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**Domestic third party intermediaries: Confidence Code and wider issues – consultation response**

Dear Barry,

Thank you for the opportunity to contribute to the consultation. Our views on certain of the questions are outlined below; we hope they are helpful. This response is not confidential.

On a more general note, we agree with the four principles of intermediation that you identify – independence, transparency, accuracy and reliability – and your intention to embed these through the Code. We would also suggest an additional fifth principle, where relevant and appropriate: that of consistency. Consumers should expect to experience a consistent service and equal treatment whether they approach a TPI or a supplier, and this is particularly important in relation to savings calculations, as we point out later on.

We also want to raise the issue of ‘cashback’. We note Ofgem intends to consult and take the issue forward to a different timescale. Our view is that it is inextricably bound up with the Confidence Code, given Ofgem’s apparent relaxation of the rules for TPIs only and should therefore be resolved at the same time.

**Question 2:** *Does the definition exclude services you would expect to be covered? If so, how might it be adjusted to accommodate them?*

**Question 3:** *Would this definition include services you would not expect in light of our TPI vision? Why do you think these services should be excluded?*

This is a very broad definition and could conceivably cover services provided on a voluntary or non-commercial basis. It is the commercial link between TPIs and suppliers that is important in this context and therefore the definition should recognise this.

**Question 4:** *Do you agree that domestic intermediaries should provide an independent, transparent, accurate and reliable service to their customers?*

Yes, these are key principles of providing a service.

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**Question 5:** *Are you aware of potential challenges for particular types of TPI models in embedding any of the principles? How might these challenges be addressed?*

Arguably, it is much easier to embed these principles into an online service. Where face-to-face or telephone contact are involved, the Code of Conduct will need to ensure that the principles are provided for through, for example, scripting of calls and monitoring or auditing of outcomes. This will be more difficult, but not impossible and therefore should be pursued.

**Question 7:** *Are you aware of barriers to effective information exchange between suppliers and TPIs which impact on services to consumers? If so, how might these barriers be addressed?*

We are not aware of any barriers. If there are, the Confidence Code must ensure that there is a consistent approach.

**Question 8:** *What further steps do you think we should take to facilitate face-to-face services, particularly to support engagement with more vulnerable or harder-to-reach consumer groups?*

If the TPI provided such services they would not be representing suppliers on an individual basis as such and so it is arguable whether SLC 25 would apply. It would therefore be important to ensure that the Confidence Code provides clear guidance to TPIs on what is and is not permitted, together with a route to redress and a means for Ofgem to monitor their activities. The important point is absolute transparency on the services being provided in this context and whether they replicate or deviate from the online model.

If face-to-face contact is to be permitted, then particular care will need to be taken in relation to door-to-door visits. We believe they can be intrusive for many people, in particular the vulnerable and the elderly, who may not be as confident making financially significant decisions on their own. Therefore, any household visits should be by appointment only, which would give consumers the opportunity for someone else to be there if they wished.

An additional factor in face-to-face contact is that TPIs are paid different amounts by different suppliers, which could lead to a 'bias' in this sales approach, which is not evident on line.

**Question 9:** *What are your views on our proposal to increase the transparency of sites' commission arrangements with suppliers and the impact this has on the results a consumer will see?*

We agree with your proposal and the principle of transparency. It should be made clear to customers that the sites receive payment.

**Question 10:** *Do you agree that sites should direct consumers to the sources of independent advice identified? Are there other sources you would suggest?*

We agree. Citizens Advice and debt advice sites could also be included.

**Question 12:** *Should there be a central repository of information for prepayment customers? Who should fill this role? And in what way could sites facilitate the provision of this information to consumers?*

It is not clear what the repository could provide that could not be provided by a requirement for the sites to make available appropriately placed information.

**Question 14:** *Do you agree with our proposal to increase consumer awareness of the availability of whole market comparisons? Are there better alternatives?*

We agree. Sites should ask the question at the outset, using wording agreed by Ofgem for consistency. This needs to be coupled with a consistent explanation as to which suppliers customers can switch to, and why. It should be prominent so that a clear decision is made between whole market and site only products; for example, a clear 'tick box' decision required to progress down one route or the other, rather than a default route.

**Question 15:** *Do you agree with our proposal to allow sites to compile their own supplier ratings? Are there factors other than those set out that sites should consider when formulating their ratings methodology?*

In order to avoid customer confusion the ratings need to be consistent between sites; in fairness to suppliers they also need to be objective. These factors point towards involvement by Ofgem through the Confidence Code in approving the methodologies. What should not be permitted is editorial comment based on subjective opinion and anecdotal information.

**Question 16:** *Do you think there is benefit in exploring further the criteria for filtering or categorising green and environmental tariffs on comparison sites? Do you have suggestions for the best way to define these criteria?*

Yes. Consumers may wish to choose a green tariff. Ofgem should review this question in the light of its work on green tariffs.

**Question 18:** *Do you agree with our proposal for sites to use the Personal Projection methodology when calculating the cost of a tariff?*

Yes. Consistent methodologies should be used in all cases by accredited sites in relation to both the current and new tariffs. This principle should extend across all sales channels and information provided to customers in communications such as bills and annual summaries.

**Question 19:** *Do you agree with our proposal to require sites to display a Tariff Information Label for each of the tariffs on their site?*

We believe that sites should provide TILs for all tariffs on their sites, whether or not consumers can switch to a tariff from a site. This is important to fulfil the principle of transparency. The TILs should be capable of being accessed at any point and not only when results are returned.

**Question 20:** *Should we seek to ensure consistency of tariff cost results across the industry? Or should we allow room for suppliers and TPIs to differentiate by adopting their own methodologies?*

Again, in the interests of transparency and consistency suppliers and TPIs should use the same methodologies. Further discussion will be required as to how to achieve this and in particular around the detail of the methodology.

**Question 22:** *Do you agree that we should introduce principles from the complaints handling standards into the code? Are these the right principles to introduce?*

We agree. If consumers are dissatisfied with a service they should experience a consistent response from the TPI when compared with that provided by the supplier. Suppliers should of course continue to deal with complaints about their products and services when referred to them by the TPI.

**Question 23:** *Do you support our proposal to introduce messaging and links to Warm Home Discount information as a requirement of the Code? Do you have specific views regarding where and how this information should be presented to consumers?*

For transparency any relevant information of this sort should be given up front. Consumers should not find themselves in a position where they are worse off as a result of changing supplier because they have forfeited entitlement to this payment.

**Question 24:** *Do you agree that we should set up a working group to discuss site accessibility guidelines?*

Yes.

**Question 26:** *Do you agree with our proposals to allow a broader range of comparison sites to become accredited under the Code?*

We agree; this will improve choice for consumers. Accreditation to the Code should be a requirement for both the database and calculator provider and its user.

**Question 27:** *Do you have suggestions as to how best to increase awareness of the Code among consumers?*

Suppliers could include information about the Code on their web sites. This might be coupled with a general launch through the Regulator, voluntary bodies and via the press.

**Question 29:** *Do you agree with the proposed changes to the Code audit, enforcement and compliance, and change processes?*

Given that suppliers have an interest in how sites operate, we feel it would be appropriate that they have representation on the proposed forum and are consulted about changes.

We believe that audit findings should also be communicated to suppliers.

If you have questions about any of the above then please do contact me.

Yours sincerely,

Gerald Jago  
Regulation