

TPI Working Group

Input session for TPI Code
11:00 – 13:00

Meghna Tewari, Jenny Boothe, Alex Tyler
26 September 2014

ofgem

Welcome

Project Team

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Welcome	Meghna Tewari (MT)	11:00 – 11:15
Terms of reference for group	Jenny Boothe	11:20 – 11:30
Stocktake: <ul style="list-style-type: none"> • Work to date • Future work plans 	Jenny Boothe	11:30 – 11:45
Your input: session format	Alex Tyler	11:45 – 11:50
TPI definition	Alex Tyler	11:50 – 12:10
Membership/ accreditation	Jenny Boothe	12:10 – 12:30
Administration	Alex Tyler	12:30 – 12:50
Wrap-up and next steps	Jenny Boothe	12:50 – 13:00

Terms of reference

- Ofgem will facilitate the group
- Group is providing inputs – sounding board
- The Working Group will focus on 8 policy areas (slide 7)
- NOT a decision-making forum

Output

Agree Terms of References

Phase 1

February 2013 – July 2013

6 meetings of
the Working
Group

October 2013

First
consultation

February 2014

Second
consultation

August 2014

Open letter

Phase 2

Develop policy detail

Discussion areas:

26th September

- **Background**
 1. TPI definition
 2. Accreditation to TPI code
 3. Code Administration functions

20th October

- **Working arrangements**
 4. Complaints handling
 5. Breaches and sanctions
 6. Roles & responsibilities of Code Board
 - 3b. Review administration functions

7th November

- **Summary and Logistics**
 - Summary of 1 - 6
 7. Code modifications
 8. Funding

Method of working

- Ofgem presents parameters for key areas in advance
- Working group provide comments
- Today's session – pertinent comments
 - Can be submitted in writing – comment sheets
 - Can be submitted to dedicated mailbox:
ThirdPartyIntermediaries@ofgem.gov.uk

1. TPI definition: parameters

Parties may engage in the market who do not self-identify as TPIs e.g. land agents; solicitors

Companies providing a range of services may argue they do not charge a fee for the specific procurement services.

Companies may engage sub-contractors/ agents who may support the process.

Harm may occur, even if a contract is not signed e.g. high-pressure sales, time to review spurious options.

The primary business of a TPI may be to support other energy activity e.g. a new connection. There are similar opportunities for mis-selling e.g. not presenting fees clearly.

Some suppliers operate TPI-like organisations.

2. Accreditation: parameters

No single existing membership or federation.

Uncertainty over total number of TPIs, agents and subcontractors in market, with estimates up to 2000.

Suppliers may have in-house equivalents to TPIs

Significant variation in size of TPIs.

Significant variation in size of customers.

Code is to address perceived harm caused by TPIs – public interest in working to address the problem.

Complaints relate to high pressure-selling techniques; misleading sales and lack of transparency over fees.

2. Accreditation: areas for discussion

Single/ multiple levels of membership

- Basis for separation e.g. staff, volume, turnover
- Level of accreditation e.g. company, individual, by product

Determination of competence

- customer satisfaction, complaints, audit compliance?

Mechanism for accreditation

- Self-certification, direct audit?

Scope

- Staff coverage e.g. direct staff, subcontractors, agents?

3. Code Administration functions: parameters

Visibility of the project is high, with media interest in the development of the code.

Transparency in reporting would support improving standards and increase trust.

Improving trust in the market may encourage consumers to use a TPI.

Administration areas:

- Membership assessment
- Maintenance of membership lists
- Audit co-ordination
- Performance monitoring
- Reporting to members and stakeholders
- Complaints handling

3. Code Administration functions: areas for discussion

Record of accreditation

- How shown?
- Visibility

Reporting

- Frequency, content, format.
- Visibility e.g. open to all (e.g. FCA), closed, available to certain groups?

Data collection

- Frequency, content, format.

Wrap up and next steps

Ofgem is the Office of Gas and Electricity Markets.

Our priority is to protect and to make a positive difference for all energy consumers. We work to promote value for money, security of supply and sustainability for present and future generations. We do this through the supervision and development of markets, regulation and the delivery of government schemes.

We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.