



Utility Customer Service Management Ltd.

Submission to Ofgem

Proposals for regulating non-domestic Third Party Intermediaries (TPIs).

Chapter	Question	Question/Response
2	1	<p>Do you agree with the definition of TPIs? Please provide any suggestions along with supporting information.</p> <p><i>Yes – as detailed in 2.6, subject to the following:</i></p> <ul style="list-style-type: none"> <li>- <i>Consumer being replaced with Past, current or potential consumer.</i></li> <li>- <i>Consumer being s defined term.</i></li> <li>- <i>Customer being a defined term.</i></li> </ul>
	2	<p>Do you agree with our list of proposed TPIs that could be covered by any regulations we introduce?</p> <p><i>Yes however, there are entities who act on behalf of a consumer in setting up contracts simply to avoid the consumer having to do this work. E.g. Architects, land agents, project managers will set up contracts for Clients for temporary building supplies – not with a view to getting best price for but simply getting a supply metered. Such activities should not be governed by the regulations and by a statement such as:</i></p> <p><i>Entities who are acting directly for a Consumer/Customer for “one off” small (non-half hourly) supplies are excluded from these regulations.</i></p>
	3	<p>What type of organisations should be exempt from our TPI scope and why?</p> <p><i>Architects, agents etc. who core business is NOT to interface with supplies but often is asked by Clients to facilitate such interactions.</i></p>
3	4	<p>Do you agree with our recommended option for regulating non-domestic TPSs?</p> <p><i>No. Suppliers often struggle to perform simple tasks so this additional burden will increase expectation upon them. Further, I don’t feel this step is justified without first attempting option 2.</i></p> <p><i>If option 3 is chosen then I feel the nature of interaction with suppliers needs to be defined far more effectively. Suppliers have different requirements for letters of authority (LOA), different</i></p>



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		<p><i>processes for operations etc. and in our experience are not able to comply with this licence condition. Further, it does create a conflict of interest for suppliers.</i></p> <p><i>We also feel that option 2 needs to be supported by opportunity for interface between suppliers and TPI's thus providing some "value" in being part of the "Code of Practice" group.</i></p>
	5	<p>Do you agree with our proposed governance recommendations?</p> <p>Yes</p>
	6	<p>Please provide your views on the appropriate representation for members of the proposed independent code board?</p> <p><i>I feel this should not be too prescriptive at this stage to enable the board to develop in its own right.</i></p>
4	7	<p>Do you agree that there is scope for improving complaints monitoring and information sharing? Do you have any further views?</p> <p><i>In general for the whole supplier market – yes however, I feel the performance of suppliers at present is poor and complaints that result are poorly monitored and based on this – expansion of complaint monitoring into the TPI arena is inappropriate.</i></p>
Appendix 1		
2	IA1	<p>Do you agree with our assessment of likely impact on consumers? Is there any other issue/s we should be considering?</p> <p><i>In general, yes but feel the potential cost burden is understated if implemented effectively.</i></p>
	IA2	<p>Do you agree with our assessment of likely impact on industry? Is there any other issues/s we should be considering?</p> <p><i>Yes, in general.</i></p>
	IA3	<p>Do you agree with our assessment of likely impact on competition? Is there any other issues/s we should be considering?</p> <p><i>Yes, in general.</i></p>
	IA4	<p>Are there any distributional effects that our policy proposals could cause?</p> <p><i>No.</i></p>
3	IA5	<p>To better inform our cost-benefit analysis, please provide us with financial/costs data on the following:  <b>Initial (one-off) costs:</b> including cost to your</p>



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		<p>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><b>On-going costs:</b> this includes resourcing implications of the instruction 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><i>Initial (one-off) costs: - Approximately £2.5k</i></p> <p><i>On-going costs: - Approximately £1.5k per annum</i></p>
4	IA6	<p>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><i>Yes, concerned at the risk to entities who appoint suppliers for non-domestic Customers not as part of a core service offering but more as an incidental service progression including Architects, land agents, builders etc.</i></p>