

To: All holders of a gas supply licence

**Gas Act 1986
Section 23(2)**

Notice of statutory consultation on a proposal to modify the standard conditions of all gas supply licences

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the standard conditions of all gas supply licences granted or treated as granted under section 7A(1) of the Gas Act 1986. These modifications are set out in Annex 1.
2. We propose to add two new standard conditions to all gas supply licences:
 - Standard condition 0 (Treating Domestic Customers Fairly); and
 - Standard condition 0A (Treating Microbusiness Consumers Fairly)
3. These two new standard conditions will replace the existing standard conditions:
 - Standard condition 7B (Customer Objective and Standards of Conduct for non-domestic supply activities)
 - Standard condition 25C (Customer Objective and Standards of Conduct for supply activities)
4. The reason for replacing the existing domestic and non-domestic Standards of Conduct ("the Standards") with two new standard conditions is that we want these principles-based obligations to be at the front of the gas supply licence. This will have the effect of making the Standards more prominent and easier for stakeholders to access.
5. We also propose to modify the "Fairness Test" and remove the "all reasonable steps" compliance threshold within the domestic and non-domestic Standards. The reason we are proposing these amendments is because we want to ensure supplier conduct leads to improved experiences for consumers, thereby boosting trust and engagement levels in the retail market. To drive the achievement of this policy intent, we consider fair customer treatment should be assessed against the outcomes experienced by customers, and not the impact on suppliers or their attempts to secure compliance.
6. For the domestic Standards only we also propose to add broad principles to this standard condition that require suppliers to enable domestic customers to make informed choices and to seek to identify domestic customers in vulnerable situations and respond to their needs.
7. The reason for introducing the broad "informed choices" principle is to:
 - provide an unambiguous signpost of our policy objective that consumers are able to make informed choices;
 - emphasise our expectation that suppliers should proactively seek to understand the information consumers need, and then act on these insights; and
 - provide effective, future-proof protection that helps ensure consumers can make an informed choice about a range of products, services or information relevant to their gas supply.
8. The effect of the broad informed choices principle is to require suppliers to ensure the information they provide domestic customers is sufficient, in terms of both quality and quantity, to enable a consumer to make informed choices about a wide range of factors related to their gas supply.
9. The reason for introducing the broad vulnerability principle is to make it clear that suppliers have a special responsibility to treat vulnerable customers fairly. Its effect is

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

to place an obligation on suppliers to seek to identify domestic customers in vulnerable situations in an appropriate and effective manner. The principle also requires suppliers to respond to these domestic customers in a way that takes into account their vulnerability.

10. In addition to the aforementioned amendments, we are also proposing to:
 - Amend the broad principle currently in SLC 7B.4(b)(iv) and 25C.4(b)(iv), which is a consequential change as a result of the changes to the Fairness Test. This amendment makes it clear that unfair terms are still prohibited under the domestic and non-domestic Standards.
 - Remove from the domestic and non-domestic Standards the requirement for licensees to publish a “treating customers fairly” (TCF) statement. The reason we are proposing to remove this requirement is because customer interest in, and the effectiveness of, the TCF statement is low. The effect of this change is that licensees will no longer be required to prepare these statements and make them available to customers.
11. Taken together, our proposed amendments to the Standards will have the effect of placing a greater onus on suppliers to treat customers fairly and strengthen our ability to take swift action, including compliance action, where customers need protection from harm. The changes will also better enable us to rely less on prescriptive rules, thereby freeing up more space for suppliers to innovate and compete for customers.
12. We also propose to amend the following standard conditions within all gas supply licences:
 - Standard condition 5 (Provision of Information to Authority and data retention)
 - Standard condition 10 (Restriction or revocation of licence)
 - Standard condition 12A (Matters relating to Theft of Gas)
 - Standard condition 14A (Customer Transfer)
 - Standard condition 25B (Interoperability of Advanced Domestic Meters)
13. The proposed amendments to standard condition 5 relate to our information gathering powers. The reason we are proposing this amendment is because we wish to ensure we can continue to monitor the market effectively as we move to a greater reliance on principles that allow suppliers to comply in a variety of different, innovative ways. The effect of this proposed amendment is to allow us to require the production of information for the purpose of our market monitoring function pursuant to section 34 of the Gas Act 1986.
14. As a consequence of the proposed amendment to standard condition 5, we are also proposing to remove a number of information gathering provisions within the other standard conditions listed above at paragraph 12. The reason we are proposing these amendments is because these provisions will duplicate the information gathering powers we would have under standard condition 5. The intended effect of removing these other information-gathering provisions is that this will make the gas supply licence shorter and simpler. These consequential amendments are not intended to change the effect that these existing reporting obligations have had on licensees.
15. A more detailed description of the reasons and effect of all of these proposed licence modifications can be found in the accompanying document to this statutory consultation, which is available at: <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-standards-conduct-suppliers-retail-energy-market>. A copy of the proposed modifications and other documents referred to in this Notice have been published at the above link. Alternatively they are available from our Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003).
16. Any representations with respect to the proposed licence modifications must be made on or before **24 July 2017** to: Future Retail Regulation, Office of Gas and Electricity

Markets, 9 Millbank, London, SW1P 3GE or by email to
FutureRetailRegulation@ofgem.gov.uk.

17. We normally publish all responses on our website. However, if you do not wish for your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
18. If we decide to make the proposed modifications they will take effect not less than 56 days after the decision is published.

Neil Barnes
Duly authorised on behalf of the
Gas and Electricity Markets Authority

22 June 2017

Annex 1: Proposed changes to the standard conditions of gas supply licence

We have included the sections of the standard conditions we propose to remove or amend below. Deletions are shown in strike through and new text is double underlined. Paragraphs deleted from licence conditions will show the following text 'Not Used' in order to keep the existing numbering.

Condition 0. Treating Domestic Customers Fairly

Customer Objective

0.1 The objective of this condition is for the licensee and any Representative to ensure that each Domestic Customer, including each Domestic Customer in a Vulnerable Situation, is treated Fairly ("the Customer Objective").

Achieving the Standards of Conduct

0.2 The licensee must, and must ensure that its Representatives, achieve the Standards of Conduct in a manner consistent with the Customer Objective.

0.3 The Standards of Conduct are that the licensee and any Representative:

- a) behave and carry out any actions in a Fair, honest, transparent, appropriate and professional manner;
- b) provide information (whether in Writing or orally) to each Domestic Customer which:
 - i. is complete, accurate and not misleading (in terms of the information provided or omitted);
 - ii. is communicated (and, if provided in Writing, drafted) in plain and intelligible language with more important information being given appropriate prominence;
 - iii. relates to products or services which are appropriate to the Domestic Customer to whom it is directed;
 - iv. in terms of its content and in terms of how it is presented, does not create a material imbalance in the rights, obligations or interests of the licensee and the Domestic Customer in favour of the licensee; and
 - v. is sufficient to enable the Domestic Customer to make informed choices about their supply of gas by the licensee;
- c) in relation to customer service arrangements:
 - i. make it easy for a Domestic Customer to contact the licensee;
 - ii. act promptly and courteously to put things right when the licensee or any Representative makes a mistake; and
 - iii. otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent;
- d) in relation to Domestic Customers in Vulnerable Situations:
 - i. seek to identify each Domestic Customer in a Vulnerable Situation, in a manner which is effective and appropriate, having regard to the interests of the Domestic Customer; and
 - ii. when applying the Standards of Conduct in paragraphs (a) to (c) above, do so in a manner which takes into account any Vulnerable Situation of

each Domestic Customer identified in accordance with (d)(i) above or otherwise.

Scope of condition

- 0.4 Standard condition 0 only applies to the licensee if:
a) the Secretary of State has provided, by a scheme made under Schedule 7 to the Utilities Act 2000, that Section B of the standard conditions will have effect; or
b) the Authority has issued a Domestic Supply Direction to the licensee under paragraph 3.3 of standard condition 3.
- 0.5 Subject to paragraph 0.6, standard condition 0 applies to all activities of the licensee and any Representative which involve, or otherwise relate to, dealings with a Domestic Customer.
- 0.6 Apart from any matters relating to Deemed Contracts, standard condition 0 does not apply in respect of the amount or amounts of any Charges for the Supply of Gas or any other type of charge or fee, applied or waived.
- 0.7 Standard Condition 0 applies to the exercise of a licensee's discretion to apply or waive any fee or charge.

Guidance

- 0.8 The licensee must have regard to any guidance on standard condition 0 (including in respect of definitions which appear in standard condition 1) which, following consultation (which may be conducted before this condition takes effect), the Authority has issued, may issue and may from time to time revise (following further consultation).

Definitions

- 0.9 For the purposes of this condition:

<u>Customer Objective</u>	<u>Is to be interpreted in accordance with paragraph 0.1.</u>
<u>Fair and cognate expressions</u>	<u>The licensee or any Representative would not be regarded as treating a Domestic Customer Fairly if their actions or omissions give rise to a likelihood of detriment to the Domestic Customer, unless the detriment would be reasonable in all the relevant circumstances.</u>
<u>Standards of Conduct</u>	<u>Means one or more of sub-paragraphs 0.3(a) to (d).</u>
<u>Vulnerable Situation</u>	<u>Means the personal circumstances and characteristics of each Domestic Customer create a situation where he or she is:</u> <u>(a) significantly less able than a typical Domestic Customer to protect or represent his or her interests;</u> <u>and/or</u> <u>(b) significantly more likely than a typical Domestic Customer to suffer detriment or that detriment is likely to be more substantial.</u>

Condition 0A. Treating Micro Business Consumers Fairly

Customer Objective

0A.1 The objective of this condition is for the licensee to ensure that each Micro Business Consumer is treated Fairly (“the Customer Objective”).

Achieving the Standards of Conduct

0A.2 The licensee must ensure it achieves the Standards of Conduct in a manner consistent with the Customer Objective.

0A.3 The Standards of Conduct are that the licensee:

- a) behaves and carries out any actions in a Fair, honest, transparent, appropriate and professional manner;
- b) provides information (whether in Writing or orally) to each Micro Business Consumer which:
 - i. is complete, accurate and not misleading (in terms of the information provided or omitted);
 - ii. is communicated (and, if provided in Writing, drafted) in plain and intelligible language with more important information being given appropriate prominence;
 - iii. relates to products or services which are appropriate to the Micro Business Consumer to whom it is directed; and
 - iv. in terms of its content and in terms of how it is presented, does not create a material imbalance in the rights, obligations or interests of the licensee and the Micro Business Consumer in favour of the licensee;
- c) in relation to customer service arrangements:
 - i. makes it easy for a Micro Business Consumer to contact the licensee;
 - ii. acts promptly to put things right when the licensee makes a mistake; and
 - iii. otherwise ensures that customer service arrangements and processes are fit for purpose and transparent.

Scope of Condition

0A.4 Standard condition 0A applies to all Designated Activities in respect of a Micro Business Consumer.

0A.5 Apart from any matters relating to Deemed Contracts, standard condition 0A does not apply in respect of the amount or amounts of any Charges for the Supply of Gas or any other type of charge or fee, applied or waived.

0A.6 Standard Condition 0A applies to the exercise of a licensee’s discretion to apply or waive any fee or charge.

0A.7 In the event of a conflict between this condition and paragraph 14.2 of standard condition 14, this condition will prevail.

Guidance

0A.8 The licensee must have regard to any guidance on standard condition 0A (including in respect of definitions which appear in standard condition 1) which,

following consultation (which may be conducted before this condition takes effect), the Authority has issued, may issue and may from time to time revise (following further consultation).

Definitions

0A.9 For the purposes of this condition:

<u>"Billing"</u>	<u>all matters relating to the provision of a Bill or statement of account to a Customer, including the content and calculations relating to such a Bill or statement of account and the collection and use of information relating to the consumption of gas.</u>
<u>"Contractual Information"</u>	<u>includes the drafting and content of a Non-domestic Supply Contract or Deemed Contract and the provision of information relating to the Non-domestic Supply Contract or Deemed Contract that applies to a Micro Business Consumer which is being supplied by the licensee.</u>
<u>"Customer Objective"</u>	<u>Is to be interpreted in accordance with paragraph 0A.1.</u>
<u>"Customer Transfers"</u>	<u>includes, but is not limited to, any matters that relate to a Customer's ability to change supplier and/or affect the timeframe for changing supplier (including related terms and conditions of a Non-domestic Supply Contract or Deemed Contract that applies to a Micro Business Consumer).</u>
<u>"Designated Activities"</u>	<u>mean each of the following:</u> <ul style="list-style-type: none"> a) <u>the accuracy of a Bill or statement of Account;</u> b) <u>the timeframe for a Micro Business Consumer receiving a Bill or statement of account and the timeframe for the payment of a Bill;</u> c) <u>any written or oral communications regarding Billing or Contractual Information;</u> d) <u>Customer Transfers;</u> e) <u>any matters relating to Deemed Contracts; and</u> f) <u>any matters which fall within the scope of standard conditions 7A, 14, 14A and 21B (in so far as they relate to a Micro Business Consumer).</u>
<u>"Fair" and cognate expressions</u>	<u>The licensee would not be regarded as treating a Micro Business Consumer Fairly if their actions or omissions give rise to a likelihood of detriment to the Micro Business Consumer, unless the detriment would be reasonable in all the relevant circumstances.</u>
<u>"Micro Business Consumer"</u>	<u>has the meaning given in standard condition 7A.</u>
<u>"Standards of Conduct"</u>	<u>Means one or more of sub paragraphs 0A.3 (a) to (c).</u>

Condition 5. Provision of Information to Authority and data retention

- 5.1 After receiving a request from the Authority for Information that it may reasonably require or that it considers may be necessary to enable it to perform any functions given or transferred to it by or under any legislation, including any functions conferred on the Authority by or under the Regulation, the licensee must give that Information to the Authority when and in the form requested.
- 5.2 The licensee is not required to comply with paragraph 5.1 if: the licensee could not be compelled to produce or give the Information in evidence in civil proceedings before a court.
- ~~(a) the Information is required by the Authority to enable it to perform its functions under section 34 of the Act; or~~
- ~~(b) the licensee could not be compelled to produce or give the Information in evidence in civil proceedings before a court.~~
- 5.3 After receiving a request from the Authority for reasoned comments on the accuracy and text of any Information relating to the licensee's activities under or pursuant to this licence which the Authority proposes to publish under section 35 of the Act, the licensee must give such comments to the Authority when and in the form requested.
- 5.4 The Authority's power to request Information under this condition is additional to its power to call for information under or pursuant to any other condition of this licence.

Data Retention

- 5.5 The licensee shall keep, for at least five years, the Relevant Data relating to any transactions in gas supply contracts and gas derivatives with wholesale customers, transmission system operators, storage facility and LNG import or export facility owners, or any person who sells gas to the licensee, which have been entered into by the licensee on or after the day after the day on which the Electricity and Gas (Internal Markets) Regulations 2011 are made.
- 5.6 With respect to transactions in gas derivatives, the obligation to keep the Relevant Data shall only apply once the European Commission has adopted guidelines pursuant to paragraph 4 of Article 44 of the Directive.
- 5.7 After receiving a request from the Authority for the Relevant Data, the licensee must give the Relevant Data to the Authority when and in the form requested.
- 5.8 Paragraphs 5.5 and 5.7 do not require the licensee to keep Relevant Data in respect of any feed-in tariff arrangements entered into by the licensee in accordance with Condition 33 or 34.
- 5.9 For the purposes of this condition:

"LNG import or export facility" has the meaning given in and is to be interpreted in accordance with section 48 of the Act;

"owner" has the meaning given in and is to be interpreted in accordance with section 48 of the Act;

"Relevant Data" means details on the characteristics of all transactions in gas supply contracts and gas derivatives with wholesale customers, transmission system operators, storage facility and LNG import or export facility owners, or any person who sells gas to the licensee, including but not limited to the duration, delivery and settlement rules, the quantity, the dates and times of execution and the transaction prices and means of identifying the wholesale customer concerned, as well as specified details of all unsettled gas supply contracts and gas derivatives;

"storage facility" has the meaning given in and is to be interpreted in accordance with section 48 of the Act."

Condition 7B. ~~Customer Objective and Standards of Conduct for non-domestic supply activities (Not Used – refer to standard condition 0A)~~

~~Application of standard condition~~

~~7B.1 Standard condition 7B applies to all Designated Activities in respect of a Micro Business Consumer.~~

~~Customer Objective~~

~~7B.2 The objective of this condition is for the licensee to ensure that each Micro Business Consumer is treated fairly („the Customer Objective“).~~

~~7B.3 For the purposes of this condition, the licensee would not be regarded as treating a Micro Business Consumer fairly if their actions or omissions:~~

- ~~(a) significantly favour the interests of the licensee; and~~
- ~~(b) give rise to a likelihood of detriment to the Micro Business Consumer.~~

~~Standards of Conduct~~

~~7B.4 The Standards of Conduct are that:~~

- ~~(a) the licensee behaves and carries out any actions in a Fair, honest, transparent, appropriate and professional manner;~~
- ~~(b) the licensee provides information (whether in Writing or orally) to each Micro Business Consumer which:
 - ~~(i) is complete, accurate and not misleading (in terms of the information provided or omitted);~~
 - ~~(ii) is communicated (and, if provided in Writing, drafted) in plain and intelligible language;~~
 - ~~(iii) relates to products or services which are appropriate to the Micro Business Consumer to whom it is directed; and~~
 - ~~(iv) is otherwise Fair both in terms of its content and in terms of how it is presented (with more important information being given appropriate prominence);~~~~

- (c) — the licensee:
 - (i) — makes it easy for a Micro Business Consumer to contact the licensee;
 - (ii) — acts promptly to put things right when the licensee makes a mistake; and
 - (iii) — otherwise ensures that customer service arrangements and processes are fit for purpose and transparent.

Compliance with the Standards of Conduct

7B.5 — The licensee must take all reasonable steps to achieve the Standards of Conduct and ensure that it interprets and applies the Standards of Conduct in a manner consistent with the Customer Objective.

7B.6 — In the event of a conflict between this condition and paragraph 14.2 of standard condition 14, this condition will prevail.

Exception to scope of condition

7B.7 — Apart from any matters relating to Deemed Contracts, standard condition 7B does not apply in respect of the amount or amounts of any Charges for the Supply of Gas or any other type of charge.

Provision and publication of information

7B.8 — The licensee must prepare and update annually information (hereafter referred to as the “Treating Customers Fairly Statement”) which:

- (a) — is set out in Writing;
- (b) — uses a heading which clearly highlights that the information relates to how the licensee is seeking to treat customers fairly; and
- (c) — includes the following information:
 - (i) — the main actions taken and being taken by the licensee in line with the Customer Objective and Standards of Conduct; and
 - (ii) — the service and treatment Micro Business Consumers can expect from the licensee.

7B.9 — If the licensee or any Affiliate Gas Licensee has a Website, the licensee must publish the Treating Customers Fairly Statement on that Website in a position that is capable of easily being accessed by any person.

7B.10 — If any person requests a copy of Treating Customers Fairly Statement, the licensee must provide a Written copy to that person free of charge as soon as reasonably practicable.

Guidance

7B.11 — The licensee must have regard to any guidance on standard condition 7B (including in respect of definitions which appear in standard condition 1) which, following consultation (which may be conducted before this condition takes effect), the Authority may issue and may from time to time revise (following further consultation).

Definitions for condition

7B.12 For the purposes of this condition:

"Billing"	all matters relating to the provision of a Bill or statement of account to a Customer, including the content and calculations relating to such a Bill or statement of account and the collection and use of information relating to the consumption of gas.
"Contractual Information"	includes the drafting and content of a Non-domestic Supply Contract or Deemed Contract and the provision of information relating to the Non-domestic Supply Contract or Deemed Contract that applies to a Micro-Business Consumer which is being supplied by the licensee.
"Customer Objective"	is to be interpreted in accordance with paragraph 7B.2.
"Customer Transfers"	includes, but is not limited to, any matters that relate to a Customer's ability to change supplier and/or affect the timeframe for changing supplier (including related terms and conditions of a Non-domestic Supply Contract or Deemed Contract that applies to a Micro-Business Consumer).
"Designated Activities"	mean each of the following: (a) the accuracy of a Bill or statement of Account; (b) the timeframe for a Micro-Business Consumer receiving a Bill or statement of account and the timeframe for the payment of a Bill; (c) any written or oral communications regarding Billing or Contractual Information; (d) Customer Transfers; (e) any matters relating to Deemed Contracts; and (f) any matters which fall within the scope of standard conditions 7A, 14, 14A and 21B (in so far as they relate to a Micro-Business Consumer).
"Fair"	and cognate expressions are to be interpreted in accordance with paragraph 7B.3.
"Micro-Business Consumer"	has the meaning given in standard condition 7A.
"Standards of Conduct"	means one or more of sub-paragraphs 7B.4(a) to (c).
"Treating Customers Fairly Statement"	is to be interpreted in accordance with paragraph 7B.8.

Condition 10. Restriction or revocation of licence

- 10.1 If the licensee makes an application to the Authority to restrict the premises to which it may supply gas or to revoke its licence, the licensee must take all reasonable steps to ensure continuity of supply for each Applicable Customer on terms that are the same as or as similar as possible to the terms in place between it and that customer immediately before the restriction or revocation is to have effect.
- 10.2 ~~The licensee must give the Authority any Information that it reasonably requests about the licensee's compliance with paragraph 10.1 as soon as reasonably practicable after receiving a request.~~Not used.
- 10.3 The licensee is not required to comply with paragraph 10.1 if the Authority gives it a direction that relieves it of its obligation to do so.

Condition 12A. Matters relating to Theft of Gas

Objective and obligation to achieve it

- 12A.1 The objective of this licence condition (the "Objective") is to ensure that:
- (a) the licensee and any Representative individually and/or in cooperation with other licence holders where necessary:
 - (i) detect Theft of Gas;
 - (ii) investigate suspected Theft of Gas;
 - (iii) prevent Theft of Gas once detected;
 - (iv) prevent Theft of Gas by other means such as deterrence and the security of the supply in respect of any premises to which the licensee is registered for the purposes of the Network Code; and
 - (b) when taking the steps mentioned in sub-paragraph 12A.1(a), the licensee and any Representative:
 - (i) behaves and acts towards Customers in a manner which is fair, transparent, not misleading, appropriate and professional; and
 - (ii) takes into account whether Domestic Customers and/or the occupants of Domestic Premises are of Pensionable Age, disabled or chronically sick and/or Domestic Customers at Domestic Premises will have difficulty in paying all or part of the Charges for the Supply of Gas resulting from Theft of Gas.
- 12A.2 The licensee must take (and ensure that any Representative takes) all reasonable steps:
- (a) to secure the achievement of the Objective; and
 - (b) to avoid doing anything which jeopardises its ability to achieve the Objective.
- 12A.3 The steps which the licensee must take (and ensure that any Representative takes) to secure the achievement of the Objective include, without limitation, the steps which are detailed at paragraphs 12A.5 to 12A.16 of this condition,

the obligations set out in paragraphs 3 and 4 of standard condition 17 and sub-paragraph 6(e) of standard condition 30.

- 12A.4 For the avoidance of doubt, where the licensee is not registered at a premises for the purposes of the Network Code, its obligations under paragraph 12A.2 in respect of that premises are limited to the provision of notification to the Relevant Gas Transporter under paragraphs 3 and/or 4 of standard condition 17.

Requirement to detect, prevent and investigate Theft of Gas

- 12A.5 In respect of any premises to which the licensee is registered for the purposes of the Network Code, the licensee must take (and ensure that any Representative takes) all reasonable steps to detect and prevent Theft of Gas.
- 12A.6 Where, in respect of any premises to which the licensee is registered for the purposes of the Network Code, the licensee has reasonable grounds to suspect Theft of Gas, it must take (and ensure that any Representative takes) all reasonable steps to investigate that suspected Theft of Gas.
- 12A.7 Paragraph 12A.6 does not apply if the Relevant Gas Transporter is required to investigate whether the supply of gas is/was illegally taken under paragraphs 1 and 2 of standard condition 7 of the Gas Transporters Licence.

The Theft Arrangement

- 12A.8 The licensee must be a party to, comply with, and maintain such arrangement to give effect to the Objective, as the Authority may direct (the "Theft Arrangement").
- 12A.9 The licensee:
- (a) must take such steps as are necessary and within its reasonable control; and
 - (b) must not take any unreasonable steps to prevent or delay,
to ensure that the Theft Arrangement is implemented by such a date as the Authority may direct.
- 12A.10 The licensee must take all reasonable steps to secure and implement changes to the Theft Arrangement and its systems, procedures and processes which are necessary to give full, timely and practical effect to the Theft Arrangement.
- 12A.11 The licensee must take all reasonable steps to cooperate with other licence holders where necessary, to facilitate the achievement of the Theft Arrangement.

Standards for Theft of Gas investigations

- 12A.12 The licensee must ensure (and ensure that any Representative ensures) that the following standards are met when it is taking any of the steps referred to in paragraphs 12A.1 to 12A.4 of this condition at a particular premises:
- (a) The licensee must take (and ensure that any Representative takes) all reasonable steps to identify whether:
 - (i) the Domestic Customer and/or the occupants of those premises which are Domestic Premises (in this condition "the relevant

premises”) is of Pensionable Age, disabled or chronically sick;
and/or

- (ii) a Domestic Customer at the relevant premises will have difficulty in paying all or part of the Charges for the Supply of Gas resulting from Theft of Gas;
- (b) The licensee must take (and ensure that any Representative takes) into account the Domestic Customer’s ability to pay all or part of the Charges for the Supply of Gas resulting from Theft of Gas when calculating instalments, giving due consideration to:
- (i) relevant information provided by third parties, where it is available to the licensee; and
 - (ii) where instalments will be paid using a Prepayment Meter, the value of all of the charges that are to be recovered through that meter;
- (c) Where the licensee or any Representative has identified persons of a category described in sub-paragraphs 12A.12(a)(i) and/or (ii), the licensee or any Representative must, before seeking to Disconnect the relevant premises, as a minimum offer the Domestic Customer to pay those Charges for the Supply of Gas using a Prepayment Meter, where it is safe and reasonably practicable in all the circumstances of the case for the Domestic Customer to do so;
- (d) Where the licensee or any Representative knows or has reason to believe that there may be persons of a category described in sub-paragraph 12A.12(a)(i), the licensee or any Representatives must take all reasonable steps not to Disconnect the relevant premises in Winter;
- (e) The licensee must have (and ensure that any Representative has) sufficient evidence to establish (on the balance of probabilities) the Statutory Disconnection Power before stopping the supply of gas to the premises on grounds of Theft of Gas;
- (f) The licensee must have (and ensure that any Representative has) sufficient evidence to establish (on the balance of probabilities) that Theft of Gas has occurred as a result of that Customer’s intentional act or by culpable negligence before requiring payment of all or part of the Charges for the Supply of Gas relating to that Theft of Gas; and
- (g) The licensee must provide (and ensure that any Representative provides) in plain and intelligible language, clear, timely and accurate information and advice to the Customer about:
- (i) the basis of any assessment made by the licensee (or its Representative) that Theft of Gas occurred;
 - (ii) the basis for the calculation of any Charges for the Supply of Gas associated with the Theft of Gas made to the Customer;
 - (iii) what steps the Customer should take if they wish to dispute that Theft of Gas occurred; and
 - (iv) the steps a Customer may take to reinstate supply if the licensee (or its Representative) has exercised the Statutory Disconnection Power.

- 12A.13 The licensee must keep (and ensure that any Representative keeps) a record of its compliance with its obligation under this licence condition.
- 12A.14 The licensee must take all reasonable steps to establish management arrangements that facilitate the licensee's compliance with its obligations under this condition, including, as appropriate, steps to ensure that any Representative, agent and subcontractor of the licensee establish equivalent arrangements.
- 12A.15 ~~The licensee must provide to the Authority, in such manner and at such times as the Authority may reasonably require, such Information as the Authority may require or deem necessary or appropriate to enable the Authority to monitor the licensee's compliance with this condition~~Not used.
- 12A.16 ~~The licensee is not required to comply with paragraph 12A.15 if it could not be compelled to produce or give the Information in evidence in civil proceedings before a court~~Not used.

Definitions for Condition

12A.17 In this condition:

- Theft of Gas** includes, but is not limited to;
- (a) circumstances described in paragraphs 10(1)(a) and 11(2) of Schedule 2B to the Gas Act 1986 in so far as they relate to a gas supplier; and
 - (b) circumstances described in paragraphs 10(1)(b) and 10(1)(c) of Schedule 2B to the Gas Act 1986.

Condition 14A. Customer Transfer

Obligation to complete a Supplier Transfer within three weeks

- 14A.1 The licensee must take all reasonable steps to complete a Supplier Transfer within 21 days of the Relevant Date unless:
- (a) the Customer requests that the Supplier Transfer be completed at a later date; or
 - (b) the Customer notifies the licensee that he does not wish the Supplier Transfer to take place; or
 - (c) one or more of the conditions in paragraph 14A.3 applies.
- 14A.2 The licensee must include a term in each Contract that has been entered into with a Customer on or after the day after the day on which the Electricity and Gas (Internal Markets) Regulations 2011 are made, providing that the licensee will complete any Supplier Transfer in accordance with that Contract within 21 days of the Relevant Date unless:
- (a) the Customer requests that the Supplier Transfer be completed at a later date; or
 - (b) the Customer notifies the licensee that he does not wish the Supplier Transfer to take place; or

- (c) one or more of the conditions in paragraph 14A.3 applies.

14A.3 The conditions in this paragraph are that, on or after the Relevant Date:

- (a) a Relevant Gas Supplier has prevented the Proposed Supplier Transfer in accordance with paragraph 14.2 or 14.4 of standard condition 14 (Customer transfer blocking); or
- (b) a Supply Exemption Holder is currently supplying gas to the premises and has objected to the Proposed Supplier Transfer under paragraph 2 of Schedule 2AB to the Act; or
- (c) the licensee does not have all of the information it requires in order to complete the Supplier Transfer, despite having taken all reasonable steps to obtain the missing information from the Customer, and cannot readily obtain that information from another source; or
- (d) the Customer is currently taking a supply of gas through an Exempt Distribution System and the licensee is unable to start supplying gas to the premises because:
 - (i) a connection which the licensee or the Customer requires to be made in pursuance of paragraph 7(2) of Schedule 2AA to the Act has not yet been made; or
 - (ii) the distribution exemption holder has specified, in a notice under paragraph 1(6)(a)(i) of Schedule 2AA to the Act, a metering arrangement which it considers would be required for access to be given to a third party supplier (within the meaning of that Schedule) and that metering arrangement is not yet in place; or
- (e) the licensee is prevented from completing the Supplier Transfer due to any other circumstance which is outside the control of the licensee and which it has taken all reasonably practicable steps to resolve.

14A.4 Where a condition in paragraph 14A.3 applies the Supplier Transfer must be completed as soon as reasonably practicable and, in any event, within 21 days of the date on which the condition ceases to apply (or, if more than one condition applies, when all relevant conditions cease to apply).

14A.5 Where the condition in 14A.3(b) applies, the licensee must not complete the Supplier Transfer before the objection by the Supply Exemption Holder under paragraph 2 of Schedule 2AB to the Act is resolved in accordance with paragraph 1(8) of that Schedule.

14A.6 The licensee must not charge a Customer for any costs associated with carrying out a Supply Transfer. The obligation in this paragraph is without prejudice to contractual conditions relating to the termination of a Non-Domestic Supply Contract and to any obligation in the Contract to pay a termination fee.

Obligation to improve switching systems

14A.7 In order to achieve the objective of completing all Supplier Transfers within 21 days of the Relevant Date, the licensee must take all reasonable steps to improve the systems and processes governing the Supplier Transfer process.

Obligation to cooperate in respect of a Supplier Transfer

14A.8 The licensee must comply with any reasonable request from another Gas Supplier or Supply Exemption Holder to provide information or to take any other steps which are reasonably necessary in order to enable that Gas Supplier or Supply Exemption Holder to complete a Supplier Transfer within 21 days of the Relevant Date.

~~Information for Authority~~

14A.9 ~~The licensee must give the Authority any Information that the Authority reasonably requests for the purpose of establishing:~~

~~(a) what steps the licensee has taken in accordance with its obligations under paragraph 14A.6 and/or~~

~~(b) the number of Supplier Transfers that have been completed by that licensee within 21 days of the Relevant Date~~Not used.

Obligation to prevent Erroneous Transfers

14A.10 If the licensee applies under the Network Code to supply gas at a premises specified by a Customer (the "Transfer Request"), the licensee must take all reasonable steps to ensure that it has a Valid Contract with that Customer for that Transfer Request at the point it is made.

14A.11 Where the licensee becomes aware, prior to starting to supply gas at a premises, that it does not have a Valid Contract for the supply of gas to that premises it shall take all reasonable steps to prevent its Transfer Request from having effect.

Definitions for condition

14A.9 For the purposes of this condition:

"Relevant Date" means:

(a) the day on which a Customer enters into a Contract with a new Gas Supplier; or

(b) if after entering into the Contract there is a period of time within which the Customer may decide not to proceed with the Contract (the "Cooling Off Period"), the earlier of:

(i) the day on which the Cooling Off Period ends;

(ii) the day on which the Customer and the licensee agree that the transfer may proceed during the Cooling Off Period; and

(i) 14 days after the day on which the Customer entered into the Contract.

"Supplier Transfer" in relation to any premises at which a Gas Supplier is supplying gas, means the transfer of responsibility for that supply from that Gas Supplier to another Gas Supplier.

A **"Valid Contract"** is one:

(a) that has been entered into by the Customer;

- (b) that relates to the premises for which the Transfer Request has been made; and
- (c) for which notice of cancellation of that contract has not been received by the licensee in accordance with any relevant contractual term or statutory provision.

"Exempt Distribution System"

"Distribution Exemption Holder" and

"Supply Exemption Holder" have the meanings given in Part 1 of the Act.

Condition 25B. Interoperability of Advanced Domestic Meters

Information to be provided in respect of Advanced Domestic Meters

- 25B.1 This paragraph applies where the licensee is the Relevant Gas Supplier to a Domestic Customer with an Advanced Domestic Meter and that Domestic Customer intends to change their Gas Supplier and continue to use that Advanced Domestic Meter at the Domestic Premises.
- 25B.2 Where paragraph 25B.1 applies the licensee must take (and ensure that any Representative takes) all reasonable steps to ensure that, as from the date another supplier becomes the Relevant Gas Supplier for those premises, no misleading or inaccurate information relating to Charges for the Supply of Gas will be provided to the Domestic Customer via an Electronic Consumption Data Display and the Advanced Domestic Meter which relates to, or arises from, the Domestic Supply Contract previously entered into between the licensee and the Domestic Customer.
- 25B.3 Before the licensee enters into a Domestic Supply Contract with a Domestic Customer, the licensee must take (and ensure that any Representative takes) all reasonable steps to:
 - (a) ascertain whether an Advanced Domestic Meter is installed at the Domestic Premises;
 - (b) where an Advanced Domestic Meter is installed at the Domestic Premises, obtain information about the functionality of that Advance Domestic Meter;
 - (c) communicate to that Domestic Customer in plain and intelligible language an explanation of the nature and effect of any potential variations to the services related to the functionality of the Advanced Domestic Meter installed at the Domestic Premises that might be to the disadvantage of the Domestic Customer.
- 25B.4 Where paragraph 3 applies, the licensee must take and retain (and ensure that any Representative takes and maintains) appropriate record of its compliance with the requirements of paragraph 3 of this condition.
- 25B.5 Before the licensee or any Representative installs an Advanced Domestic Meter, the licensee must take (and ensure that any Representative takes) all reasonable steps to communicate to that Domestic Customer in plain and intelligible language a statement to the effect that if they change their Gas Supplier they may not be able to receive the same services in respect of the functionality of the Advanced Domestic Meter installed at their Domestic Premises.

General obligation to help maintain Advanced Domestic Meter services

25B.6 This paragraph applies where:

- (a) the licensee is the Installation Licensee; and
- (b) a Proposed New Gas Supplier has requested the information referred to in paragraph 7 from the Installation Licensee.

25B.7 Where paragraph 6 applies, the Installation Licensee must, as soon as reasonably practicable, provide the Proposed New Gas Supplier with such information as is reasonably required to:

- (a) enable the Proposed New Gas Supplier to determine the functionality of the existing Advanced Domestic Meter at the particular Domestic Premises (hereafter referred to as 'the relevant premises'); and
- (b) enable the Proposed New Gas Supplier to maintain all or part of the services related to the functionality of the existing Advanced Domestic Meter at the relevant premises.

25B.8 The licensee is not required to give information under paragraph 7, if doing so would seriously and prejudicially affect its commercial interest or might be expected to be incompatible with any legislation, rule of law or licence condition.

25B.9 The licensee is not required to give information under paragraph 7 which it could not be compelled to produce or give in evidence in civil proceeding before a court.

25B.10 Where the Installation Licensee receives a request from a Proposed New Gas Supplier, after 31st December 2012, the Installation Licensee must:

- (a) offer to provide the Proposed New Gas Supplier with all such services as are reasonably required for the Proposed New Gas Supplier to maintain all of the services related to the functionality of the existing Advanced Domestic Meter at particular Domestic Premises (hereafter referred to as 'the relevant services'); and
- (b) if the offer referred to in sub-paragraph (a) is accepted, provide the Proposed New Gas Supplier with the relevant services in accordance with that offer.

25B.11 The Installation Licensee is not required to comply with paragraph 10 where it –

- (a) supplies gas to fewer than 250,000 Domestic Customers; or
- (b) has installed or arranged to have installed fewer than –
 - (i) 25,000 Advanced Domestic Meters; and
 - (ii) 5,000 Prepayment Advanced Domestic Meters.

25B.12 The licensee is not required to comply with Standard Condition 25B.10 to such extent as the Authority may from time to time direct.

Replacement of a Prepayment Advanced Domestic Meter

25B. 13 Where a Domestic Customer with a Prepayment Advanced Domestic Meter intends to change their Gas Supplier at the same Domestic Premises to the licensee, and will continue to pay Charges for the Supply of Gas in advance

though a Prepayment Meter, but the licensee is unable to support the existing Prepayment Advance Domestic Meter, the licensee must install or arrange to install a replacement Prepayment Meter at no charge to the Domestic Customer.

25B.14 ~~The licensee must provide to the Authority, in such manner and at such times as the Authority may reasonably require, such Information as the Authority may require or deem necessary or appropriate to enable the Authority to monitor the licensee's compliance with this condition~~Not Used.

25B.15 ~~The licensee is not required to comply with paragraph 14 if it could not be compelled to produce or give the Information in evidence in civil proceedings before a court~~Not Used.

Definitions for condition

25B.16 For the purposes of this condition:

Advanced Domestic Meter	means an Gas Meter that, either on its own or with an ancillary device: (a) provides measured gas consumption data for multiple time periods and is able to provide such data for at least daily periods; (b) is able to provide the licensee with remote access to such data; and (c) is not an Electronic Consumption Data Display.
Electronic Consumption Data Display	means an electronic device that provides information, by electronic display, for the purposes of ascertaining the quantity of gas supplied to Domestic Premises and/or information relating to Charges for the Supply of Gas, in relation to Domestic Premises where an Advanced Domestic Meter is installed.
Installation Licensee	means the Gas Supplier who has installed or arranged to have installed an Advanced Domestic Meter at the Domestic Premises of a particular Domestic Customer.
Prepayment Advanced Domestic Meter	means a Gas Meter that, either on its own or with an ancillary device: (a) provides measured gas consumption data for multiple time periods and is able to provide such data for at least daily periods; (b) is able to provide the licensee with remote access to such data; (c) operating in a mode which requires a Domestic Customer to pay Charges for the Supply of Gas in advance; and (d) a reference to the installation or removal of a Prepayment Meter includes the switching of any Gas Meter to or from such a mode.
Proposed New Gas Supplier	means a Gas Supplier that is not the Installation Licensee and is seeking to enter into a Domestic Supply Contract with a particular Domestic Customer.

~~Condition 25C. Customer Objective and Standards of Conduct for supply activities (Not Used – refer to standard condition 0)~~

~~Application of standard condition~~

25C.1. ~~Subject to paragraph 25C.6, standard condition 25C applies to all activities of the licensee and any Representative which involve, or otherwise relate to, dealings with a Domestic Customer.~~

Customer Objective

~~25C.2—The objective of this condition is for the licensee and any Representative to ensure that each Domestic Customer is treated fairly (“the Customer Objective”).~~

~~25C.3—For the purposes of this condition, the licensee or any Representative would not be regarded as treating a Domestic Customer fairly if their actions or omissions:~~

- ~~(a) significantly favour the interests of the licensee; and~~
- ~~(b) give rise to a likelihood of detriment to the Domestic Customer.~~

Standards of Conduct

~~25C.4—The Standards of Conduct are that:~~

~~(a) the licensee and any Representative behave and carry out any actions in a Fair, honest, transparent, appropriate and professional manner;~~

~~(b) the licensee and any Representative provide information (whether in Writing or orally) to each Domestic Customer which:~~

~~(i) is complete, accurate and not misleading (in terms of the information provided or omitted);~~

~~(ii) is communicated (and, if provided in Writing, drafted) in plain and intelligible language;~~

~~(iii) relates to products or services which are appropriate to the Domestic Customer to whom it is directed; and~~

~~(iv) is otherwise Fair both in terms of its content and in terms of how it is presented (with more important information being given appropriate prominence);~~

~~(c) the licensee and any Representative:~~

~~(i) make it easy for a Domestic Customer to contact the licensee;~~

~~(ii) act promptly and courteously to put things right when the licensee or any Representative makes a mistake; and~~

~~(iii) otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent.~~

Compliance with the Standards of Conduct

~~25C.5—The licensee must take all reasonable steps to achieve the Standards of Conduct and ensure that it interprets and applies the Standards of Conduct in a manner consistent with the Customer Objective.~~

Exception to scope of condition

~~25C.6—Apart from any matters relating to Deemed Contracts, standard condition 25C does not apply in respect of the amount or amounts of any Charges for the Supply of Gas or any other type of charge or fee.~~

Provision and publication of information

~~25C.7—The licensee must prepare and update annually information (hereafter referred to as the “Treating Customers Fairly Statement”) which:~~

~~(a) is set out in Writing;~~

~~(b) uses a heading which clearly highlights that the information relates to how the licensee is seeking to treat customers fairly; and~~

~~(c) includes the following information:~~

~~(i) the main actions taken and being taken by the licensee in line with the Customer Objective and Standards of Conduct; and~~

~~(ii) the service and treatment Domestic Customers can expect from the licensee and any Representative.~~

~~25C.8—If the licensee or any Affiliate Gas Licensee has a Website, the licensee must publish the Treating Customers Fairly Statement on that Website in a position that is capable of easily being accessed by any person.~~

~~25C.9—If any person requests a copy of the Treating Customers Fairly Statement, the licensee must provide a Written copy to that person free of charge as soon as reasonably practicable.~~

Guidance

~~25C.10—The licensee must have regard to any guidance on standard condition 25C (including in respect of definitions which appear in standard condition 1) which, following consultation (which may be conducted before this condition takes effect), the Authority may issue and may from time to time revise (following further consultation).~~

Definitions for condition

~~25C.11 For the purposes of this condition:~~

Customer Objective	is to be interpreted in accordance with paragraph 25C.2.
Fair	and cognate expressions are to be interpreted in accordance with paragraph 25C.3.
Standards of Conduct	means one or more of sub paragraphs 25C.4(a) to (c).
Treating Customers Fairly Statement	is to be interpreted in accordance with paragraph 25C.7.