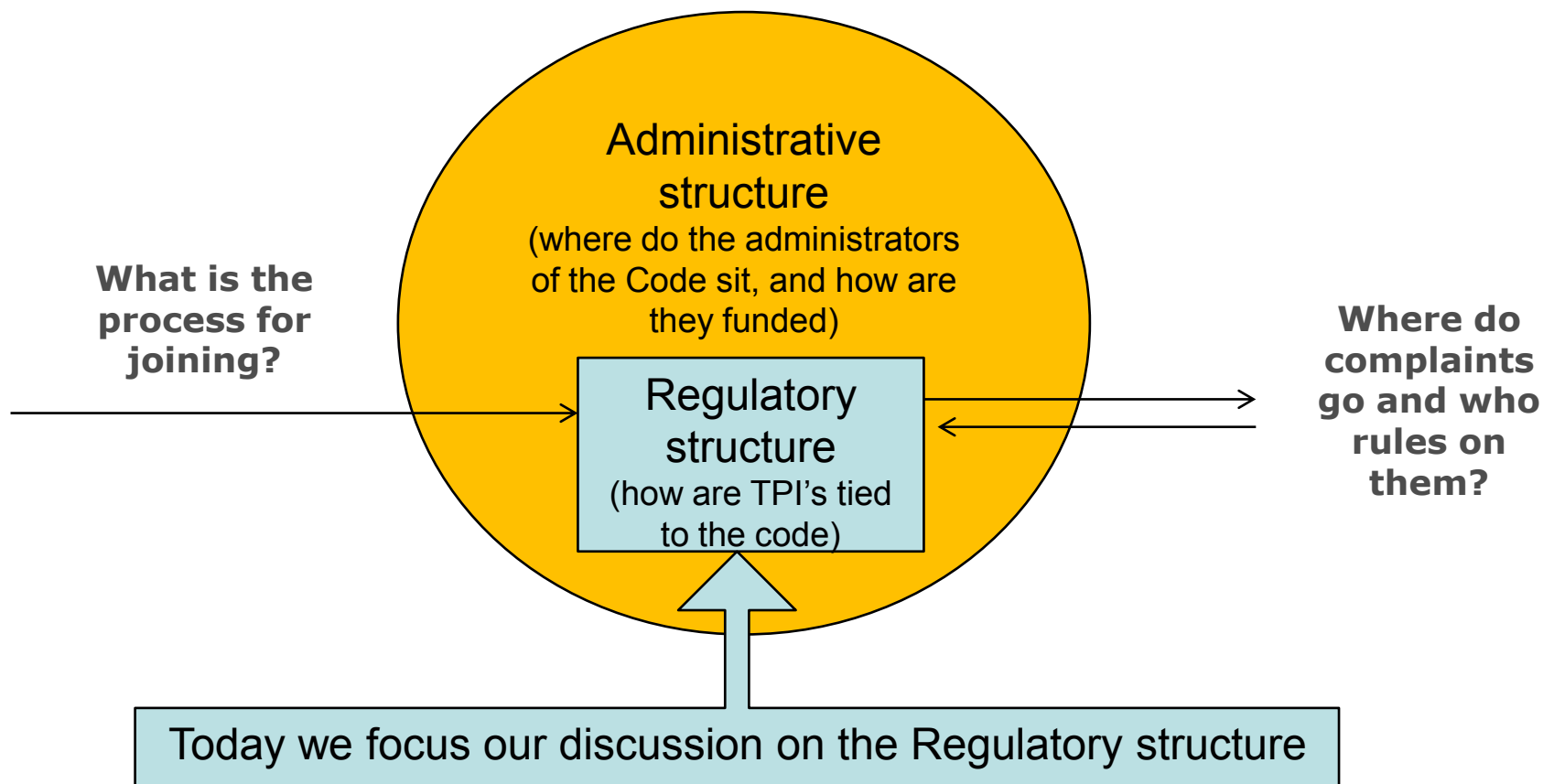
The background features a large, stylized white arrow pointing right, overlaid on a collage of images including solar panels, a white ceramic swirl, and a blue scalloped edge. The text is centered over this background.

# **Non Domestic TPI Code of Practice**

## **Regulatory Options**

**5<sup>th</sup> Session – 23<sup>rd</sup> May**

# There are a number of decisions needed, other than on the contents of the Code



## Regulatory Options – There is a wide spectrum of options

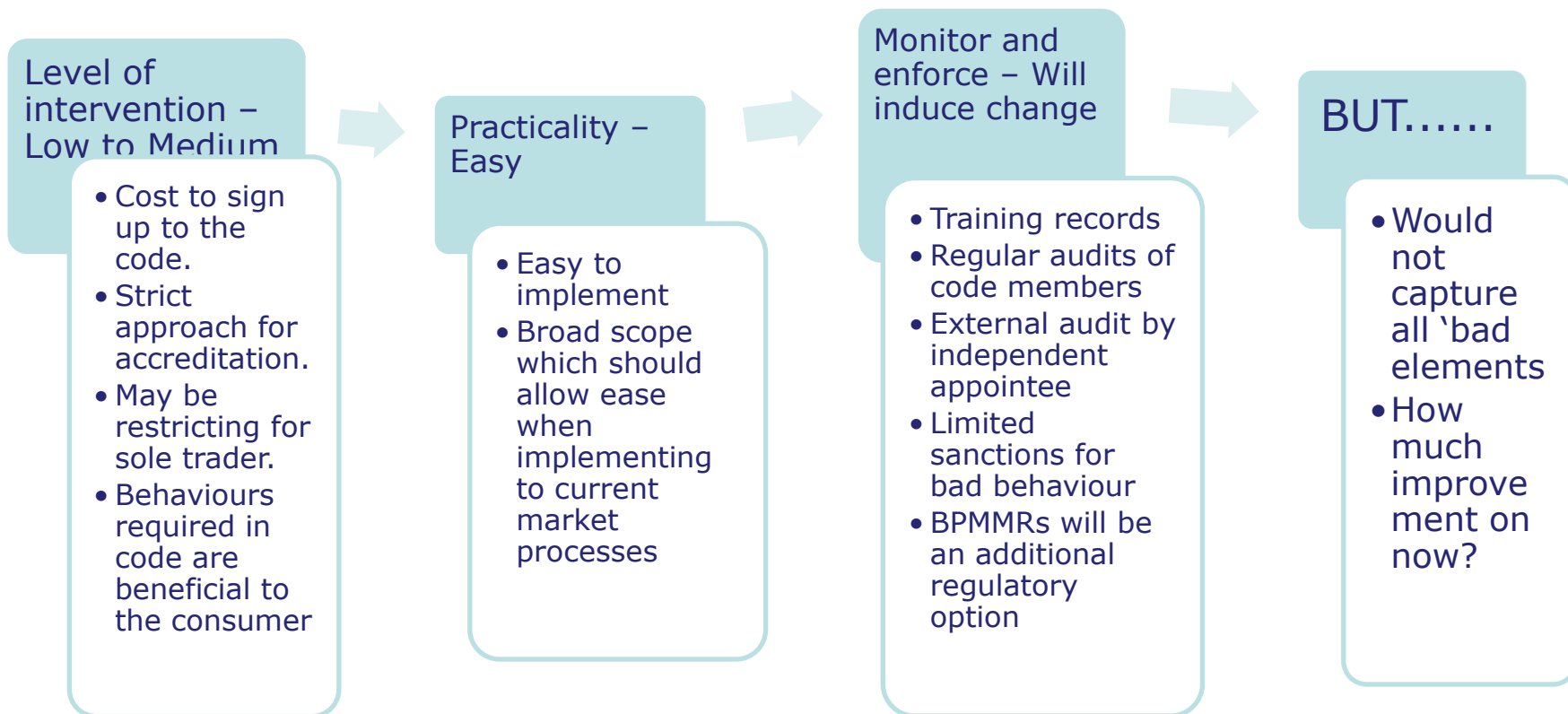
<i>Option 1</i> <i>Code of Practice</i>	<i>Option 2</i> <i>Voluntary Code of Practice</i>	<i>Option 3</i> <i>Code of Practice</i> <i>SLC accreditation</i>	<i>Option 4</i> <i>Licence TPIs</i>
No cost to be a member	Cost to be a member	Minimal cost to be a member	High level of regulatory intervention
No Audits/Governance/No sanctions	Audits/Sanctions will be part of the code	Strong sanctions for bad behaviour /breaches	Strong sanctions for bad behaviour /breaches
Will cover ALL TPIs	May not cover all TPIs	May not cover all TPIs	Will cover ALL TPIs
Reliant on TPIs adopting the Code	Significant cost for a proportion of TPIs	Will require a change in both TPI/Supplier behaviour	Significant costs associated for TPIs
Quick implementation	Quick implementation	Longer implementation timetable	Longer implementation timetable

## Discussion Option 2: "Narrow and Deep" Voluntary Code

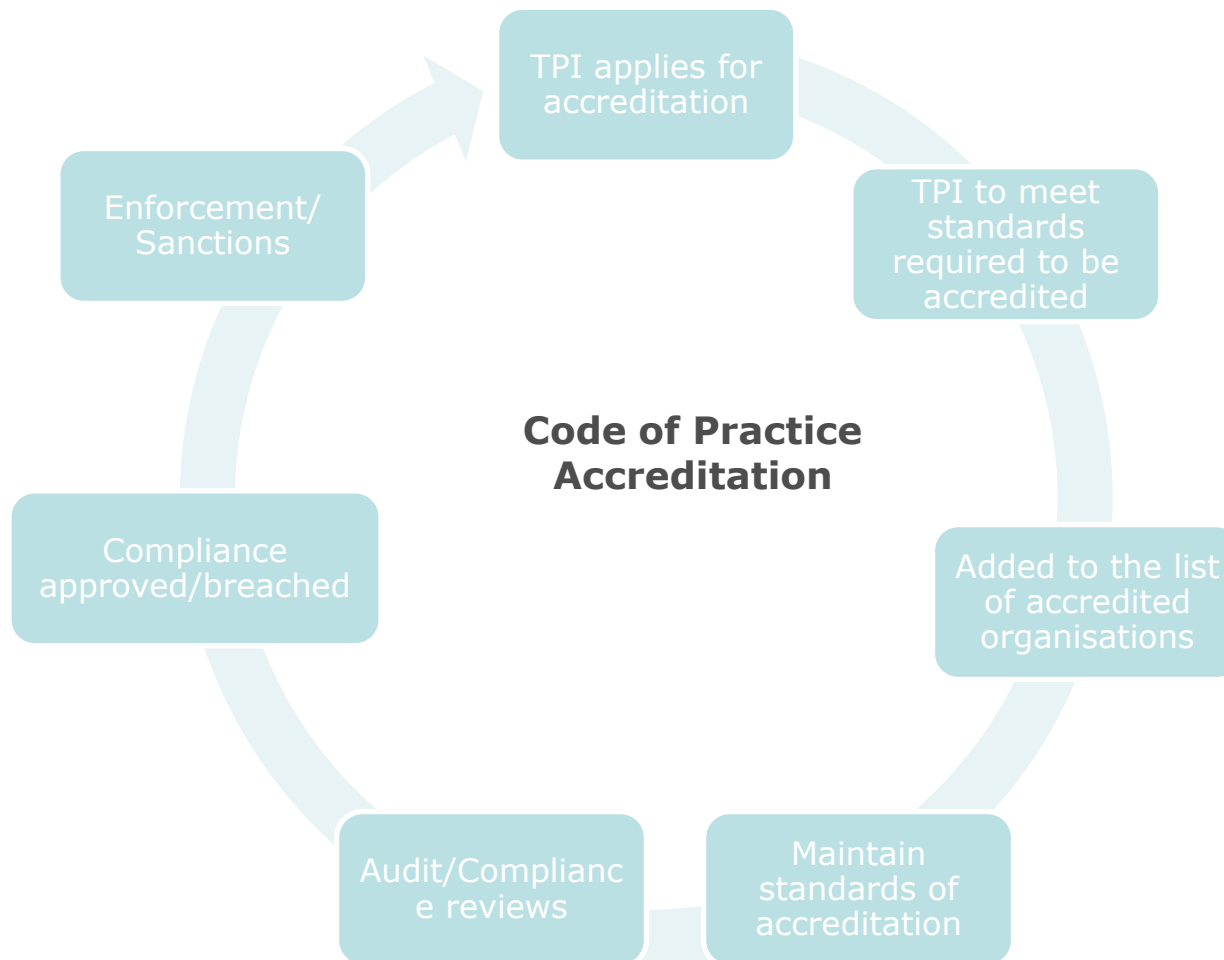
Narrow: Cost to belong to the CoP, would not include all TPIs

Deep: Strong auditing and monitoring regime

Would rely on strong consumer brand awareness, main sanction 'to be excluded from Code'



# Accreditation life cycle



## **Discussion Option 3 : “Broad and Shallow” Code of Practice backed by supply licence requirement to only use accredited TPIs**

Broad: Minimal cost to join

Shallow: No auditing but investigation of complaints and very strong implications of sanctions (risk to livelihood)



- Minimal cost to sign up to the code.
- Lighter approach for accreditation.
- All TPIs would need to be registered and identifiable
- Less restricting for smaller entities than Option 2

- More difficult to implement than option 2
- Behaviours required in code are beneficial to the consumers
- Require a change in supplier/TPI behaviour
- Require up to date register and alerts to suppliers when a TPI is sanctioned.

- Training records
- Audits internally by code members
- No external audits
- Strong sanctions for bad behaviour
- BPMMRs will be an additional regulatory option

- Will this continue to highlight and capture rogue practices?

## Which option best aligns customer protection and proportionality?

### Some suggested Pro's and Con's

#### Option 2

##### Intervention-Low/Medium

- **Pros**
- Easiest option to implement
- Quickest option to implement
- Broad scope of Code of Practice will cover the 'TPI'/^Consumer' Journey
- **Cons**
- Will not include all TPIs
- Strong auditing and monitoring regime – Could be costly
- Will not capture all 'bad elements' of the market, if they don't join.
- Would rely on strong consumer brand awareness as a draw card for membership

#### Option 3

##### Intervention - Medium

- **Pros**
- Stronger potential sanctions than option 2
- Smaller cost to become a member
- More acceptable level cost to TPIs?
- Wider TPI coverage
- Will reduce rogue practice – long term
- **Cons**
- Could affect new market entrants
- Negative effect on competition if TPIs do not sign up to the CoP
- Less audit intervention may see an initial rise in rogue practice