

Appendix 2 – Summary of questions

Chapter	Question
1	N/A
2	<p>Question 1: Do you agree with the definition of TPIs? Please provide any suggestions along with supporting information.</p> <p>We feel that the definition is too broad, and should be limited to the actions of TPI's in facilitating supply agreements which would involve a payment to the TPI from the Supplier.</p>
	<p>Question 2: Do you agree with our list of proposed TPIs that could be covered by any regulation we introduce?</p> <p>No, we object to an agent employed directly by a supplier as being classified as a TPI.</p>
	<p>Question 3: What types of organisations should be exempt from our TPI scope definition and why?</p> <p>Feel that classifying by organisation is too broad. Scope of definition should be determined by the nature of the transactions being made. We feel that it should only be those transactions where a payment is made by the Supplier to a TPI which should be under scrutiny. Any transactions outside of that arrangement are a commercial agreement between the TPI and the customer, and we do not think it is in our client's best interests for the regulator to try to control them. Therefore transactions which involve no payment from the Supplier to the TPI should be exempt.</p>
3	<p>Question 4: Do you agree with our recommended option for regulating non-domestic TPIs?</p> <p>Support in principle mandating suppliers to only use an accredited TPI, but do not support your plan to have only one CoP. We feel that Ofgem should be providing guidance on best practice and offer accreditation to those codes which meet these requirements. Disagree with the use of "Principle Terms" as a definition. Easy to confuse with the "Principle Terms" which an energy supplier must under SLC7A, provide all MBC customers. In fact there is very little difference in the scope. The TPI is duplicating the work of the Supplier.</p> <p>As you have yet to disclose the proposed governance and enforcement structure within the CoP, we don't feel able to provide you with a complete response. Our preference has always been for a Code to be a reactive one.</p>
	<p>Question 5: Do you agree with our proposed governance recommendations?</p> <p>Agree that the CoP must be kept under review and that a TPI Register should be formed. Not happy with the initial checking (because of the cost and time implications) – it would depend on how detailed this is, and who would be responsible (the TPI or appointed Industry body) for doing this. We have some serious misgivings around monitoring and enforcement especially as Ofgem would not allow these areas to be discussed during the Stakeholder meetings. Likewise for disciplinary action against TPI's.</p> <p>Our preference is for any Codes to be reactive, i.e. called into action because of a complaint or referral, costs of running a code should be kept to a minimum.</p>
	<p>Question 6: Please provide your views on the appropriate representation for members of the proposed independent code board.</p> <p>We do not agree with the idea of having just one code. The representation therefore should be left to the individual code management.</p> <p>If you choose to take the route of having one code, then there is a danger that Suppliers would be over weighted in representation because they can afford to allocate time and resource, which smaller organisations may struggle with. Also feel that based on your current definition of TPI's you would struggle to make this board truly representative. Finally question the legality of you being ultimately in control of any Code or its board.</p>

	Don't think you have the powers to do this.
4	<p>Question 7: Do you agree that there is scope for improving complaints monitoring and information sharing? Do you have any further views?</p> <p>We don't think it is practical, or necessarily desirable to have an encompassing register of complaint. If you want this level of detail, then you should go down the regulatory route and licence TPI's.</p>
	Appendix 1
1	<p>Question IA1: Do you agree with our assessment of likely impact on consumers? Is there any other issue/s we should be considering?</p> <p>Any incremental costs of doing business will be passed onto the consumer which would incentivise customers not to use TPI's and reduce the amount of switching. An unintended consequence would be that Suppliers could potentially increase their own margins in their direct offers whilst still offering a "cheaper deal" than the TPI could provide. This will be the demise of the smaller TPI, and only those larger TPI's with some influence with Suppliers would be likely to remain.</p>
2	<p>Question IA2: Do you agree with our assessment of likely impact on industry? Is there any other issue/s we should be considering?</p> <p>If the costs of implementing and managing a CoP are very high then competition and choices will be reduced. We need to see some numbers, or be given more information about the likely scope of any code.</p>
	<p>Question IA3: Do you agree with our assessment of likely impact on competition? Is there any other issue/s we should be considering?</p> <p>No for all the reasons already outlined above.</p> <p>You need to disclose to all relevant parties the scale and nature of the governance, monitoring and enforcement and allow them the opportunity to feedback to you before taking this any further.</p>
	Question IA4: Are there any distributional effects that our policy proposals could cause?
3	<p>Question IA5: To better inform our cost-benefit analysis, please provide us with financial/costs data on the following:</p> <p>Initial (one-off) costs: including costs to your business models and costs for familiarisation to the code of practice (this includes, costs to understand your obligations and relevant staff training and any costs to change internal processes as necessary);</p> <p>On-going costs: this includes resourcing implications of the introduction of a code of practice to your organisation and any other expense that you think may be incurred (for example, costs of undertaking any necessary enforcement actions, monitoring compliance).</p> <p>We are unable to provide you with cost impact, because you have not provided any information as to the level of monitoring, enforcement and governance of this code.</p>
4	<p>Question IA6: Do you have any additional comments on the risks and unintended consequences outlined above? Are there any other risks or unintended consequences that have not been considered? Please provide as much information as possible.</p> <p>Think there is a danger that your actions could encourage some TPI's and Suppliers to collude to manage fees outside of regulated transactions (perhaps having annual payments based on the overall size of the TPI's portfolio with the Supplier, which are therefore not declared on individual deals). This would particularly favour larger brokers who have the most leverage in their relationships with Suppliers.</p> <p>Feel that your code is going to place a huge administrative burden on TPI's, and question whether it would address the main issue for its' inception which is tackling rogue brokers. You have yet to cover off key areas of the code such as monitoring and enforcement and therefore, have underestimated how long this is going to take.</p>
5	N/A

