

Proposals for regulating Non Domestic Third Party Intermediaries (Submission from the Association of Convenience Stores)

Submission from the Association of Convenience Stores

ACS (the Association of Convenience Stores) welcomes the opportunity to provide evidence in response to this consultation. ACS represents 33,500 local shops across the UK (Annex A). The nature of convenience retail, with long operating hours, necessary use of refrigeration and other equipment, means that energy costs are a critical factor in the viability of a convenience store business. It is therefore crucial that the non-domestic market operates competitively and that unfair practices are regulated against. ACS supports Ofgem's focus on the issue of third party intermediaries and the specific focus on non-domestic customers within the consultation.

Do you agree with the definition of TPIs? Please provide any suggestions along with supporting information.

We believe that the definition set out by Ofgem in point 2.6: "a non-domestic TPI is an intermediary engaged in direct or indirect activities between a non-domestic consumer and an active energy supplier" is the most appropriate, although we believe that this should be extended to any intermediary that is providing a service which may result in a financial transaction. In point 2.9, Ofgem clarifies that they currently consider TPIs to be businesses which receive a fee from the supplier for their service, but this does not include TPIs who charge direct to the customer on a consultancy basis.

We do not believe that the definition should extend to any intermediary "providing advice and assistance to the customer" as this could include trade associations, consumer groups and charities which should not be included in the code.

What types of organisations should be exempt from our TPI scope definition and why?

As mentioned in question one, we believe that organisations which are solely providing advice on energy matters to a non-domestic consumer without the possibility of a financial transaction as a result of that advice should not be included within the scope of a TPI definition.

We believe that price comparison sites should be included within the scope of the code.

Do you agree with our recommended option for regulating non-domestic TPIs?

We agree that the most effective way to regulate the TPI marketplace is to introduce a robust code of practice underpinned by a licence condition on suppliers to only work with TPIs which are accredited to the code. One of the most significant issues with information

gathering about the TPI market is that there are few barriers to entry and very small businesses can set themselves up as TPIs. By requiring suppliers through a licence condition to only enter agreements with TPIs who have signed up to the code, the unregulated and largely hidden subsector of the TPI market will be removed as they will have to sign up to a set of standards to gain any business from suppliers.

Do you agree with our proposed governance recommendations? Please provide your views on the appropriate representation for members of the proposed independent code board.

We agree with Ofgem that the preferred governance structure of the code should include an independent board responsible for code of practice governance. By including suppliers, TPIs, trade associations and consumer bodies in this group, there will be ongoing feedback on the impact of the code on different stakeholders as well as a balanced representation of views when changes to the code of practice are proposed.

We believe that further consideration should be given to the frequency and workload required for members of the governance board, as well as the option of rotating members of the board within different stakeholder groups to ensure that all interested stakeholders are able to contribute to the code's progression.

If you have any further questions or comments regarding this submission, please contact Chris Noice on 01252 533013 or email chris.noice@acs.org.uk

Annex A – Association of Convenience Stores

ACS is the trade body representing the interests of over 33,500 convenience stores operating in city centres as well as rural and suburban areas. Members include familiar names such as Martin McColl, Spar, Nisa Retail and The Co-operative Group, as well as independent stores operating under their own fascia. Our members operate small grocers, off-licence or petrol forecourt shops with between 500 and 3,000 square feet of selling space.