

Please find below our responses to the *White Label Providers – Call for evidence*:

1. **What will be the impact of the RMR rules on white labels if we do not modify the regulatory framework for white labels before the exemption expires?**

If the framework is not modified then potentially this could see white labels vastly reduced in number because partner suppliers will be less inclined to work with them and give them their tariffs to use. Their presence in the market would be inhibited.

2. **Should the scope of our work cover white labels in the non-domestic market?**

At the moment we do not think it is necessary to look at white labels in the non-domestic market. This market is much more varied and bespoke, and therefore difficult to apply the same rules to as you would in domestic.

3. **Are there any business models in the retail market where the distinction between white label and TPI is unclear?**

In our experience in the non-domestic market we would say no. TPIs do not bill the customers using their branding as white labels would, and all communication comes from us, the supplier, direct.

4. **What consideration might make it preferable for an organisation to operate as a white label?**

The main benefit for white labels to operate is that it is a cheap route to market. There is little financial impact and risk for them to start out this way, so it provides a good learning curve.

5. **What would be the cost and timing involved for white labels in becoming licensed?**

We consider it to be a large undertaking to become a licensed supplier, not only do trading lines and various securities need putting in place, there are also costs in setting up agreements with various parties, setting up IX lines, file management, MAM contracts etc and it can take months to get all these processes in place.

6. **What activities related to the purchase of energy in the wholesale market do partner suppliers cover on behalf of their white labels?**

We would cover all the purchasing activities.

7. **Are there any approaches to the pricing of white label tariffs that are not covered in our classification?**

No, not really, we think our approach would come under joint pricing. Whilst we don't have decide the final price, we provide our white labels with a base price to work from which incorporates wholesale cost of gas, transportation charges and our fees, and then they decide what they go on to offer out to their customers, so they do not have completely independent control. At our request though they must advise us what rates they are charging out.

8. **Do you have any evidence on the customer-related activities performed by white labels?**

Yes, examples of all their customer communications have to be signed off from us upfront so we are happy for them to use them, and we perform regular spot checks to ensure they are acting in an appropriate manner. In most cases we ask them to mirror our own customer letters and procedures so we know it's compliant.

9. **What value do white labels add to the retail market?**

The main value comes down offering the consumer choice, and access to different levels of service from companies that perhaps otherwise would not be able to operate in the energy market. White labels are often able to bring new innovation into the market, capping tariffs could stifle this innovation, and weakening competition.

10. **Are there any consumer protection concerns arising from the way in which white labels and their partner suppliers currently operate?**

We are strict with our white labels in that we would pull any issues, such as debt, back in

house for us to deal with directly, so that the consumer benefits from consistency and experience.

11. **Is the information that white labels and their partner suppliers provide to consumers on their relationship and their tariffs sufficient?**

We believe so, it is always shown on the documentation our white labels use.

Many thanks,  
Laura



Laura Coleman

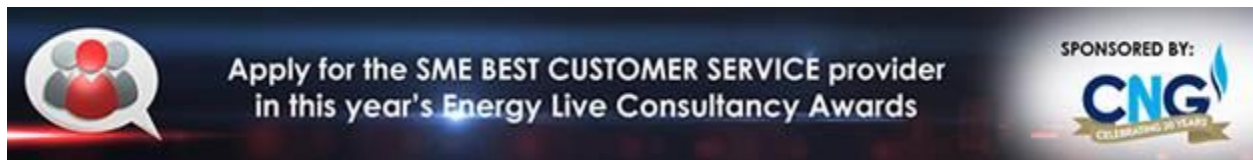
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