



Making a positive difference
for energy consumers

To all retail energy market
participants, consumer groups
and other interested parties

Telephone: 020 7901 7000

Email:

ThirdPartyIntermediaries@ofgem.gov.uk

Date: 30 January 2015

Consultation on proposed drafting for the Confidence Code to reflect January 2015 policy changes.

We took over the Confidence Code, a voluntary code of practice for domestic price comparison sites, from Consumer Focus in 2013. We have reviewed the Code's requirements and in August 2014 we consulted on package of changes to strengthen the protections it provides consumers and to reflect changes made as part of the Retail Market Review. We have considered stakeholder responses and have today set out our decision on the policy changes to the Code, which is published alongside this document.

The appendix to this document outlines our envisaged drafting for the new Confidence Code document that will bring these changes into effect. We welcome feedback on our proposed Code drafting.

The new Code draft follows a similar format to its predecessor. Where appropriate, we have attempted to simplify and clarify the wording and structure to improve its readability. This simplification includes the removal of guidance notes. We interpret many of the existing guidance notes to be required of sites to be accredited under the Code, and have therefore incorporated these into the draft Code requirements.

We want stakeholders to be easily able to identify what changes have been made to the existing Code. To facilitate this, we have adopted a colour coded system to highlight where text has been added, removed or moved elsewhere in the document:

- **Red** text indicates additions to the Code.
- **Red-strikethrough** text indicates deletions from the Code.
- **Blue** text indicates existing text in the Code that has been moved to a new position within the document.
- **Blue-strikethrough** text indicates the original position of text that has now been moved elsewhere within the document.

Responses should be received by 27 February 2015 and should be sent to:

Barry Coughlan
Domestic Retail Market Policy
Ofgem
9 Millbank
SW1P 3GE
020 7901 7000
ThirdPartyIntermediaries@ofgem.gov.uk

Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website www.ofgem.gov.uk. Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

Respondents who wish to have their responses remain confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. It would be helpful if responses could be submitted both electronically and in writing. Respondents are asked to put any confidential material in the appendices to their responses.

We will review the responses to this consultation and make any necessary amendments to the drafting. It is intended that the new Code requirements will come into force at the end of March 2015.

Yours faithfully

Neil Barnes

**Associate Partner,
Retail Markets**

Confidence Code – code of practice for online domestic price comparison services

Code of Practice

Publication date: [XX] [XXX] 2015

Version: [XX]

Contact: Caroline Ainslie

Team: Consumer Policy

Tel: 020 7901 3153

Email: confidencecode@ofgem.gov.uk

Overview:

The Confidence Code sets out minimum requirements that a provider of a **Price Comparison Service** for domestic **gas and electricity** consumers must meet in order to be, and remain, accredited by Ofgem.

Context

Ofgem took over responsibility for ~~managing the management of~~ the Confidence Code from Consumer Focus in March 2013.

The Confidence Code sets out the minimum requirements that a provider of a **Price Comparison Service for domestic gas and electricity consumers** (Service Provider) must meet in order to be, and remain, accredited by Ofgem.

~~Guidance notes accompany each requirement of the Confidence Code (where necessary for reasons of clarity) and state clearly what is expected of each Service Provider under each requirement.~~

~~This year we intend to review the Code to see if any improvements can be made. Ofgem subsequently reviewed the Code and decided on changes in January 2015.~~

Associated documents

~~Final Green Supply Guidelines — Annex 1 to letter published 4 February 2009:~~

~~<http://www.ofgem.gov.uk/Sustainability/Environment/Policy/Documents1/Green%20supply%20guidelines%20final%20proposals%20open%20letter.pdf>~~

Gas and Electricity Markets Authority, Standard conditions of electricity supply licence, <https://epr.ofgem.gov.uk//Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf>

Gas and Electricity Markets Authority, Standard conditions of gas supply licence, <https://epr.ofgem.gov.uk//Content/Documents/Gas%20supply%20standard%20licence%20conditions%20consolidated%20-%20Current%20Version.pdf>

The Retail Market Review – Statutory consultation on the RMR domestic proposals, 20 June 2013: <https://www.ofgem.gov.uk/ofgem-publications/74753/theretailmarketreview-statutoryconsultationonrmrdomesticproposals.pdf>

The Retail Market Review – Final domestic proposals, 27 March 2013: <https://www.ofgem.gov.uk/ofgem-publications/39350/retail-market-review-final-domestic-proposals.pdf>

Domestic third party intermediaries (TPIs): Confidence Code and wider issues, 7 August 2014: <https://www.ofgem.gov.uk/ofgem-publications/89233/domesticthirdpartyintermediariesconfidencecodeandwiderissues190914.pdf>

Ofgem, Confidence Code Review – Decision, 30 January 2015

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1. Definitions

This section sets out the defined words and expressions used in the Confidence Code and gives their definitions next to them.

Consumer Journey	means the steps a consumer may take when using a Price Comparison Service. Such steps include the Price Comparison Service's energy homepage, the consumer data entry stage, and any other steps before an agreement is made on a specific tariff.
Historic Tariffs	means those tariffs that have legacy customers on them but are no longer available to new customers.
Personal Projection	means the estimated annual cost of a tariff calculated using the methodology set out in the definition of Estimated Annual Costs in Standard Licence Condition 1.
Price Comparison Service	means an internet-based price comparison service for domestic gas and electricity consumers, which can be a website or app.
Relevant Cheapest Evergreen Tariff	has the same meaning as defined in Standard Licence Condition 1.
Service Provider	means the provider of a Price Comparison Service.
Tariff Information Label	has the same meaning as defined in Standard Licence Condition 1.
Standard Licence Conditions	means the standard licence conditions for gas and electricity suppliers which are available at https://www.ofgem.gov.uk/licences-codes-and-standards/licences/licence-conditions .

2. The requirements

Requirement one – Independence and impartiality

- (A) The Service Provider must be independent of any gas or electricity supplier. It can take commission from suppliers but this must not influence ~~how it provides the consistency of the provision of~~ any information or data ~~to consumers~~.

A Service Provider will be considered ~~as being~~ independent of any gas or electricity supplier ~~when where~~ it is not an affiliate or related undertaking of any supplier or of a company that is an affiliate of any energy supplier.

- ~~(B) The Service Provider must clearly identify on its website each supplier with whom the Service Provider has a commission agreement or from whom it receives any payment, either directly or indirectly.~~

- (B) A Service Provider must provide impartial advice, not advice that is biased in favour of any particular gas or electricity supplier.

An impartial service shall be regarded as one which neither favours nor is biased against any particular supplier. A service will be treated as completely impartial only if it is not intended to operate, and does not have the effect of operating in practice, in a way that either favours or is biased against any particular supplier.

- ~~(C) Subject to guidance point 2 above,~~ The Service Provider must not present any information or data in such a way ~~that as (in the absolute discretion of Ofgem)~~ is deemed ~~by Ofgem~~ to be, or potentially to be, misleading or confusing to consumers.

- (D) Where a consumer cannot automatically switch to ~~their his~~ chosen supplier through the Service Provider's ~~Price Comparison Service website~~, the Service Provider must not recommend an alternative supplier.

- (E) Advertisements from energy suppliers, their agents, affiliates, or brands operating under the licence of a supplier must not be displayed on the home/main page or on the energy price comparison pages of the Service Provider's ~~Price Comparison Service website~~.

- (F) Where a consumer chooses to search by price, results must be presented strictly ~~by best price in terms of best price~~.

Commission arrangements messaging

- ~~(G) The Service Provider must clearly identify any supplier with whom it has a commission arrangement for switches completed through the Service Provider's Price Comparison Service website. The requirement for clear identification shall be met where the supplier's name name of the supplier is listed as part of a single list which identifies all suppliers from whom the Service Provider receives a commission.~~

- ~~(H) The list required in (G) must be prominently displayed, or be accessible from a prominent and clearly-labelled link, during the Consumer Journey.~~

- (I) The Service Provider must provide, alongside the list required in (G):
- i. a brief description of the Service Provider's business model if they take commission from suppliers. At a minimum, this description must state whether the Service Provider operates under a commission-based model; and

- ii. a statement explaining if, and where applicable, how any commission arrangements from suppliers influence the tariffs displayed on the results page, including where a Service Provider provides consumers with the choice to view only tariffs that a consumer can switch to through the Service Provider's Price Comparison Service website.

(J) Messaging to fulfil requirements (G) to (I) must be prominent, clear and intelligible.

Guidance notes requirement one

~~1. A Service Provider will be considered as being independent from any gas or electricity supplier where it is not an affiliate or related undertaking of any supplier or of a company that is an affiliate of any energy supplier.~~

~~2. Where a consumer chooses to search by price, results must be presented strictly in terms of best price.~~

~~3. A Service Provider must provide impartial advice, not advice that is biased in favour of any particular gas or electricity supplier. Subject to guidance point 2 above, the Service Provider must not present any information or data in such a way as (in the absolute discretion of Ofgem) is deemed to be, or potentially to be, misleading or confusing to consumers.~~

~~4. An impartial service shall be regarded as one which neither favours nor is biased against any particular supplier. A service will be treated as completely impartial only if it is not intended to operate, and does not have the effect of operating in practice, in a way that either favours or is biased against any particular supplier.~~

~~5. A Service Provider must clearly identify each supplier from whom it receives a commission/payment, regardless of whether that payment is made either directly or indirectly by a supplier, third party or agent. The requirement for clear identification shall be met where the name of the supplier is listed as part of a single list which identifies all suppliers from whom the Service Provider receives a commission. This single list must be displayed prominently on, or be accessible from, the price comparison results pages.~~

~~6. Where a consumer cannot automatically switch to his chosen supplier through the Service Provider's website, the Service Provider must not recommend an alternative supplier.~~

Requirement two – Tariffs and price comparisons

- (A) The Service Provider must use all reasonable endeavours to include price comparisons for ~~in respect of~~ all available domestic tariffs ~~and Historic Tariffs, and~~ where applicable for all available payment types, for licensed suppliers (including for any agents, affiliates, and brands operating under the licence of a supplier), for gas, electricity and dual fuel. ~~except that the~~ The Service Provider is not required to show:
- social tariffs (ie tariffs where consumer eligibility is based upon social or financial circumstances, eg receipt of benefits); or
 - tariffs which the supplier has requested the Service Provider to remove from its ~~Price Comparison Service website~~; or
- tariffs which are available only to consumers in a specified region, to consumers that are not within that specified region.
- ~~(B) Historic Tariffs may be included at the discretion of a Service Provider, but where Historic Tariffs are not included then this should be stated clearly on the Service Provider's website.~~
- (B) A Service Provider must notify Ofgem in the event of being asked by an energy supplier, to remove a tariff from its ~~Price Comparison Service website~~, which to the best of that Service Provider's knowledge is still available to consumers.
- ~~(C) A Service Provider must provide a copy of the Tariff Information Label, accessible either within or from the main results page, for each tariff displayed on the main results page.~~
- (D) A Service Provider may include price comparisons for meters other than single rate and Economy 7 meters ~~non-standard meters (e.g. Economy 9)~~ at its discretion.
- ~~(E) A Service Provider is responsible~~ ~~has responsibility~~ for obtaining, updating and ensuring the accuracy of all data displayed on its ~~Price Comparison Service website~~ covering all licensed supplier tariffs (including those of ~~its~~ ~~their~~ agents, affiliates and any associated brands).
- (F) Service Providers must ensure that the length of the comparison period defaults to 12 months ~~from the date of comparison~~; however filters can be created for other comparison periods.

~~Tariffs with limited timescales~~

- ~~(G) Where the end date of a supplier's tariff is less than the length of the comparison period, the Service Provider must not include that tariff on its comparison website.~~
- ~~(H) Where the end date of a supplier's tariff is within two months of the length of the comparison period, the Service Provider's reference to that tariff shall be accompanied by a 'warning message'.~~
- ~~(I) Wherever possible the 'warning message' should be displayed on the results page showing that tariff, but if this is not possible it must be displayed within the details of the tariff.~~
- ~~(J) The 'warning message' shall, as a minimum, inform the customer:~~
- ~~i. that the tariff or the key feature/benefit of the tariff is due to end on [relevant end date];~~
 - ~~ii. but that the total cost provided in the comparison assumes that the tariff and key feature/benefit will remain the same after [relevant end date] but that this may not be the case;~~
 - ~~iii. that the customer may therefore be transferred to a different and possibly more expensive tariff or lose the benefits/discounts of the tariff from [relevant end date].~~

Guidance notes requirement two

1. ~~Green tariffs should be included.~~
2. ~~A green tariff is one that is certified by the Green Energy Supply Certification Scheme[‡]~~
 1. ~~It must be clear on the Service Provider's website the methodology used to list green tariffs. For these tariffs the relevant badge must be shown and / or it should be clearly stated on the results table that these tariffs are certified by the scheme.~~
 2. ~~If a Service Provider wishes to provide a filter for tariffs that are not defined as green, they can do so, however, these other tariffs should be defined as 'environmental'. Alternatively if Service Providers want to show all tariffs the filters should be labelled 'green and environmental' with the green tariffs carrying the certification badge.~~
2. ~~Historic (or preserved) tariffs are those tariffs that have legacy customers on them but are no longer available to new customers.~~
 1. ~~Where gas and electricity tariffs are bundled with the supply of other services (eg telephony), the gas and electricity base prices must be shown separately, with details provided on the additional components of the tariff. Ofgem may review new bundled type products entering the market, and provide appropriate guidance for displaying them on the Service Provider's website.~~
 2. ~~Details of non-cash offers (such as supermarket points) should be listed separately to the gas and electricity base prices.~~
1. ~~A Service Provider may include price comparisons for non-standard meters (e.g. Economy 9) at its discretion.~~
2. ~~A Service Provider has responsibility for obtaining, updating and ensuring the accuracy of all data displayed on its website covering all licensed supplier tariffs (including those of their agents, affiliates and any associated brands).~~
3. ~~Service Providers must ensure that the length of the comparison period defaults to 12 months; however filters can be created for other comparison periods.~~
4. ~~The end date of a tariff is considered to be: when the major feature of the tariff ends, this includes the ending of a (1) fixed price; (2) discount; (3) tracking price; (4) capped price.~~

*Recommended best practice**

- ~~Green results are displayed by order of fuel mix then price~~

[‡] ~~The Green Supply Guidelines define what constitutes a green tariff.~~

Requirement three – Control and management

- (A) The Service Provider must manage and control its **Price Comparison Service price comparison website** and use its own tariff database and calculator.
- (B) A Service Provider will be treated as managing its **Price Comparison Service website only** where:
- it has full control over the information content **provided on of the Price Comparison Service website and how that content is presented over the presentation of that content**; or
 - it has that degree of control **referred to in (i)**, even where the **Price Comparison Service website** is maintained by a third party on behalf of the Service Provider.
- (C) However, where:
- a **Price Comparison Service website** is maintained by a third party; and
 - that third party also maintains a **Price Comparison Service energy price comparison service website** on behalf of any other **Service Provider price comparison provider** (whether accredited by Ofgem or not),
the Service Provider will be treated as managing the **Price Comparison Service website** only where that third party maintains the **Price Comparison Service website** entirely independently of the **Price Comparison Service website** of the other provider. But, in any event, the **Price Comparison Service website** may not be maintained by a third party that also manages another Ofgem accredited **energy price comparison service Price Comparison Service**.
- (D) A Service Provider may make its **tariff database and calculator** available to third parties. ~~but~~ Where it does so:
- the third party may state that it uses the Service Provider's calculator or **tariff database** and state that the Service Provider is accredited to the Confidence Code; ~~however, but~~ the third party must not use the Confidence Code logo;
 - the Service Provider's arrangements with the third party **must shall** provide that the third party may only make such statements **in (i)** if it has followed the same rules as the Service Provider for making the comparisons and meets the requirements of the Confidence Code; **and**
 - the Service Provider is responsible for ensuring that the third party complies with the arrangements **in (ii)**. Any failure by the third party to meet the requirements of the Confidence Code can be determined as a breach of the Confidence Code by the Service Provider.

Guidance notes requirement three

- ~~A Service Provider will be treated as managing its website only where it has full control over the information content of the website and over the presentation of that content.~~
- ~~A Service Provider will be treated as managing the website if it has that degree of control, even where the website is maintained by a third party on behalf of the Service Provider.~~
- ~~However, where:~~
 - ~~a website is maintained by a third party, and~~
 - ~~that third party also maintains an energy price comparison service website on behalf of any other price comparison provider (whether accredited by Ofgem or not), the Service Provider will be treated as managing the website only where that third party maintains the website entirely independently of the website of the other provider.~~
- ~~But, in any event, the website may not be maintained by a third party that also manages another Ofgem accredited energy price comparison website.~~

5. ~~A Service Provider may make its calculator available to third parties but where it does so, the third party may state that it uses the Service Provider's calculator or database and state that the Service Provider is accredited to the Confidence Code; however the third party must not use the Confidence Code logo.~~
6. ~~The Service Provider's arrangements with the third party shall provide that the third party may only make such statements if it has followed the same rules as the Service Provider for making the comparisons and meets the requirements of the Confidence Code.~~
7. ~~The Service Provider is responsible for ensuring that the third party complies with the arrangements. Any failure by the third party to meet the requirements of the Confidence Code can be determined as a breach of the Confidence Code by the Service Provider.~~

Requirement four – Payment methods

- (A) A Service Provider must provide consumers with an explanation of the following payment methods:
- Standard credit by cash/cheque;
 - Monthly and quarterly Direct Debit;
 - Prepayment meter.

~~Guidance notes requirement four~~

~~There is no accompanying guidance.~~

Requirement five – Results and filters

Opt-in filters

- (A) Taking **filters** into account ~~any relevant filters~~, a price comparison provided to a consumer must list (on a single page) no **fewer less** than 10 of the cheapest tariffs available in the region where the consumer **wants supply requires to be supplied**. The prices must include VAT (and state that they do so).
- (B) A Service Provider may provide filters so that consumers may search results based on **different criteria selected by the consumer** (eg the different types of tariff available or an energy supplier's service rating etc), but these must be opt-in **options** only.
- (C) A Service Provider must clearly explain the potential impact to consumers who select an opt-in filter, so that consumers are fully aware of the **effect bearing** and limitations this may have on the results.
- (D) Where the Service Provider provides a filter for green or environmental tariffs, it must explain the methodology for filtering these tariffs. **Green results should be displayed by order of fuel mix then price.**
- (E) A Service Provider must provide a facility or follow-through page(s) so that consumers have the ability to view a list of ~~all of~~ their price comparison results **free from any opt-in filters selected filtering criteria**.

Filters limiting the results to tariffs the consumer can switch to through the Service Provider's Price Comparison Service

- (F) A Service Provider may display only those tariffs the consumer can switch to by using the links on the Service Provider's Price Comparison Service only if the Service Provider meets the requirements outlined in (G), (H) and (I). If a Service Provider does not meet these requirements, it must display all the results as a default.²
- (G) Where a Service Provider does not display all the results as a default, the Service Provider must, at the point of filtering:
- require consumers to actively choose whether they wish to view all the results or only tariffs they can switch to via the Service Provider's Price Comparison Service; and
 - ensure that messaging around this choice is prominent, clear and intelligible, so that consumers are aware what view of the market they will see on the results page.

² 'All the results' means all tariffs available to the consumer in the market, taking into consideration any opt-in filters selected by the consumer.

- (H) Where all the results are not shown to the consumer, the Service Provider must, on the results page:
- i. ensure that the consumer can quickly and easily access the page that shows all of the results without re-entering their details or going back to a previous page or link; and
 - ii. provide a clear and intelligible statement prominently on the results page explaining that the consumer is seeing a partial market view on the results page, and that they are able to access all of the results.
- (I) A Service Provider must test the prominence, clarity and intelligibility of the messaging required to fulfil requirements (G) and (H) with its customers prior to this messaging going live on the Service Provider's Price Comparison Service, and provide information on the test methodology, sample size and results of this testing to Ofgem.

Guidance notes requirement five

- ~~1. A Service Provider must clearly explain the potential impact to consumers who select an opt-in filter, so that consumers are fully aware of the bearing and limitations this may have on the results.~~
- ~~2. If a Service Provider wishes to adopt the default position of only displaying results of tariffs that consumers can switch to on that site, it shall not do so until and unless Ofgem has reviewed and approved in writing the location and wording (to ensure that it is objective and impartial) of the statement referred to in (E).~~
- ~~1. A Service Provider may choose to provide a search filter for 'prompt pay' as a distinct payment method. Where the customer opts to use that filter the results should include comparisons which show the relevant discount. Where a customer does not choose the 'prompt pay' filter or the Service Provider does not offer prompt pay as a search filter the discount should not be shown in the results.~~
- ~~2. The requirement that a customer must be able to quickly and easily access the full results page will not be met if he can only do so by re-entering his relevant details or if he has to go back to a previous page or link.~~

Recommended best practice:

- ~~• Service Providers should show all tariffs on the results page;~~
- ~~• Service Providers should include details on their site of what happens at the end of the product life (if applicable), along with details on how long discounts, fixes or capped prices apply for, and termination fee;~~
- ~~• Service Providers should calculate prices excluding VAT and then add VAT at the end.~~

Requirement six – Quality of service and signposting to information

Quality of service

- (A) The Service Provider may assign ratings to a supplier's performance and invite the consumer to consider quality of service issues, including any such supplier service ratings.
- (B) The Service Provider may assign supplier performance ratings provided they either:
- i. send their methodology to Ofgem for review; or
 - ii. use ratings adopted by other recognised consumer organisations (eg Citizens Advice).

- (C) In developing a supplier ratings methodology and, where appropriate, when using supplier ratings, a Service Provider should adhere to the following principles:
- i. the methodology should be evidence-based and objective;
 - ii. the methodology should be applied consistently across suppliers;
 - iii. the resultant ratings should offer a comprehensive coverage of suppliers. Where a supplier is not assigned a rating, where appropriate, it should be clear that this is not necessarily an indication of poor performance;
 - iv. the data used should be statistically significant;
 - v. the rating values should be refreshed on a regular basis and the last updated date should be displayed to consumers; and
 - vi. explanatory messaging around the ratings should be clear and objective.
- (D) If a Service Provider plans to apply any supplier ratings for the first time, or if it plans to amend any existing supplier ratings methodology, it should provide Ofgem with evidence and an explanation of how its methodology meets the principles in (C).

Energy efficiency information

- (E) ~~(B) Service Providers must give energy efficiency advice or signpost consumers to other relevant energy efficiency information or programmes.~~ A Service Provider must, on the homepage or during the Consumer Journey, provide signposting to independent sources of advice on energy efficiency matters that will be of benefit to all energy consumers. At a minimum, we require that the following sources should be clearly signposted by the Service Provider:
- i. Energy Saving Trust;
 - ii. Government energy grants calculator; and
 - iii. Citizens Advice.
- (F) This signposting should be prominent, clear and intelligible, so that consumers are aware what information is available within these sources.

Warm Home Discount scheme

- (G) A Service Provider must, during the Consumer Journey, alert relevant consumers to the possibility that if they move to certain suppliers, they could lose support from government energy support schemes such as the Warm Home Discount benefit. This messaging may include signposting to relevant websites.

~~Guidance notes requirement six~~

~~1. Where a Service Provider wishes to assign supplier service ratings it shall not do so until and unless Ofgem has reviewed and approved in writing the methodology (to ensure that the methodology is objective and impartial) being used by the Service Provider to assign the supplier service ratings. The approved methodology as used by the Service Provider must be stated clearly to consumers on the website.~~

~~2. A Service Provider must as a minimum provide contact details for the Energy Saving Trust, as well as informing consumers of the availability of grant schemes such as Warm Front, The Energy Assistance Package (Scotland), the Home Energy Efficiency Scheme (Wales) and the Carbon Emissions Reductions Target.~~

Requirement seven – Accuracy and updating tariffs

- (A) Prices and price comparisons must be accurate and state when they were last updated.
- (B) A Service Provider must state the date that its **Price Comparison Service website** and database has been updated.

- (C) Ofgem may review any new form of tariff and issue Service Providers a formal direction as to how such a tariff should be treated in relation to compliance with the Confidence Code. The formal direction shall have effect as if it were part of this document.

Estimating the consumer's consumption

- (D) A Service Provider can estimate a consumer's current spend if the consumer is unable to provide certain information. For example, a Service Provider can estimate consumption by asking questions about the size of property, number of bedrooms, etc. In these cases, it should be clear that the above information is estimated/assumed.

However, Service Providers must emphasise to consumers the importance of entering accurate information to get the best comparison and should encourage consumers to input their annual consumption figures in order to do this.

7.1 Calculation methodology and assumptions

- 7.1.1 Where a Service Provider provides a comparison for a time period, the estimated costs of all tariffs (including a consumer's current tariff) must be calculated as a default using the methodology based on the definition of Estimated Annual Costs in Standard Licence Condition 1.

- 7.1.2 Where provided, estimated annual costs must be referred to as a 'Personal Projection'.

- 7.1.3 A Service Provider may, if it wishes, provide an additional alternative methodology to calculate estimated costs for the consumer's current tariff and, where applicable, estimated savings, but this methodology must not be used as a default.

- ~~7.1.1 The factors that a Service Provider uses to base its calculations on should not include:~~

- ~~• introductory sign up offers, one-time discounts/special offers or other promotion discounts that last for less than the duration for the tariff;~~
- ~~• discounts that depend on the consumer behaving in a certain way ie those discounts which are not paid automatically;~~
- ~~• discounts that apply to other services (eg telephony) that a supplier may add to a product offering;~~
- ~~• non-price offers;~~
- ~~• discounts that may be offered by the Service Provider for new applications;~~
- ~~• for a comparison period of 12 months: any discount paid after the first 12 months of a customer's supply start date or after any subsequent 12-month period.~~

- ~~7.1.2 After taking 7.1.1 into account, the factors that a Service Provider uses to base its calculations on should include:~~

- ~~i. recurring discounts that are paid automatically: for paying by a certain method (eg monthly Direct Debit); dual fuel discounts; online discount; compulsory paperless billing discounts; fixed charges (e.g. a fixed monthly membership fee).~~

- ~~7.1.3 Ofgem may review any new form of discount and issue Service Providers a formal direction as to how such discounts should be treated in relation to compliance with the Confidence Code. The formal direction shall have effect as if it were part of this document guidance.~~

7.2 Calculation messaging

- 7.2.2 At a minimum, a Service Provider must provide a link or message on the results page explaining how estimated costs of tariffs are calculated, including:

- i. that, if the consumer's fixed term tariff is coming to an end within 12 months from the date of calculation, the Personal Projection methodology assumes that the consumer will take no action and be rolled onto their current supplier's Relevant Cheapest Evergreen Tariff when their fixed term tariff ends;
- ii. details of any alternative methodology where offered; and
- iii. that the consumer may incur a termination fee if switching to a new tariff.

7.2.3 Where a Service Provider displays an estimate of the savings a consumer could make by switching to a tariff, as a minimum, a Service Provider must provide a link or messaging on the results page explaining how the savings figure is calculated, including:

- i. what two figures are used to calculate savings and assumptions behind these figures; and
- ii. that the savings figure is an estimate only, and will change if the consumer's situation changes.

7.2.4 If an alternative methodology is offered under 7.1.3, the consumer must be provided with a link on the results page allowing the consumer to switch from the default methodology to the alternative and vice versa.

7.2.5 Messaging to fulfil requirements 7.2.1, 7.2.2 and 7.2.3 must be prominent, clear and intelligible.

7.3 Updating tariffs

7.3.2 A Service Provider must use all reasonable endeavours to:

- update tariffs;
- add tariffs for a new supplier;
- correct any errors/issues highlighted by Ofgem;
- add new tariff information in a manner that complies compliant with the Confidence Code.

7.3.3 A Service Provider must add new tariff information as soon as possible, but no later than two working days after of the details and confirmation of the effective date being provided to it by the relevant energy supplier (or Ofgem), or from of the tariff being made available to consumers, whichever is the latter.

7.3.4 A Service Provider should not include a new tariff on their ~~should not be included on a Service Provider's Price Comparison Service website that has a lead time in excess of more than~~ six weeks before it becomes of it being available to consumers.

7.3.5 For the purposes of 7.3.3 where the tariff is new because of changes in price of an existing tariff, the date it is 'available to consumers' is to be determined as the date that the price change takes effect.

7.3.6 A Service Provider must inform Ofgem immediately of any unforeseen circumstance that prevents it from complying with requirement 7.3. Ofgem will consider each individual case on its own merits and determine whether the Service Provider has used all reasonable endeavours to comply with the requirement or is in breach of the Confidence Code.

7.4 Displaying current tariff and spend details

~~7.4.2 A Service Provider must display the details of a consumer's current tariff, based on the information the consumer has entered, that is accessible either within or from its main results page. These details should include:~~

- ~~• current supplier's name;~~

- ~~• current tariff name;~~
- ~~• unit rates and consumption thresholds;~~
- ~~• current payment method;~~
- ~~• all discounts that are included in the calculation of the consumer's current tariff;~~
- ~~• estimated current spend (£) per annum; and~~
- ~~• estimated current usage in kWh for gas and / or electricity per annum.~~

7.4.1 A Service Provider must display the details of a consumer's current tariff, based on the information the consumer has entered, in the format of a Tariff Information Label. The Tariff Information Label must be accessible either within or from the main results page.

7.4.2 A Service Provider must give the consumer a Personal Projection before the consumer completes a switch to a tariff through the Service Provider's Price Comparison Service.

Guidance notes requirement seven

- ~~1. Service Providers can estimate current spend if consumers are unable to provide certain information. For example, consumption could be estimated through asking questions such as size of property, number of bedrooms etc. In these cases it should be clear that the above information is estimated/assumed.~~
- ~~2. For the purposes of 7.2.3 where the tariff is new because of changes in price of an existing tariff, the date it is 'available to consumers' is to be determined as the date that the price change takes effect.~~
- ~~3. A Service Provider must inform Ofgem immediately of any unforeseen circumstance that prevents it from complying with requirement 7.2. Ofgem will consider each individual case on its own merits and determine whether the Service Provider has used all reasonable endeavours to comply with the requirement or is in breach of the Confidence Code.~~
- ~~4. Ofgem may review any new form of tariff and issue Service Providers a formal direction as to how such tariff should be treated in relation to compliance with the Confidence Code. The formal direction shall have effect as if it were part of this guidance.~~
- ~~5. Requirement 7.1.1 takes priority over requirement 7.1.2. For example, for a comparison period of 12 months, an automatic monthly direct debit discount paid after the first 12 months of a customer's supply start date would **not** be included in the calculation.~~

Recommended best practice:

- ~~• Service Providers should indicate to customers if they are likely to incur a termination fee by transferring to a new product;~~
- ~~• Service Providers should emphasise to consumers the importance of entering accurate information in order to get the best comparison and should encourage consumers to input their annual consumption figures in order to do this.~~

Requirement eight – Audits and monitoring Annual audit

- (A) The Service Provider must comply with an annual audit ~~done~~ **undertaken** by an auditor independent of the ~~Service~~ Provider, working according to Terms of Reference supplied by Ofgem. The cost of each audit will be borne by the Service Provider, unless otherwise advised by Ofgem prior to commencement.
- (B) The Service Provider must comply with audits and monitoring undertaken internally by Ofgem.

- (C) The Service Provider must provide the auditor with access to its premises and to its systems, and all other assistance, that the auditor reasonably requests.
- (D) The Service Provider must provide Ofgem with any information and assistance that it reasonably requests.

Guidance notes requirement eight

~~1.—The Service Provider must provide the auditor with the access to its premises and to its systems, and all other assistance, that they reasonably request.~~

Requirement nine – Complaint handling

- (A) The Service Provider must establish and operate an effective consumer complaint and enquiry handling procedure and respond to any complaint or enquiry within seven working days of receipt.
- (B) A Service Provider must provide Ofgem with a contact name and number for complaint referrals received in relation to the Service Provider.
- (C) A Service Provider must acknowledge a complaint referred by Ofgem within two working days and the Service Provider must **make use** all reasonable endeavours to resolve this complaint within seven working days. Ofgem should be copied into any response to the consumer.

Guidance notes requirement nine

~~1.—A Service Provider must provide Ofgem with a contact name and number for complaint referrals received in relation to the Service Provider.~~

~~2.—A Service Provider must acknowledge a complaint referred by Ofgem within two working days and the Service Provider must make all reasonable endeavours to resolve this complaint within seven working days. Ofgem should be copied into any response to the consumer.~~

Appendices

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Appendix 1 – Change process

Any future changes to the Code will involve the following **process**:

- Ofgem to outline issue with recommendations;
- Send recommendations to Service Providers to **get their attain** views;
- Ask for supplier views if required (**depending dependent** on issue);
- Response to be returned to Ofgem in agreed timeframe;
- Ofgem to make definitive ruling and alert all interested parties.