

Third Party Intermediary (TPI) stakeholder conference

Minutes for the Third Party Intermediary (TPI) stakeholder conference	From Attendees	Ofgem Energy suppliers, consumer organisations, Independent TPI code administrators, TPIs, collective switching groups
	Date and time of Meeting	Friday 11 October, 10am-16.30pm
	Location	10 Greycoat Place, London SW1P 1SB

1. Introduction

[Slide 2]

- 1.1. The conference was introduced and chaired by David Hunt (Head of Retail, Ofgem). Over 70 attendees were present at the event.
- 1.2. The slides referred to in this document, and used at the event can be found [here](#).

2. Welcome and Introduction to the Third Party Intermediaries (TPI) Programme

[Slides 3 – 6]

- 2.1. Maxine Frerk (Partner Retail Markets & Research, Ofgem) welcomed attendees and thanked them for their time. The event provided the opportunity for a good mix of representatives in the TPI space including suppliers, consumer bodies, domestic switching sites, non domestic TPI brokers and others.
- 2.2. The stakeholder event was an important step in informing Ofgem’s work. The event objectives were:
 - 2.2..1. To update and discuss key points and concerns which have been raised throughout the consultation published in June entitled “*Third Party Intermediaries: exploration of Market Issues and Options consultation responses*”¹ and to gain further stakeholder feedback.
 - 2.2..2. To inform stakeholders of the TPI Programme, its structure, focus areas as well as next steps.
- 2.3. The TPI Programme seeks to protect the interests of consumers by giving them the confidence that when they use TPIs for energy related services, they will be honest, fair, appropriate and transparent in order to assist them effectively.
- 2.4. At present there is no single regulatory framework governing how energy TPIs operate (lack of clarity on the rules governing TPIs can create various barriers to consumer engagement).
- 2.5. Part of Ofgem’s Retail Market Review (RMR) commitment was to examine the role of TPIs and assess the regulatory framework within which they operate (for both domestic and non-domestic energy retail markets).
- 2.6. It is recognised that there have been, and continue to be, significant changes in

¹ <https://www.ofgem.gov.uk/publications-and-updates/third-party-intermediaries-exploration-issues-and-options>

energy market (new rules under RMR; smart meter roll-out; development of Smarter Markets to name a few). This will increase the role of TPIS in the energy market and greatly impact on the consumer experience.

And it is with this view of the market that Ofgem are looking at the TPI market.

3. Presentation: TPI programme overview

[Slide 7 & 8]

3.1. Meghna Tewari (Senior Economist, Retail Markets / TPI Programme Manager, Ofgem) presented an overview of the TPI Programme at Ofgem.

3.2. The Programme was established earlier this year and is currently made up of the following projects which were formed following consideration of market research and analysis:

- Overarching TPI Workstream (looking at the long-term enduring framework for TPIS in energy retail markets).
- Specific TPI projects, given that we are aware of more immediate developments in the market:
 - Collective Switching.
 - Confidence Code.
 - Non-Domestic TPIS.
 - Domestic TPIS & Other Issues.
 - Community Energy.

3.3. Ofgem's Issues and Options consultation in June sought views on Ofgem's assessment of the TPI market, possible developments and stakeholders' preferred options for an enduring regulatory framework.

3.4. Thanks to all those who responded – there was a strong response to the consultation from a variety of stakeholders. Ofgem truly values stakeholder feedback in terms of informing next steps.

3.5. The key themes from the consultation broadly focused on:

- Definition and scope for a TPI - the range of TPIS and TPI related activities considered was broad but with the potential developments within the market and the fact that the nature of TPIS is set to change, Ofgem is keen to develop and implement a regulatory framework that is flexible to these changes.
- Issues around fee transparency and commission charges
- Governance - proposed framework should it be industry or Ofgem-led or run by an independent body?
- Domestic and Non-Domestic markets to be considered separately. Immediate versus long-term action – mindful that there are issues that may require immediate attention and therefore the programme is structured to reflect on this. We are committed to addressing current issues in the TPI space on a priority basis.

- Smart metering and development of smarter markets: will create significant opportunities for increased TPI activity which could impact on supplier relationships with their customers.
- 3.6. Next steps for Ofgem will include continued stakeholder engagement to inform our policy development
- 3.7. Meghna then invited the Project Managers for each of these projects to present, outlining their current thinking and progress in their respective project streams.
- 3.8. Additionally, the Smarter Markets team were invited to update on the work they are undertaking and how this overlaps with energy TPIs and therefore, our overall Programme.

4. Presentation and Q&A: Collective Switching Project

[Slides 9 & 10]

- 4.1. Stew Horne (Senior Manager - Consumer Empowerment and Behaviour, Ofgem) presented an overview of the Collective Switching Project.
- 4.2. There has been rapid development of activity in the UK (starting with the Which/38 Degrees "Big Switch" in April 2012; and including schemes led by price comparison services & local authorities).
- 4.3. Key Consumer Benefits and Risks to Collective Switching were outlined.
- 4.4. Questions raised by attendees:

Q - What are switching rates in the domestic and non Domestic markets?

A - c. 14-15%

Q - Collective switching consultation, will it be domestic/ non-domestic?

A - It is likely we will only consult on domestic at this stage, although we are starting to see some attempts to organise non-domestic switches.

Q: How can you increase trust for customers?

A: Trust is fundamental, and Collective Switching is seen as effective because it is facilitated by a trusted third party. A parallel can be drawn with price comparisons, where we are sponsoring the Confidence Code which aims to facilitate trust.

- Q - In practice, did the 40,000 consumers that took part in the "Big Switch" get a better deal than they would have if they had gone through the normal market?
- Stakeholder Comment - No collective switching scheme has delivered a significantly better deal than was available in the market, despite the views that were expressed by the media.
- A - Collective switching schemes are structured in different ways. It is not always

about securing the best deal, but often about increasing consumer engagement in the market (including vulnerable consumers).

- Stakeholder Comment - There seems to be a keenness in government/ regulators to encourage collective switching. So there should also be regulation.
- A - We are in a world where we try to engage consumers who have not been engaged previously, to remove barriers to engagement, and we are looking to deal with these barriers. .

5. Presentation and Q&A: Confidence Code Project

[Slides 11 & 12]

5.1. An overview of the Confidence Code review was presented by Barry Coughlan (Economist, Ofgem). It currently acts as a voluntary code of practice for domestic price comparison websites.

5.2. There are currently 11 accredited sites; with several applications in process.

5.3. There have been no significant changes since the Code was transferred from Consumer Focus (now Consumer Futures) to Ofgem in March 2013.

5.4. The team are currently developing a list of areas for review, building on stakeholder input and previous work (CF consultations, Ofgem's RMR, research and legislation since 2011).

5.5. What we found to be a big problem is the lack of consumer awareness. Consumers are supportive of the Code's values, but are generally unaware of its existence

5.6. Next steps include regular engagement with stakeholders to finalise areas for review and to develop solutions and to build a fully worked-up set of proposals throughout the next six months, with a view to consult on code changes in Spring 2014

5.7. Questions raised by attendees:

Q - Is the focus going to be online?

A - Yes, the current focus is online. We have had requests to cover telesales, face to face etc. But for now, we are focusing on what we can do within the next year.

Q - The problem around the Confidence Code is accreditation. It may seem sensible that the whole company is accredited, rather than just the website.

A - We are very aware of this challenge. The same issue presents itself with respect to mobile sites/application. We are looking to address this.

6. Presentation and Q&A: Non-Domestic Code of Practice

[Slides 13 & 14]

6.1. An overview of the Non Domestic Code of Practice was presented by Heather Swan

(Economist, Ofgem).

6.1. TPIs play a significant role in the non-domestic market (around 80% of major energy users and 30% of smaller businesses use TPIs).

6.2. During RMR, a number of options were considered including accrediting TPIs. In summary, there were common calls for:

- One Code of Practice.
- A mandatory Code of Practice.
- Independent oversight of the Code (ideally by Ofgem).

6.3. The Code can only be finalised once the regulatory framework is clear. The Code content must be of high standard, despite time pressures. Better regulation principles dictate that we consult with stakeholders (this also takes time).

6.4. Next steps will involve consultation on the Code of Practice and other regulatory options for non domestic TPIs, and a governance structure by the end of 2013.

6.5. Questions raised by attendees:

Q: What is Ofgem minded to do?

A: A decision has yet to be made, and no option has yet been excluded.

Q: Will a licence Condition etc create a barrier to entry and could it cause competition issues in the market?

A: We will publish a consultation and impact assessment accordingly.

Q: What timescale are you setting for fleshing out monitoring/ enforcement?

A: We will address this in a December consultation (8-12 week consultation period).

7. Presentation and Q&A: Smarter Markets

[Slides 15 & 16]

7.1. An overview of the Smarter Markets Programme was presented by Robyn Daniell (Economist, Ofgem).

7.2. The Smarter Markets Programme has an overarching aim to make the market more efficient, dynamic and competitive, delivering better outcomes for consumers.

7.3. There are four components to the Programme in which reforms will be coordinated and delivered (this is likely to change over time):

- Change of Supplier - the opportunities/issues presented by faster switching.

- Electricity Settlement.
- Demand-side response - the role of intermediaries in addressing the challenges facing market development.
- The Programme will involve different phases of work spanning many years. It will consider consumer empowerment and protection – particularly the data and information needs of TPIs to effectively empower consumers in a smarter market

7.4. Question posed to attendees: "Are there any other areas stemming from the roll-out of smart meters that may be relevant to TPIs which could be included in the smarter markets programme?"

7.5. Questions raised by attendees:

Q: Problems have already surfaced with respect to interoperability of meters. Some suppliers cannot currently read the smart meters from another supplier impeding switching.

A: Interoperability is one of the concerns being addressed by the Smarter Markets Programme.

Q: Are you clear about different types of TPIs? There is a significant worry that this testing will be done without a sufficient amount of research.

A: The Programme will take into account different types of TPIs as a consideration. TPIs should not be made to do anything that suppliers are not required to.

Q: We're impressed with the Code of Practice, however with Smarter Markets, we have invested quite a lot of money - we are therefore worried that transparency would mean that we would need to share our cost model and thereby discourage further investment in smart technology. We already disclose all of our fees, but we don't want to give away how much we are charging for different elements of our cost model. How much of that cost do we roll into the supply contract?

A: This will be given consideration as part of the Code of Practice development (to be picked up as part of the Non Domestic Code of Practice)

Comment: This is also important for the TPI / supplier relationship, not only for TPIs.

Q: How does this interact with the RMR? This is really about what suppliers do in the domestic market. RMR brings tariff simplification - whereas smart metering will bring tariff complexity.

A: We are very mindful of the impacts of smart metering and the broader effect of Smarter Markets. Consideration of the interactions between the two will be factored in as part of our ongoing work

Q: Faster switching - what is Ofgem's objective timescale for the process?

A: The process currently sits around 5 weeks. Our ambition would be to bring it in line

with other sectors, e.g. banking - one week. Theoretically it is feasible in electricity to bring switching down to one day.

Q: Transparency to a point. What does that mean?

A: Transparency as much as possible for the consumer so it prompts effective engagement but without making it anticompetitive.

8. Presentation and Q&A: Community Energy & Licence Lite

[Slides 17 – 20]

8.1. Definition of Community Energy: predominantly renewable energy sources under 50MW in independent/community ownership, often with social renewal/revenue objectives. Examples include a community owned wind farm or community led energy efficiency service.

8.2. In line with our primary duty to protect consumers, Ofgem has an interest in community energy in terms of influencing policy and the provision of advice and guidance.

8.3. An overview of Licence Lite was provided. Licence Lite is a licence modification allowing parties to apply for a full electricity supply licence and a direction relieving them of their obligation to be a direct party to certain industry codes, provided that commercial arrangements are in place for a third party fully licensed supplier (TPLS) to discharge code compliance in these areas on their behalf.

8.4. Questions raised by attendees:

Q: Does Ofgem assume that TPIs will be prevented from becoming Licence Lite suppliers?

A: Not in principle. However, Ofgem are currently considering the Licence Lite guidance and any need for changes/updating.

Q: Is this similar to the gas market? i.e. shipper - supplier relationship?

A: Yes, there are clear similarities, although the Licence Lite arrangements currently apply only to electricity supply.

Q: Isn't there a risk that if a TPI can get a supply licence, this would cause a conflict of interest because they are no longer just 'intermediating'?

A: That is certainly a factor we will need to consider and will take this away.

9. Presentation from Consumer Futures

[Link to the slides can be found [here](#)]

9.1. Consumer Futures presented an overview of the research they have done in the area,

summarised their key findings and discussed their preferred options:

- Appropriate levels of consumer protection and regulation.
- Robust and mandatory accreditation scheme (Ofgem-led).
- Single code covering domestic and non domestic markets (and TPIs).
- New licence requirements on suppliers to only contract with accredited TPIs?

9.2. A schedule of upcoming Consumer Futures research papers was also provided.

9.3. Comment/discussion over display of commission:

- Uswitch: we are part of a voluntary Code of Practice, no details required on how this commission is composed. There is a difference between advertising that there is a commission and how much exactly the commission is. Suggestion that commission should be displayed for both non-domestic and domestic markets, however, no consensus was reached on this point.

9.4. Comment: Due to recognition that the markets and sectors differ wildly, none of the regulators are suggesting a single Code of Practice for all sectors or a single Code for domestic and non domestic. There was a general consensus that domestic and non-domestic Codes of Practice should be kept separate.

There is an argument that something like the Confidence Code should be extended beyond domestic switching websites.

9.5. Within non-domestic, there is also a question where, if anywhere, there must be a distinction between high energy use consumers and SMEs.

10. Afternoon breakout discussion – Briefing

10.1. David Hunt briefed attendees on the structure of the afternoon briefing and feedback sessions. The attendees then broke for lunch.

11. Breakout Session 1

11.1. The attendees were split into nine breakout groups, each with an Ofgem facilitator and allocated one of the three questions below:

Q1. What value do TPIs add to consumers in the UK?

Q2. The key standards of service for energy TPIs: what should they be?

Q3. Explore the relationship between TPIs and Suppliers (information flow/accountability).

A summary of the feedback provided by the various groups is listed below:

Q1. What value do TPIs add to consumers in the UK

Firstly considered, “what are TPIs?” at a very high level.

- They represent the consumer.
- They sit between the supplier and the consumer (in the domestic and non-

domestic markets).

Then - what value do they add?

- Price comparison / differential / cost savings.
- Independent (potentially) whole of market comparison.
- Cross market comparability: developing tools / innovation.
- Access to suppliers they might not otherwise have.
- Engagement with suppliers.
- Trusted brand: this can increase engagement (reach more consumers through Brand / Trust) leading to an increasingly competitive market.
- Education of the customer (applicable to both domestic and non domestic).
- Better services (in domestic and non domestic).
- Simplifying complexity for consumers.
- When we talk about values, ideally TPIs should be delivering some or all of these things.
- Transparency & honesty.
- There is also a role for the customer to play: customers are sometimes too quick and take the seemingly easy option.
- It was noted that it is sometimes very difficult for the customer to compare TPIs. Query raised as to how we would go about measuring a TPI? Potential for a licence-run code against a set of values.
- Values can be different between domestic and non domestic, but some are valid for both.
- Benchmarking prices, because prices aren't so easily available – particularly for non-domestic consumers.
- Outlining / advising with regards to other services around energy usage, e.g. complying with the CRC Energy Efficiency Scheme / Energy Savings advice.
- Improved knowledge / advice: helping consumers understand and know their rights (this will save consumers time).
- Provision of post acquisition queries/ support and advice.
- Query as to whether it can be regarded a free service? Largely – no, although general consumer perception is that maybe they are.
- Query raised as to how do consumers compare TPIs? / Is there a way of measuring TPIs? Code of Practice?

Q2. The key standards of service for energy TPIs: what should they be?

Third Party Intermediary (TPI) stakeholder conference

- Standards should generally be the same for both non-domestic and domestic and apply to all sections of the TPI market.
- Honest and clear communication (factual – explain: Who? What? Why? How?).
- Appropriate methods of communication – adapting to customer audience; plain language; no jargon; provide the consumer with the knowledge they need.
- Easy to understand.
- Customer service.
- Honesty.
- Integrity.
- Approachable.
- Working in the consumer's best interests.
- Transparency (particularly with regards to costs and supplier relationships; providing indications of like for like comparisons / what is included in the cost).
- Providing indication of how the business model and service the customer receives will impact the price.
- Level of information being provided back to consumers? Optionality / Best Deal / Price. If all the options are not being considered in the market, the broker should advise accordingly / be open and upfront about the parts of the market being compared / considered. What is included in the cost?
- Remain independent of suppliers?
- Appropriateness - (simple; avoiding jargon; adapting for consumer's needs; plain language).
- Accuracy.
- Quality of service (point raised that customers should have the same quality of service as if they went directly to the supplier).
- Visible complaints process.
- Consistency of service.
- Responsibility/accountability/redress – suppliers having complaints handling standards – needs to be mirrored in the TPI part of the consumer journey.
- Being clear about legal responsibility: who – supplier or TPI?
- Knowledge and market awareness (in terms of advice being provided to consumers).
- Standards that are introduced should be clear and transparent to all / any code should be universally understood and accepted and should not hamper the functioning of the market.
- TPI standards of service should monitor suppliers' Standards of Conduct.

Q3. Explore the relationship between TPIs and Suppliers (information flow/accountability)

- Explored the types of TPI engagement:
 - Customers who engage a TPI (more non-domestic).
 - TPIs that look at the market and then find customers (domestic and some non-domestic).
- Explored the mechanism: supplier - TPI – customer:
 - Commissions are paid and will vary according to:
 - volume (kWh, number of customers etc.)
 - query as to whether there should be a cap on amount of commission / shared commission.
 - Information flow and accountability for that flow; where does accountability lie?
 - Not always clear who is responsible for dealing with complaints, as suppliers can receive complaints based on information a consumer received through a TPI, and vice versa.
- Transparency:
 - Demonstrating the chain of interested parties: TPI, supplier, customer and aggregator.
 - The presentation of this information is important: different formats of information / different data flows can cause confusion and underlying problems.
- relationships will vary TPI by TPI, supplier by supplier, customer by customer (time, people, market conditions)General:
 - Suppliers, Domestic and Non-Domestic TPIs are all considered very diverse/different groups with different relationships.
 - Domestic has a different set-up due to the impact of existing information regulation – requirement to display all the tariffs of all the suppliers?
 - Letters of Authority (LOA) - switching from one supplier to another – relationships may breakdown and can significantly slow the process – standardised process to streamline?
 - In the domestic space, no definitive switching date is provided for the customer when they will be switching whereas in non-domestic the consumer should always be provided a switching date. Guidance should be provided in terms of switching period (more certainty to consumers).
 - Potential to speed up the transfer process for domestic

customers.

- Digression on systems/data flows – getting prices out / file formats – causes confusion / takes time; payments & consumer expectations. Slows down process, as it is generally quite manual at present. No fundamental changes in this process in over a decade. Small changes to make the information more standardised would allow the process to be automated and thus faster.
- TPIs have no visibility of the usage assumptions made by suppliers – depending on the time of year a consumer signs up to a tariff their direct debit amounts can vary significantly, which can make comparisons difficult and potentially misleading.

12. Summary of Breakout Session 1

David Hunt provided a summary of the key notes from Breakout session 1:

Q1: What value do TPIs add to consumers in the UK?

- General themes came out regarding consumer education and transparency.

Q2: The key standards of service for energy TPIs: what should they be?

- Key themes emerged relating to transparency and honesty.

Q3: Explore the relationship between TPIs and Suppliers (information flow/accountability) The key standards of service for energy TPIs: what should they be?

- Opinions diverged on this question with queries raised as to whether current regulatory arrangements cause problems between TPIs and suppliers. Existing problems encountered were outlined – for example Letters of Authority (LoAs).

13. Breakout Session 2

13.1. The attendees were split into eight breakout groups, consisting of four non-domestic, two domestic and two covering both domestic and non-domestic. Each group was allocated an Ofgem facilitator and the questions outlined below:

Non Domestic topics

- Q1. Regulatory approach in the non domestic market.
- Q2. TPI monitoring/information gathering/complaints.
- Q3. Types of TPIs – Who are the new/emerging non domestic TPIs?

Domestic topics

- Q1. Factors inhibiting consumer use of domestic TPIs.
- Q2. Benefit and challenges of market innovations.
- Q3. Governance structure – regulator, industry or independent body-led.

'Both' group

This group was specifically to think about the synergies between the two markets.

This group followed the topics above for non domestic and then considered whether these topics are relevant for both markets.

13.2. A summary of the feedback provided by the breakout groups is provided below:

Non Domestic

Q1. Regulatory approach in the non-domestic market / Code of Practice

- Would involve widespread industry change.
- Diverse organisations should be involved.
- Need to consider accreditation and associated costs.
- Would ideally be independent, Ofgem owned.
- Potential for a license condition on suppliers to only work with accredited suppliers.
- Full register would need to be maintained and monitored so that it is effective for all organisations and accessible for all.
- Suggestion of a self-accreditation process, with strong audit process at the back.
- Overseer would need to take responsibility for rogue behaviour, but also follow up on good behaviour. Clear sanctions / taking responsibility.
- Provision of consumer awareness about complaints.
- Create feedback loop for consumers / information sharing and consumer awareness about complaints.
- Ensure that a Code of Practice scope would cover the appropriate organisations and services.
- What can be done prior to a Code being introduced?
 - a voluntary CoP would be effective if all used it (but then it is not voluntary).
 - best practice approach.

Q2. TPI monitoring/information gathering/complaints

- Need to be clear on what the process is
- Query as to whether information should be published:
 - absolute number of complaints?

- percentage of complaints compared to your customer base?
- TPI should be able to complain about the supplier (and vice versa).
- TPIs need robust and visible complaints procedure.
- If the complaint is unresolved by the TPI, there should be the ability to refer it independently / Ombudsman equivalent.
- Process/escalation route if the supplier is at fault rather than the TPI.
- Reporting of complaints – considerations:
 - Frequency.
 - Severity of complaints.
 - Types of complaints.
 - If you are a TPI and it is not mandatory for you to report complaints, what is the point? Is it negative marketing?
 - Complaint reporting could become mandatory once your business reached a certain size?
 - Have a feedback form, e.g. similar to Ebay with a 'star' system?
 - How long does it/ should it take to report a complaint?
- Potential for providing a factsheet with key bits of information (particularly for non-domestic). Providing additional awareness at trade shows / energy events.
- Quantify benefits of TPIs to customers: how much money have they saved customers?
- Where could you publish the monitoring data? The regulator might have a role there?
- Best practice approach – key differences between domestic and non-domestic.
- Need to define TPIs / services that this applies to.
- Potential for accredited TPIs might have a "kite mark."
- Approach customers to understand their satisfaction.

Q3. Types of TPIs – Who are the new/emerging non domestic TPIs

Various types of TPIs were identified as follows:

- Brokers (possibly paid commission).
- Consultants (procurement / contracted for the provision of services).
- Switching Sites.

- Agents (working on behalf of a supplier? – query as to whether this makes them a TPI).
- Public Buying Organisations (PBOs).
- Aggregators (large scale aggregators of leads).
- Landlords (tenants might be paying via meter readings, or via rent).
- Collective Switching – e.g. councils.
- Query - White Labels
- Facility Management Companies (FM) (Consultants?)

Domestic

Q1: Factors inhibiting consumer use of domestic TPIs

- Lack of awareness: who are they? What do they offer?
- General market conditions contribute to a lack of trust. Some scope to combat this through myth busting – energy costs not high in GB compared to elsewhere, people can save by reducing consumption.
- Big Six tend to dominate the headlines, and the coverage is generally negative, which can inhibit consumer engagement with the market in general.
- Limited calls to action in the market at present. Example given of mobile phones – when your contract ends this is a clear point at which to engage in the market – the same does not exist in energy.
- RMR, limiting the number of tariffs, is an inhibitor to consumer engagement with TPIs. Increasing the number of tariffs would encourage TPI use.
- Elderly people / people without internet access.
- Collective switching: slightly wrong/ too optimistic promises might undermine trust over time.
- Greater focus required on the non price elements? E.g. energy efficiency advice.

Q2. Benefit and challenges of market innovations

- Comment made that TPIs are generally not the drivers of large-scale innovation such as smart, QR codes, etc., they react to what is out there. However, they can play a hugely innovative role in the ways in which consumers can benefit from these measures as they are rolled out.
- Potential links between smart and QR codes.
- Face-to-face sales: encourage TPIs to fill the gap.
- TPIs – wrapping energy supply up with other services (e.g. home / energy

packages).

- With RMR and price weighing heavily as a consideration for consumers, this could potentially restrict innovation.
- Using data to provide more personalised information for the consumer (e.g. TOU tariffs).

Q3. Governance structure – regulator, industry or independent body-led

- The group queried who that independent body could be. Ruled out the formation of a new independent body.
- If it was formed as an Industry body, how would independence be maintained?
- Ofgem was considered the appropriate body. Already regulates suppliers & through a code – comparison websites – potential to expand to telesales / collective switching.
- Consideration as to whether the code itself is effective.
- Performing regular audit.

Both Domestic & Non Domestic

Q1. Regulatory approach in both the domestic and non-domestic markets

Domestic:

- Confidence code is very effective, but covers only one area, should go beyond online.
- Any code should be properly monitored and enforced.

Non-Domestic:

- Should be mandatory with the backing of strong enforcement.
- Query as to whether Ofgem have the skill set or desire to own the Code.
- This stakeholder event is actually a good representation of an industry group (made up of TPIs, Suppliers and interested parties).
- All parts of the industry must own the Code.
- Consideration should be given to the fact that TPIs vary from very big players to very small players.

Both:

- Should there be one code for domestic and non-domestic? - No. but there is

support for a common code.

Q2. TPI monitoring/information gathering/complaints

- Should be relatively simple to monitor the market.
- However, in the future there will be more complexity / multiple interactions – how will this be monitored?
- Potential for Registration schemes (depending on what services they are offering) with monitoring provided against the Registration scheme.
- Monitor against the Registration schemes.

Q3. Types of TPIs – Who are the new/emerging non domestic TPIs

- MIData – Mobile phone / apps development. Bespoke & personalised advice – particularly with respect to data (advantages and disadvantages).
- More bespoke/personalised energy services.
- Privacy issues vs. benefits to consumer.
- Measuring and controlling appliances.
- Feed In Tariffs Scheme (FITs) application and implementation. Providing scope for the provision of additional Renewable energy services.
- New models emerging – how will energy storage be catered for?
- Cross sector bundling of services (future aggregators / TPIs e.g. councils / using data for early intervention).
- Green Deal morphing / Green Finance.
- Varying consumption when required / empowered by data / managed demand techniques.
- Ensuring services meet needs of personal consumption.
- Virtual Power Station (demand side management with additional benefits).
- Invisible TPIs / algorithms / trusted intermediaries / time saving applications.
- Appliance level data / analysis.
- 3rd Party door knocking to facilitate engagement.
- Pyramid selling may be a concern.

14. Summary of Breakout Session 2

14.1. David Hunt provided a summary of the feedback received from Breakout Session 2, particularly with respect to the consideration of varying regulation splits between

domestic and non-domestic and the potential benefits and challenges of new market innovations.

15. Thank You and Closing Remarks

- 15.1. Philip Cullum, Partner Consumer Policy and Demand Side Insight, Ofgem.
- 15.2. All attendees were thanked for attending and for their insightful input. It was hugely beneficial to have such a massive range of people in the room including domestic, non-domestic, suppliers, TPIs and consumer groups.
- 15.3. Speaking as the Consumer Partner at Ofgem, it was considered fantastic that the group have spoken so much about consumers.
- 15.4. Innovation and diversity: TPI sector is marked by innovation, sometimes innovation in response to developments in the market. From a regulatory perspective, a lot of innovation creates a lot of diversity. One size of regulatory model does not fit all. Regulation must be flexible enough to accommodate different sorts of business models.
- 15.5. Desire to have high standards in this sector, maybe because this is a 'self-selecting' group. Customer feedback loops (particularly in respect to consumer experience) are very important. There should be an alignment between what a consumer should get from a TPI and a supplier.
- 15.6. Ofgem has a strong role, but this does not exclude industry responsibility.
- 15.7. Query as to what TPIs have to offer? Not only price and service, but TPIs also need to educate. Better awareness - particularly in the domestic sector. Awareness needs raising - ideally, more people should be using TPIs.

16. Next Steps

Meghna Tewari, Senior Economist in Ofgem's Retail Market team, provided an indication of next steps for the Programme:

- 16.1. Stakeholder engagement will continue on a project level and at programme level.
- 16.2. For the next six month we have a number of consultations lined up such as Collective Switching and the Confidence Code projects.
- 16.3. What the Programme team are taking away from the event will be feeding into our view of the long term regulatory framework. Request for attendees to continue to feed in through our consultations.