



Making a positive difference  
for energy consumers

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

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Date: 25 March 2015

Dear Colleague

## **Publication of revised Confidence Code**

Today we publish our revised Confidence Code, Ofgem's voluntary code of practice for domestic energy price comparison services. Changes to the Code are the culmination of an extensive consultation process commencing in August 2014, including stakeholder engagement, research and the finalisation of our policy position in January 2015.

The Code published today is the finalisation of drafting after considering feedback received to our January 2015 consultation on the draft Code.<sup>1</sup> We have considered stakeholder feedback on Code drafting and thank those who provided views. Any changes are intended to improve the clarity of the document in reflecting policy intent. We have not made any changes which deviate from the policy positions outlined in our January 2015 decision document.<sup>2</sup>

Price comparison services play an increasingly important role in the energy market by helping consumers make well-informed decisions. We are keen to see price comparison services innovating and providing useful services to consumers. The changes we have set out today are designed to ensure the Code fits with the principles of good intermediation – independence, transparency, accuracy and reliability. We have strengthened the protections the Code provides to consumers and aligned the Code with changes made as part of the Retail Market Review.

We consider that the Code will continue to set the standard for price comparison services, ensuring that consumers can compare tariffs and suppliers with confidence. The new Code requirements will come into effect from 1 April ('day 1'), with the exception of those relating to supplier ratings and the Warm Home Discount (1 May) and Personal Projection requirements (1 June).

We will continue to assess site compliance with the Code through our regular audits and ongoing monitoring. This includes monitoring the implementation of any new requirements and their effect on the market. We welcome engagement with sites should there be issues in relation to the implementation of changes.

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<sup>1</sup> Ofgem, [Consultation on proposed drafting for the Confidence Code to reflect January 2015 policy changes](#), 30 January 2015

<sup>2</sup> Ofgem, [Confidence Code Review – Decision](#), 30 January 2015

This letter contains three annexes:

- Annex 1: the revised Confidence Code
- Annex 2: summary of responses received to the January 2015 consultation on Code drafting
- Annex 3: summary of changes to Code drafting since January

Our next phase of work will consider Code administration processes and the expansion of the Code to cover white label sites. We intend to provide an update on this work in the summer. We will also be considering our role in relation to third party intermediaries more broadly. We will be considering this in light of the Competition and Markets Authority's forthcoming provisional findings report, and the recent Energy and Climate Change Select Committee report on price comparison sites.

If you have any queries regarding the Confidence Code, please contact Caroline Ainslie at [confidencecode@ofgem.gov.uk](mailto:confidencecode@ofgem.gov.uk).

Yours sincerely

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

## Code of Practice

**Publication date:** 25 March 2015

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### 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

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Ofgem took over responsibility for managing 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.

Ofgem subsequently reviewed the Code and decided on changes in January 2015.

## Associated documents

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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>

Ofgem, 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>

Ofgem, 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>

Ofgem, 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: <https://www.ofgem.gov.uk/ofgem-publications/92751/confidencecodereview-january2015policydecision.pdf>

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# 1. Definitions

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

<b>Consumer Journey</b>	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.
<b>Historic Tariffs</b>	means those tariffs that have legacy customers on them but are no longer available to new customers.
<b>Personal Projection</b>	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.
<b>Price Comparison Service</b>	means an internet-based price comparison service for domestic gas and electricity consumers, which can be a website or app.
<b>Relevant Cheapest Evergreen Tariff</b>	has the same meaning as defined in Standard Licence Condition 1.
<b>Service Provider</b>	means the provider of a Price Comparison Service.
<b>Standard Licence Conditions</b>	means the standard licence conditions for gas and electricity suppliers which are available at <a href="https://www.ofgem.gov.uk/licences-codes-and-standards/licences/licence-conditions">https://www.ofgem.gov.uk/licences-codes-and-standards/licences/licence-conditions</a> .
<b>Tariff Information Label</b>	has the same meaning as defined in Standard Licence Condition 1.

## 2. The requirements

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### **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 any information or data to consumers.

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

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

A Service Provider 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 is biased in favour of or against any particular supplier.

- (C) The Service Provider must not present any information or data in such a way that is deemed by Ofgem to be, or potentially to be, misleading or confusing to consumers.

- (D) Where a consumer cannot automatically switch to their chosen supplier through the Service Provider's Price Comparison Service, 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.

- (F) Where a consumer chooses to search by price, results must be presented strictly by 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. The requirement for clear identification shall be met where the supplier's name 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.

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

### **Requirement two – Tariffs and price comparisons**

- (A) The Service Provider must use all reasonable endeavours to include price comparisons for all available domestic tariffs, 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. 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; or
  - tariffs which are available only to consumers in a specified region, to consumers that are not within that specified region.
- (B) The Service Provider must use all reasonable endeavours to include information on Historic Tariffs for the purposes of comparison if a consumer's current tariff is a Historic Tariff.
- (C) 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, which to the best of that Service Provider's knowledge is still available to consumers.
- (D) 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.
- (E) A Service Provider may include price comparisons for meters other than single rate and Economy 7 meters at its discretion.
- (F) A Service Provider is responsible for obtaining, updating and ensuring the accuracy of all data displayed on its Price Comparison Service covering all licensed supplier tariffs (including those of its agents, affiliates and any associated brands).
- (G) 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.

### **Requirement three – Control and management**

- (A) The Service Provider must manage and control its Price Comparison Service and use its own tariff database and calculator.
- (B) A Service Provider will be treated as managing its Price Comparison Service where:
- i. it has full control over the information content provided on the Price Comparison Service and how that content is presented; or
  - ii. it has that degree of control referred to in (i), even where the Price Comparison Service is maintained by a third party on behalf of the Service Provider.
- (C) However, where:
- i. a Price Comparison Service is maintained by a third party; and



- ii. that third party also maintains a Price Comparison Service on behalf of any other Service Provider (whether accredited by Ofgem or not),

the Service Provider will be treated as managing the Price Comparison Service only where that third party maintains the Price Comparison Service entirely independently of the Price Comparison Service of the other provider. But, in any event, the Price Comparison Service may not be maintained by a third party that also manages another Ofgem accredited Price Comparison Service.

- (D) A Service Provider may make its tariff database and calculator available to third parties. Where it does so:
  - i. 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, but the third party must not use the Confidence Code logo;
  - ii. the Service Provider's arrangements with the third party must 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
  - iii. 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.

#### **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.

#### **Requirement five – Results and filters**

##### *Opt-in filters*

- (A) Taking filters into account, a price comparison provided to a consumer must list (on a single page) no fewer than 10 of the cheapest tariffs available in the region where the consumer wants supply. 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 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 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 their price comparison results free from any opt-in filters selected.

*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.<sup>3</sup>
- (G) Where a Service Provider does not display all the results as a default, the Service Provider must, at the point of filtering:
- i. 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;
  - ii. ensure that the latter option in (i) is not pre-selected as a filter; and
  - iii. 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.
- (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 consumers and provide information on the test methodology, sample size and results of this testing to Ofgem.

**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).

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<sup>3</sup> 'All the results' means all tariffs available to the consumer in the market, taking into consideration the tariffs to be included for price comparison by Requirement 2(A) and any opt-in filters selected by the consumer.

- (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 at least once every 12 months 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 either:
- i. has applied their current supplier ratings methodology prior to 25 March 2015;
  - ii. plans to apply any supplier ratings for the first time; or
  - iii. 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) 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.

**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 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 this information is estimated.

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.

*Calculation methodology and assumptions*

- (E) 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.
- (F) Where provided, estimated annual costs must be referred to as a 'Personal Projection'.
- (G) 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.

*Calculation messaging*

- (H) 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.
- (I) 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.
- (J) If an alternative methodology is offered under (G), 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.
- (K) Messaging to fulfil requirements (H), (I) and (J) must be prominent, clear and intelligible.

*Updating tariffs*

- (L) 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 with the Confidence Code.
- (M) A Service Provider must add new tariff information as soon as possible, but no later than two working days after the details and confirmation of the effective date being provided to it by the relevant energy supplier (or Ofgem), or from the tariff being made available to consumers, whichever is the latter.
- (N) A Service Provider should not include a new tariff on their Price Comparison Service more than six weeks before it becomes available to consumers.
- (O) For the purposes of requirement (N), 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.
- (P) A Service Provider must inform Ofgem immediately of any circumstance that prevents it from complying with requirements (L), (M), (N) or (O). 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.

*Displaying current tariff and spend details*

- (Q) 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.
- (R) 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.

**Requirement eight – Audits and monitoring**

- (A) The Service Provider must comply with an annual audit done 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.

**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 use 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

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Any future changes to the Code will involve the following:

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



## **Annex 2: Summary of responses**

We received 13 consultation responses, from accredited and non-accredited price comparison services, suppliers and consumer bodies. The majority of respondents generally supported the proposed changes to the Code and were satisfied that the Code drafting appropriately reflected the policy intent set out in our January decision.

In a number of cases, respondents suggested areas where adapting or expanding the Code should be considered. Others suggested minor drafting changes to ensure the Code text aligns with the policy intent, and in some cases stakeholders requested clarification of certain requirements.

Below we set out a summary of the key points made by stakeholders and our response to these. In Annex 3 we outline changes we have made to the January Code text where we have agreed with stakeholders' drafting suggestions.

### **Future areas of focus**

Stakeholders expressed a wide range of views on both the long-term scope of the Confidence Code and Ofgem's role in regulating third party intermediaries (TPIs), and areas that may be the focus of future work in the short-term.

Suggestions for longer-term changes included:

- Expanding the Code to cover additional avenues of price comparison services such as telesales, collective switching and face-to-face sales
- Making Code accreditation mandatory
- Directly regulating third party intermediaries through licence
- Designing regulatory measures to address not only price comparison services, but the broader TPI market as a whole
- Considering whether and how TPIs should be provided with access to industry databases for MPANs, etc
- Ensuring supplier websites follow Confidence Code rules.

Stakeholders also suggested more specific changes, which included:

- Revising the Code's current ban on advertising
- Removing the requirement to display 10 tariffs on the results page
- Removing requirements around energy efficiency information in the Code
- Revising the six-week notice period for including new tariffs not available to consumers
- Making accredited services liable to the same complaints handling process as suppliers
- Defining 'green' tariffs within the Code.

Our priority to date has been to ensure that the Code functions effectively for online price comparison services. The changes we are now making should ensure that the Code provides consumers with confidence that the service they receive from accredited sites is independent, transparent, accurate and reliable.

We will consider the broader issues in light of the findings from the Energy and Climate Change Committee report on price comparison websites and the Competition and Markets Authority's forthcoming provisional findings report. In the near term, we intend to continue to explore how best to expand the Code to cover white label sites while ensuring that we can effectively oversee an expanded Code. Although we do not intend to make further changes in the short-term, we welcome dialogue with sites should there be areas where change should be considered in future.

### **Tariffs to be excluded from price comparisons**

Stakeholders expressed views that the list of tariffs that service providers are not required to include in price comparisons should be updated to include:

- Tariffs which the supplier is unwilling to permit the service provider to list;
- Tariffs which are only available to consumers as part of a bundle so as to render comparison with other energy tariffs difficult or inaccurate;
- Tariffs from suppliers who fall below service provider service level agreements and/or who have been repeatedly sanctioned by Ofgem; and
- Collective switching and 'experimental' time of use tariffs.

We consider that our Code drafting is sufficiently clear to address points relating to which tariffs should be excluded from price comparisons. Existing Code requirements exclude tariffs that a supplier is unwilling to permit the service provider to list. In addition, the rules around bundled products and services specified in the Personal Projection and wider Retail Market Review (RMR) information requirements are explicit on those features of a tariff that should be included in, and excluded from, a price calculation. As such, we consider sites should be able to list tariffs where these are available only as part of a bundle and provide meaningful comparisons between these.

We do not consider it appropriate at this point to allow sites to exclude specific suppliers from their tariff listings, as we are concerned that such an allowance may be open to abuse.

In relation to collective switching and experimental time of use tariffs, we do not want to prevent sites from including these, but recognise that it may be difficult to do so. Our revised Code requirements make clear those time of use tariffs we expect sites to include as a minimum. However, it is at sites' discretion whether they want to include more complex time of use tariffs. For collective switching, we note that these schemes can be small, or operate at a local level, so it may not be practical for all these tariffs to be included. There may be benefit in including collective switching tariffs on sites, particularly where this is a consumer's current tariff. Nevertheless, we consider the inclusion of collective switching tariffs to be at sites' discretion.

### **Availability of whole of market comparisons**

As with responses to the August 2014 consultation, stakeholders were varied in their response to the new requirements about the availability of whole of market comparisons and messaging. Some suggested our requirements could have gone further. Others expressed concerns that these requirements may lead to negative unintended consequences for accredited sites by limiting the incentives for suppliers to enter into commercial arrangements with accredited sites.

A number of stakeholders noted the potential for suppliers to 'free ride' by using the whole of market comparison as a platform to gain free advertising. One stakeholder suggested that Ofgem introduce a regulatory counterweight to prevent the 'gaming' of whole of market results tables from suppliers in this way.

We will monitor developments in this area to see whether these new requirements are having unintended consequences. To inform this, we welcome engagement from sites where they consider there may be gaming of the new requirements.

#### *Clarifications and drafting suggestions*

Respondents made a number of suggestions in relation to the messaging and filters to be used by sites when providing consumers with the choice to view all results or not. This included suggestions to require sites to use specific wording to describe the link between

## Annex 2: Summary of responses

commission and the tariffs consumers can switch to through a site, and to make clear when a consumer may not be seeing the lowest cost tariff.

We reiterate our January 2015 decision that the purpose of messaging is to assist consumers to understand the choice of market view available to them. Our intention is to allow sites flexibility in the filters and messaging they use to describe any choice of market view they provide to consumers. In all cases we expect the message to be prominent, clear and intelligible, and sites must test it with consumers to ensure this is the case. We have made some minor changes to the drafting of these requirements since January, and consider that they appropriately reflect our policy intent.

### **Aligning the Code with Retail Market Review (RMR) changes**

A small number of respondents thought that the Personal Projection should not be used as the methodology to calculate the estimated cost of a tariff. A number also suggested that the way in which seasonal consumption variations, and consumption estimates, are reflected in price calculations should be standardised. One respondent suggested that the RMR requirements relating to the Tariff Information Label (TIL) and Tariff Comparison Rate (TCR) should be revised in relation to their use on comparison services.

We reiterate our January 2015 decision that we consider the TIL, TCR and Personal Projection to be useful tools to ensure consistency in presenting key information on tariffs to consumers. As new tools, they need to be communicated effectively to consumers if they are to maximise their value. We would then expect consumers to become familiar with them over time. As such, we do not intend to revise requirements around these tools specifically for comparison sites.

In the case of the Personal Projection, we note that the revised Code allows alternative methodologies to be used to calculate the estimated costs of tariffs, as long as the Personal Projection is the default methodology. This offers sites flexibility to use other methods should they consider these may be valued by their users.

Furthermore, we reiterate the point set out in our January decision that the Personal Projection is not prescriptive around how seasonal variations in consumption, or consumption estimates, should be incorporated into calculations. We do not intend to change our position on this at this time, noting that any considerations in this space would involve further work and industry-wide consultation.

### **Supplier ratings**

The majority of stakeholders were broadly in favour of the new requirements for developing supplier ratings methodologies. Some stakeholders did suggest that additional restrictions should be placed on price comparison services that wish to calculate and display supplier ratings, including requiring Ofgem approval for any change to a methodology and requiring sites to use a ratings methodology prescribed by Ofgem.

We do not, at this point, consider it appropriate to be prescriptive about the methodology sites use in calculating supplier ratings. These ratings can be a useful way of presenting a range of information to consumers in a simple and easy to understand way. We wish to allow flexibility for sites to develop their own methodologies, as long as they observe the principles outlined in the new requirements.

#### *Clarifications and drafting suggestions*

One stakeholder sought clarification around which organisations would be captured by 'other recognised consumer organisations' that adopt supplier ratings.<sup>4</sup> We confirm that

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<sup>4</sup> Confidence Code, requirement 6(B)ii

## Annex 2: Summary of responses

Citizens Advice is the primary consumer organisation envisaged for this requirement at this point.

### **Warm Home Discount messaging**

One respondent suggested that it would be useful for consumers to understand how much is at risk in monetary terms if they were to switch to another supplier and lose their Warm Home Discount (WHD).

The requirements we are introducing relating to WHD are deliberately flexible, so as to allow sites the ability to use different approaches to communicate what can be difficult information to convey. We consider that a monetary figure may be beneficial, but we do not intend to prescribe the content of this messaging at this point.

### **Consumer awareness of the Code**

Some respondents highlighted that consumer awareness of the Code remains low. Stakeholders considered that recent measures to increase awareness, including the 'Be an Energy Shopper' and 'Power to Switch' campaigns, were a step in the right direction.

We continue to welcome suggestions from stakeholders regarding ways to increase awareness of the Code and the protections it offers consumers. Stakeholder responses to the August 2014 consultation provided useful feedback, which we will consider in tandem with ongoing engagement with accredited sites to develop our longer-term strategy for increasing awareness of the Code.

### **Other areas**

One respondent suggested that the naming and description of payment methods in the Code should be updated to reflect modern practice.

The intention of the payment methods requirement is to not be prescriptive about the terms sites use to describe different payment methods. We have left this requirement unchanged, and note that sites already have flexibility to describe payment methods as they wish, and we would not want to impose prescription, given the lack of industry-wide naming conventions in this area.

One respondent suggested drafting changes to more strongly state that actual consumption information should be used when obtaining a quote.

We consider that the current drafting of this requirement does emphasise that inputting actual consumption information will result in the best comparison, and so have left this requirement unchanged.

Two respondents requested clarity about the revised drafting of Code requirements in relation to 'Control and Management'. Specifically, they asked whether the revised drafting is designed to allow white label sites to become accredited now. We would like to confirm that the drafting changes to this requirement were made merely to align the text with the definition of 'Price Comparison Services' used elsewhere in the Code. While we intend to explore expanding the Code to cover white label sites in future, further work is needed before we do so, and should we proceed we will consult on such a change and how to reflect it in the Code.

## Annex 3: Summary of changes to Code drafting since January

This annex details changes to Code drafting which we have made in response to stakeholder feedback to our January 2015 consultation on Code drafting.<sup>5</sup> Changes have been made to improve the clarity of drafting to reflect policy intent. No substantive changes have been made to the policy detailed in the January 2015 decision document.

For ease of comparison, additions and deletions to the Code are indicated by red and ~~red-strikethrough~~ text respectively.

Section	Drafting per January 2015 document	Final drafting	Reason for change
Associated documents	Ofgem, Confidence Code Review – Decision, 30 January 2015	Ofgem, Confidence Code Review – Decision, 30 January 2015: <a href="https://www.ofgem.gov.uk/ofgem-publications/92751/confidencecodereview-january2015policydecision.pdf">https://www.ofgem.gov.uk/ofgem-publications/92751/confidencecodereview-january2015policydecision.pdf</a>	Link to document added
1(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.	A Service Provider must provide impartial advice, not advice that is biased in favour of <b>or against</b> any particular gas or electricity supplier.  <del>An impartial service shall be regarded as one which neither favours nor is biased against any particular supplier.</del> A <b>Service Provider service</b> 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 <del>either favours or</del> is biased <b>in favour of or</b> against any particular supplier.	Changes to this requirement have been made to: (i) clarify that it is bias, both positive and negative that the Code should address in regard to impartiality; and (ii) remove duplication of wording in this requirement.
2(A)	The Service Provider must use all reasonable endeavours to include price comparisons for all available domestic tariffs and Historic Tariffs, where	The Service Provider must use all reasonable endeavours to include price comparisons for all available domestic tariffs <del>and Historic Tariffs</del> , where	We received stakeholder feedback seeking clarity around policy intent for including Historic Tariffs in price comparisons. We have removed 'Historic

<sup>5</sup> Ofgem, [Consultation on proposed drafting for the Confidence Code to reflect January 2015 policy changes](#), 30 January 2015

Annex 3: Summary of changes to Code drafting

Section	Drafting per January 2015 document	Final drafting	Reason for change
	<p>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. The Service Provider is not required to show:</p> <ul style="list-style-type: none"> <li>• social tariffs (ie tariffs where consumer eligibility is based upon social or financial circumstances, eg receipt of benefits); or</li> <li>• tariffs which the supplier has requested the Service Provider to remove from its Price Comparison Service; or</li> <li>• tariffs which are available only to consumers in a specified region, to consumers that are not within that specified region.</li> </ul>	<p>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. The Service Provider is not required to show:</p> <ul style="list-style-type: none"> <li>• social tariffs (ie tariffs where consumer eligibility is based upon social or financial circumstances, eg receipt of benefits); or</li> <li>• tariffs which the supplier has requested the Service Provider to remove from its Price Comparison Service; or</li> <li>• tariffs which are available only to consumers in a specified region, to consumers that are not within that specified region.</li> </ul>	<p>Tariffs' from this requirement to clarify that we are not requiring information on Historic Tariffs to be provided alongside 'all available domestic tariffs' applicable to the consumer in the results tables.</p> <p>In addition, we have inserted a new requirement, 2(B), to emphasise the separation between the tariffs for price comparison and provision of information on Historic Tariffs where the consumer's current tariff is a Historic Tariff.</p>
2(B)	n/a	<p><b>The Service Provider must use all reasonable endeavours to include information on Historic Tariffs for the purposes of comparison if a consumer's current tariff is a Historic Tariff.</b></p>	<p>This new requirement has been inserted to clarify policy intent regarding providing information on Historic Tariffs for the purposes of comparison.</p> <p>We emphasise that Historic Tariffs are not intended to be included as part of 'all available domestic tariffs' in the price comparison results tables, but that Service Providers should use all reasonable endeavours to provide information on Historic Tariffs where a consumer's current tariff is a Historic Tariff. This is so that the consumer is able to compare their current tariff (which</p>

Annex 3: Summary of changes to Code drafting

Section	Drafting per January 2015 document	Final drafting	Reason for change
			may be a Historic Tariff) with the tariffs available to be switched to.
Footnote to 5(F)	'All the results' means all tariffs available to the consumer in the market, taking into consideration any opt-in filters selected by the consumer.	'All the results' means all tariffs available to the consumer in the market, taking into consideration <b>the tariffs to be included for price comparison by Requirement 2(A) and</b> any opt-in filters selected by the consumer.	We received stakeholder feedback that it would be beneficial to align the definition of 'all the results' with the tariffs available for price comparison in Requirement 2A. We consider this sensible and have made changes to this effect.
5(G)	<p>Where a Service Provider does not display all the results as a default, the Service Provider must, at the point of filtering:</p> <ul style="list-style-type: none"> <li>i. 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</li> <li>ii. 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.</li> </ul>	<p>Where a Service Provider does not display all the results as a default, the Service Provider must, at the point of filtering:</p> <ul style="list-style-type: none"> <li>i. 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;</li> <li>ii. <b>ensure that the latter option in (i) is not pre-selected as a filter;</b> and</li> <li>iii. 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.</li> </ul>	<p>We have made this change to further align wording of this requirement with policy intent outlined in the January 2015 decision document.</p> <p>While 5(G)i requires the consumer to actively choose the market view they will see on the results page, the insertion of 5(G)ii emphasises that 'actively choosing' means selecting a filtering option to view only the tariffs they can switch to on the price comparison service.</p>
5(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,	A Service Provider must test the prominence, clarity and intelligibility of the messaging required to fulfil requirements (G) and (H) with <b>consumers</b> <del>its customers prior to this messaging going live on the Service Provider's Price Comparison Service,</del> and provide information on the test methodology,	We have made these changes in response to stakeholder feedback seeking clarification on the testing required. The changes clarify that consumer testing through surveys or panels may also be acceptable (as opposed to only allowing testing with the customers of an individual site). We have also removed

Annex 3: Summary of changes to Code drafting

Section	Drafting per January 2015 document	Final drafting	Reason for change
	sample size and results of this testing to Ofgem.	sample size and results of this testing to Ofgem.	the reference to testing having to occur prior to it going live on the comparison service. This is to give flexibility for testing to occur either before or after the messaging goes live. Where it is to be tested live, this should be with a subset of consumers and for no longer than 4 weeks.
6(C)	<p>In developing a supplier ratings methodology and, where appropriate, when using supplier ratings, a Service Provider should adhere to the following principles:</p> <ul style="list-style-type: none"> <li>i. the methodology should be evidence-based and objective;</li> <li>ii. the methodology should be applied consistently across suppliers;</li> <li>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;</li> <li>iv. the data used should be statistically significant;</li> <li>v. the rating values should be refreshed on a regular basis and the last updated date should be displayed to consumers; and</li> <li>vi. explanatory messaging around the ratings should be clear and objective.</li> </ul>	<p>In developing a supplier ratings methodology and, where appropriate, when using supplier ratings, a Service Provider should adhere to the following principles:</p> <ul style="list-style-type: none"> <li>i. the methodology should be evidence-based and objective;</li> <li>ii. the methodology should be applied consistently across suppliers;</li> <li>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;</li> <li>iv. the data used should be statistically significant;</li> <li>v. the rating values should be refreshed <del>on a regular basis</del> <b>at least once every 12 months</b> and the last updated date should be displayed to consumers; and</li> <li>vi. explanatory messaging around the ratings should be clear and objective.</li> </ul>	<p>This change has been made in response to stakeholder feedback seeking clarity regarding an appropriate timeframe for refreshing supplier ratings.</p> <p>To provide clarity around timings, we consider it appropriate to move away from the previous wording that ratings should be refreshed on a 'regular basis' and provide an actual timeframe for updating. We consider that at least once every 12 months is a reasonable timeframe, and have clarified to this effect.</p>



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Section	Drafting per January 2015 document	Final drafting	Reason for change
6(D)	<p>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).</p>	<p>If a Service Provider <b>either</b>:</p> <ul style="list-style-type: none"> <li>i. <b>has applied their current supplier ratings methodology prior to 25 March 2015;</b></li> <li>ii. plans to apply any supplier ratings for the first time; or</li> <li>iii. <del>if it</del> plans to amend any existing supplier ratings methodology</li> </ul> <p>it should provide Ofgem with evidence and an explanation of how its methodology meets the principles in (C).</p>	<p>We have made changes to this requirement in response to stakeholder feedback that all price comparison services that have supplier ratings, whether new or existing, should provide Ofgem with evidence of how their methodology meets the principles for supplier ratings in 6(C).</p> <p>We consider it appropriate that all supplier ratings methodologies should meet the principles outlined in the new requirements and have made changes to this effect. As such, all price comparison services using supplier ratings should provide Ofgem with evidence as outlined above.</p>
7	<p><b>7.1 Calculation methodology and assumptions</b></p> <p>7.1.1 ...</p> <p>7.1.2 ...</p> <p>7.1.3 ...</p> <p><b>7.2 Calculation messaging</b></p> <p>7.2.2 ...</p> <p>7.2.3 ...</p> <p>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</p>	<p><del><b>7.1 Calculation methodology and assumptions</b></del></p> <p>(E) <del>7.1.1</del> ...</p> <p>(F) <del>7.1.2</del> ...</p> <p>(G) <del>7.1.3</del> ...</p> <p><del><b>7.2 Calculation messaging</b></del></p> <p>(H) <del>7.2.2</del> ...</p> <p>(I) <del>7.2.3</del> ...</p> <p>(J) <del>7.2.4</del> If an alternative methodology is offered under (G) <del>7.1.3</del>, the consumer must be provided with a link on the results page allowing the consumer to switch from the default methodology to</p>	<p>Numbering of requirements has been changed from numbers to letters to ensure consistency with the remainder of the Code document. This change also corrects numbering errors in sections 7.2 (calculation messaging) and 7.3 (updating tariffs).</p>

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Section	Drafting per January 2015 document	Final drafting	Reason for change
	<p>alternative and vice versa.</p> <p>7.2.5 Messaging to fulfil requirements 7.2.1, 7.2.2 and 7.2.3 must be prominent, clear and intelligible</p> <p><b>7.3 Updating tariffs</b></p> <p>7.3.2 ...</p> <p>7.3.3 ...</p> <p>7.3.4 ...</p> <p>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.</p> <p>7.3.6 A Service provider must inform Ofgem immediately of any 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.</p> <p><b>7.4 Displaying current tariff and spend details</b></p> <p>7.4.1 ...</p> <p>7.4.2 ...</p>	<p>the alternative and vice versa.</p> <p>(K) <del>7.2.5</del> Messaging to fulfil requirements (H) <del>7.2.1</del>, (I) <del>7.2.2</del> and (J) <del>7.2.3</del> must be prominent, clear and intelligible</p> <p><del><b>7.3 Updating tariffs</b></del></p> <p>(L) <del>7.3.2</del> ...</p> <p>(M) <del>7.3.3</del> ...</p> <p>(N) <del>7.3.4</del> ...</p> <p>(O) <del>7.3.5</del> For the purposes of requirement (N) <del>7.3.3</del> 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.</p> <p>(P) <del>7.3.6</del> A Service provider must inform Ofgem immediately of any circumstance that prevents it from complying with requirements (L), (M), (N) or (O) <del>7.3</del>. 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.</p> <p><del><b>7.4 Displaying current tariff and spend details</b></del></p> <p>(Q) <del>7.4.1</del> ...</p> <p>(R) <del>7.4.2</del> ...</p>	