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Sent via e-mail: ThirdPartyIntermediaries@ofgem.gov.uk

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Ofgem Confidence Code Review

Dear Barry,

Energy UK thanks Ofgem for the opportunity to respond to this consultation. This letter combines our members' comments on Ofgem's decision document¹ and drafting revisions².

Whole-of-market view

Energy UK members believe that the Code should require sites to display a whole-of-market view to their customer by default. One member accepts Ofgem's current proposals (as set out in Requirement 4(G)) as providing sufficient clarity to the customer, should the default page not display a whole-of-market view.

Some members believe that the customer should also be given an explanation as to what any whole-of-market display shows, why it is useful to them, and why the customer may not necessarily be able to switch to the best tariff for them through the site.

Supplier ratings

Energy UK believes each sites' ratings methodology should be reviewed by Ofgem as and when they are introduced in all – rather than some – instances. Any previously approved methodology which undergoes subsequent evolution should be reviewed afresh. If this is indeed Ofgem's intent, the drafting should be revised to ensure clarity here.

Ofgem refers to 'other recognised consumer organisations' in its decision document. Energy UK seeks clarity on the organisations this would capture.

Scope of the Confidence Code

At present the Code doesn't address telephone or face-to-face sales activity, and members are looking forward to seeing Ofgem's views on expanding the Code in this direction in the Spring. Currently, as the customer progresses through to phone contact with the site (or its associates) they remain in the process of procuring a contract, but are no longer protected by the Code.

¹ <https://www.ofgem.gov.uk/ofgem-publications/92751/confidencecodereview-january2015policydecision.pdf>

² <https://www.ofgem.gov.uk/ofgem-publications/92749/confidencecodereview-proposeddraftingtoreflectjan2015policychanges.pdf>

Energy UK suggests that Ofgem conducts an impact assessment on expanding the Code to include other activities.

Commission transparency

Energy UK is supportive of Ofgem's current proposals which require sites to provide a list (or link to a list) of suppliers with whom they have commission arrangements. Energy UK suggests that Ofgem considers also requiring sites to make clear alongside each tariff whether they will receive commission for this tariff.

'White label' price comparison websites

Energy UK seeks clarity on Ofgem's decision with regards to 'white label' price comparison sites.

The decision document states that Ofgem will review white label accreditation "as soon as we have conducted further work to ensure we can effectively oversee an expanded Code". It is unclear whether, in the meantime, sites which are supported by a Code-accredited provider can become accredited themselves.

Use of estimates

One member has concerns that the use of estimated consumption to derive a projected price could create differentiation among service providers, and suggests that, for clarity, Ofgem considers developing further guidance here.

Direct regulation of switching sites

While Energy UK is supportive of having a well-structured Code of Practice for TPIs, members believe that, in the longer term, as the TPI market develops, it would be sensible to consider an appropriate licensing regime for TPIs. In the meantime Ofgem should look into the costs and benefits of making the Code mandatory.

Energy UK members welcome discussion on all matters presented above. Please do not hesitate to contact me to discuss these, or to talk about potential next steps on 020 7747 2963 or daisy.cross@energy-uk.org.uk.

Yours sincerely

Daisy Cross
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