



Making a positive difference  
for energy consumers

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

Email: [confidencecode@ofgem.gov.uk](mailto:confidencecode@ofgem.gov.uk)

Date: 1 September 2017

Dear Colleague

### **Publication of the new Ofgem Confidence Code**

On 3 July 2017 Ofgem published the document "[Decision on the partial implementation of the CMA's Whole of Market remedy & consulting on new Code requirements](#)" (the July 2017 publication). In that document, Ofgem set out our decision to partially implement the removal of the WoM Requirement, and to consult on consequential Confidence Code<sup>1</sup> wording.

Appendix 1 of this document sets out a summary of the consultation responses to the July 2017 publication, our response and our decision to proceed with the wording of the Confidence Code as proposed in Appendix 1 of the July 2017 publication. In Appendix 2 of this document, we have set out our final criteria for trials that will test the impact of fully removing the WoM requirement<sup>2</sup> from the Confidence Code. The results of these trials will help inform Ofgem's forthcoming consultation on full removal of the WoM requirement as recommended by the CMA following its Energy Market Investigation<sup>3</sup>.

Following the July 2017 publication, we have considered stakeholder feedback on Code drafting. We thank those who provided views. The majority of responses to the consultation section of the July 2017 publication agreed that the proposed wording met Ofgem's policy objectives. A number of issues were raised which we have sought to address in Appendix 1 of this document.

Between the July 2017 publication and the date of publishing the new Confidence Code wording, Ofgem permitted an initial trial period to allow accredited Price Comparison Websites (PCWs) to understand the best means of being compliant with the new Code requirements proposed in Appendix 1 of the July 2017 publication. Today we have published the new Confidence Code wording which means that trialing period ends, and the new Code wording in Appendix 3 of this document comes into effect. From now on

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<sup>1</sup> The terms Confidence Code and Code are used to describe voluntary code of practice for domestic energy price comparison websites (PCWs)

<sup>2</sup> Currently there are obligations on accredited PCWs to present a consumer with all tariffs within the market that are described under Requirement 2 of the Confidence Code. Within Requirement 5 of the Code there are restrictions around filtering and display of tariffs that can be switched through the accredited PCW, taken together, these requirements are commonly referred to as the WoM Requirement.

<sup>3</sup> [Competition and Markets Authority, June 2016, Final Report](#)

we will assess accredited PCWs' compliance with the Code drafting set out in the Appendix 3 through our ongoing monitoring and audits.

#### Monitoring the impact of the new Confidence Code wording

As highlighted in the July 2017 publication and its impact assessment, Ofgem will be looking at the impact of our proposals to inform the next steps of the Code's development. To facilitate this, Ofgem are looking for accredited PCWs and suppliers to work with us to provide information such as:

- Impact on conversion rates and switching since Code changes.
- Impact on the number of exclusive deals that are being made between PCWs and suppliers since Code changes.
- Impact on amount of investment going into accredited PCWs' energy offering to attract more customers since Code changes.
- Consumer views. Ofgem are keen to understand how consumers have reacted to the messaging that has been put forward to meet Code requirements 1(G), 1(H), 1(I), 1(J), 2(A), 5(G), 5(H), and 5(I) as outlined in this document.

We are highlighting our intention to request this information in the future to give both accredited PCWs and supplier's notice of our request for them to capture the above information and share it with Ofgem. Full details of the information Ofgem is looking to get from accredited PCWs and suppliers will be sent to them as a Request for Information in the autumn of 2017.

If you have any queries regarding the Confidence Code, please contact Xander Fare at [xander.fare@ofgem.gov.uk](mailto:xander.fare@ofgem.gov.uk).

Yours sincerely,

Rachel Fletcher

**Senior Partner  
Consumers and Competition  
Ofgem**

## Appendix 1 – Summary of consultation responses and Ofgem’s response

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### **Q1. Do you agree that our proposed Code changes meets the policy goal of providing clear messaging to consumers about the market coverage of an accredited PCW’s Partial View<sup>4</sup>. If not, how should the Code be changed to meet this policy goal?**

The majority of respondents agreed that the proposed changes supported the policy goal. One supplier recommended that Ofgem monitors the messaging and if any inconsistencies are identified, prescribe messaging. Another supplier did not agree with a Partial View being a default. They suggested that if it goes ahead Ofgem introduce a requirement so a message is displayed reiterating the fact that a commercial relationship is in place.

PCWs, both accredited and non-accredited, that responded to the consultation said they agreed that the proposed Code changes met the policy goal of providing clear messaging to consumers about the market coverage on the Partial View. However, they raised a number of issues in relation to the proposed changes, namely:

- One PCW said the policy goal was flawed. It argued that because the requirement to provide clarity around what is on a particular results page does not exist in other sectors, this requirement in the Code may confuse consumers and discourage them from switching.
- One PCW suggested that the Code should be amended so sites could comply with either Requirement 1H(i) or 1H(ii) rather than both.
- One PCW considered Requirement 1(H) to be overly prescriptive and said that Requirement 5H(iii) would be difficult to implement due to difficulties in being able to define the whole retail energy market. The PCW concluded that PCWs would be able to do little more than list the suppliers as outlined in Requirement 1 of the Code.
- In the interest of ensuring that regulatory requirements are as consistent as possible, one PCW suggested that Ofgem should review the proposed Code wording when the CMA publishes the final report of its DCT market study.

***Ofgem Response: As outlined in the July 2017 publication and its impact assessment, Ofgem considers that the policy goal of providing clear messaging to consumers about the market coverage of an accredited PCW’s Partial View will help avoid switching/searching decisions being made based on incorrect assumptions. We also consider our proposals to default to the Partial View alongside the need for increased market transparency as making switching easier for consumers due to the increased prominence of fulfilable tariffs<sup>5</sup>. We thus consider our proposals and our policy goal to be in the consumer interest. We would also note the statement of the CMA in their DCT Update Paper that we understand as applying to PCWs in a range of industries: ‘Our provisional view is that consumer trust and engagement, as well as effective competition, is better achieved by ensuring, where necessary, that DCTs are transparent about their market coverage than by requiring DCTs to provide a particular level of coverage’<sup>6</sup>.***

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<sup>4</sup> As defined in the Ofgem July 2017 Confidence Code publication, this means a view of only those tariffs the consumer can apply to switch to or enter into contracts for, via the Service Provider’s Price Comparison Service.

<sup>5</sup> A fulfillable tariff is one for which a PCW can facilitate the switch and is paid a commission for doing so. A PCW will receive no commission for displaying results for non-fulfillable tariffs.

<sup>6</sup> [Digital Comparison Tools market study: update paper](#), 28 March 2017 paragraph 8.40 (page 119)

***Ofgem considered that the experience of accredited PCWs on displaying information to PCW users can be used to decide how best to present the market coverage statement required as part of Requirement 5H(iii). We note the point that difficulties in defining the whole retail energy market will impact accredited PCWs ability to comply with Requirement 5H(iii). Ofgem would note in response that in our July 2017 publication Ofgem gave an example of testing a statement with consumers which outlined the number or percentage of suppliers that is shown in the Partial View compared to all the suppliers that an accredited PCW is aware of in the market. Ofgem continues to consider this an example, rather than a prescription of how to meet 5H(iii).***

***With consideration of the above, and of the majority of consultation responses agreeing that the proposed wording of the Code meets the policy goal of providing clear messaging on what an accredited PCW's Partial View page covers, Ofgem has decided to maintain the wording of Requirement 1(H), and 1(I) and Requirement 5H(iii) as outlined in the July 2017 publication.***

***Ofgem will be reviewing our approach to Requirement 1 and 5 of the Code again later this year, following inputs from our monitoring on the impacts of the new Code wording, the results from trials on full removal of the WoM requirement, and the details of the CMA's final DCT Study.***

**Q2. Do you agree that our proposed Code changes meet the policy goal of providing clear messaging on what an accredited PCW's Wide Results page covers. If not, how should the Code be changed to meet this policy goal?**

The majority of respondents agreed that the proposed changes supported the policy goal. One supplier recommended that where the Wide Results page is shown, Ofgem add a requirement for sites to signpost to the Citizens Advice's energy price comparison tool. The supplier also recommended that the draft wording for Requirement 2A(ii) be strengthened as it had concerns that the drafting was too narrow in application as it focused only on misleading statements when a site was 'signposting to' the Wide Results page rather than on the entirety of the website.

***Ofgem Response: The role of the Citizens Advice's price comparison tool in the Confidence Code is being considered as part of our trials on full removal of the WoM requirement. We will consider the results of these trials to inform our policy approach to the Confidence Code.***

***For the avoidance of doubt, Ofgem considers accredited sites displaying misleading information (including factually incorrect wording) anywhere on their site as a breach of Requirement 1C of the Confidence Code, which prohibits sites from presenting any information or data in such a way that is deemed by Ofgem to be, or potentially to be, misleading or confusing to consumers. The proposed drafting of Requirement 2A(ii) was put forward specifically to address incorrect information on the Wide Results page, as this would better deliver on our policy goal of providing clear messaging on what an accredited PCW's Wide Results page covers, and would address potential consumer concerns as outlined in the July 2017 publication's***

**impact assessment. With consideration of the above, and of the majority of consultation responses agreeing that the proposed wording of the Code meets the policy goal of providing clear messaging on what an accredited PCW's Wide Results page covers, Ofgem has decided to maintain the wording of Requirement 2A(ii) as outlined in the July 2017 publication.**

Generally, PCWs did not support the proposed changes intended to provide clarity on what is included in the Wide Results list. A number of issues/concerns were raised, including the following:

- The merits of proposing changes which may only be required in the short term but which would bring an expense for PCWs and potentially confuse consumers.
- The need to review Requirement 2A(iii) pending full removal of the WoM requirement.
- The drafting of Requirement 2A(iii) resulting in the Wide Results page noting tariffs that consumers may not be able to apply for (i.e. exclusive deals etc.). It was noted that this could confuse consumers and do little to encourage switching or improve engagement levels. Alternative wording for Requirement 2(A)(iii) was suggested to resolve this.

**Ofgem Response: Ofgem further considered the evidence from the July 2017 publication's impact assessment on there being a tension between informing consumers of market coverage, and ensuring that messages are not off-putting to switching. Ofgem considered potential changes to Requirement 2A(iii) to allow PCWs to comply with the requirement by only informing consumers of tariffs that are not shown on the Wide Results page (as described under Requirement 2A(ii)), if the tariffs are applicable to the consumer. We concluded that such changes would have a minimal impact on the information presented to consumers, and could be a disproportionately costly burden on accredited PCWs to comply with. Ofgem will be reviewing our approach to Requirement 2 of the Code again later this year, following inputs from monitoring the impact of the new Code wording, the results from trials on full removal of the WoM requirement, and the details of the CMA's final DCT Study. During this period we will further consider views and evidence on the impact of informing consumers of tariffs that are not shown on the Wide Results page and whether amendments to Requirement 2A are appropriate.**

**With consideration of the above, and of the majority of consultation responses agreeing that the proposed wording of the Code meets the policy goal of providing clear messaging on what an accredited PCW's Wide Results page covers, Ofgem has decided to maintain the wording of Requirement 2A(iii) as outlined in the July 2017 publication.**

- Concerns were raised around the proposed drafting of Requirement 2A(i) in combination with the definition of a Price Comparison Service. It was argued that taken together they would require PCWs to include exclusive deals from collective switching services, offline switching services or those that a supplier offers exclusively through another form of partnership.

***Ofgem Response: In our 2016 proposal to partially implement the removal of the WoM requirement, Ofgem suggested new wording in the Confidence Code to account for practical challenges in obtaining exclusive deal information from competitor websites. Further changes in the Code to explicitly account for offline switching and collective switching will require further consideration before making explicit Code changes. We will be looking at this in more detail as we consult on full removal of the WoM requirement at the end of this year.***

***With consideration of the above, and of the majority of consultation responses agreeing that the proposed wording of the Code meets the policy goal of providing clear messaging on what an accredited PCW's Wide Results page covers, Ofgem has decided to maintain the wording of Requirement 2A(i) as outlined in the July 2017 publication.***

- One PCW argued that PCWs should only be made to present tariffs as available on the market if they can be confident that the suppliers offering the tariffs have adequate capacity to take on new customers. They suggested that the Wide Results page should not include tariffs from suppliers that are in Controlled Market Entry (CME).
- One PCW raised concerns that the proposed wording could create a difference for accredited PCWs who can only use the term Wide Results and non-accredited PCWs, or other TPIs, who may still use the term "whole of market". There are worries that this distinction may add unnecessary complexity to consumers across the market and could potentially bring misunderstandings. It was also argued that it would be simpler for accredited PCWs to use the term whole of market but with an explanation of what it includes.

***Ofgem Response: Ofgem considers that unless it is factually accurate, the use of the phrase "whole of market" to describe an accredited PCWs' Wide Results page may increase the likelihood of switching/searching decisions being made based on incorrect assumptions. Ofgem will consider any further evidence of consumer confusion or misunderstanding arising from our proposals to inform our policy approach to the Confidence Code.***

***Ofgem does not have evidence to suggest that suppliers in CME do not have the capacity to accommodate new customers due to the supplier's appearance on accredited PCWs' Wide Results page. We note that all accredited PCWs are not obligated to show a tariff from a supplier, if the supplier offering that tariff requests to be taken off the accredited PCW. We would also note that as our proposals allow PCWs to default to a Partial View this could reduce the prominence of suppliers in CME on the Wide Results page.***

***With consideration of the above, and of the majority of consultation responses agreeing that the proposed wording of the Code meets the policy goal of providing clear messaging on what an accredited PCW's Wide Results page covers, Ofgem has decided to maintain the wording of Requirement 2A as outlined in the July 2017 publication.***

**Q3. Do you agree that our proposed Code changes meet the policy goal of ensuring accredited PCWs list tariffs in price order in any default view. If not, how should the Code be changed to achieve this?**

The majority of respondents agreed that the proposed changes supported the policy goal. A selection of suppliers and PCWs highlighted the value of enhanced filtering options on accredited PCWs to allow consumers to make informed choices to fit their preference and needs. One supplier recommended that it be made compulsory for PCWs to allow alternative search results, such as by customer service standards.

***Ofgem Response: Ofgem accepts the value that consumers may place on enhanced filtering options such as displaying search results by customer service stands but do not think it is necessary at this time to change the Code to mandate these filtering options. We do not see evidence of an explicit change to the Code as being needed to achieve this as it is common practice amongst accredited PCWs. In addition, we do not consider there to be any significant incentive for PCWs to not offer enhanced filtering options and thus concluded that additions to the Code to mandate these filtering options would not be necessary.***

***With consideration of the above, and of the majority of consultation responses agreeing that the proposed wording of the Code meets the policy goal of ensuring accredited PCWs list tariffs in price order in any default view, Ofgem has decided to maintain the wording of Requirement 1(F) as outlined in the July 2017 publication.***

## Appendix 2 – Criteria for trials testing the impact of removing the WoM requirement

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In the July 2017 publication, Ofgem set out draft criteria for trials with accredited PCWs later in the year. We decided to conduct these trials to understand in more detail the impact of fully removing the WoM Requirement from the Code, and whether consumers have a clear understanding of what they are seeing when viewing the results of accredited PCWs. Following further discussions internally and with accredited PCWs who submitted a trial plan to us following the July 2017 publication, we are setting out the final criteria for trials in this document.

**Timescales for trials:** The trials will run for a four-week period from September until October 2017, the exact dates will be subject to final agreement with each accredited PCW who submitted a trial plan by the 12 July deadline specified in our July 2017 publication. As trials will commence at the start of September 2017 rather than August 2017 as stated in our draft criteria we are giving accredited PCWs who did not submit a trial plan based on the August 2017 start date, an additional opportunity to submit a plan to [Confidencecode@ofgem.gov.uk](mailto:Confidencecode@ofgem.gov.uk). This plan must outline how it will meet the final criteria set out in this document and should be submitted within five working days of this document being published.

### **Trials to consist of:**

- A “Control Group” which will display a results page that is compliant with the wording of the Confidence Code as outlined in Appendix 3 of this document.
- A “Test Group 1” which will not be given access to a Wide Results page and be compliant with Requirement 1G, 1H, 1I, and 5H(iii) of the Code
- A “Test Group 2” which will not be given access to a Wide Results page, be compliant with Requirement 1G, 1H, 1I, and 5H(iii) of the Code, and will be provided with a clear, prominent and accessible link to the Citizens Advice comparison website with an accompanying explanation of the difference between what is shown on the PCWs results page and what is shown on the Citizens Advice website which is not misleading.

### **Rules of the trial:**

1. For the purposes of this trial, a “conversion” should be treated as the point at which information about the tariff a website user wants to switch to is sent from a PCW to a supplier.
2. Site visitors must be randomly allocated to either the control group or one of the test groups upon entering the site, using appropriate software. We expect each group to have roughly equal allocation of site visitors.
3. Participating accredited PCWs must endeavour to have enough customers allocated across each group so that the trial has sufficient statistical power. This means that there should ideally be enough customers in order to detect (potentially small) differences in conversion rates between test groups. We recognise that different PCWs will have different amounts of

customer traffic and that ensuring statistical power may not always be possible. We will still welcome results that are not statistically significant.

4. The control and test groups must be run simultaneously.
5. Other than the variations described above the control group page and test group pages must be identical. Screenshots or live examples of the trial web pages should be presented to Ofgem before the trial goes live.
6. In the control group and test groups, there must be clear messaging to consumers about the market coverage of their results page; and tariffs must be listed in price order unless the consumer specifically asks for them to be ordered in some other way.
7. Survey questions which should be included in the trials of all accredited PCWs are provided under the Results section below. PCWs may add additional questions but these must be agreed with Ofgem.
8. Participating PCWs should adhere to best practice in survey methodology when capturing data on customer experience. This includes but is not limited to, ensuring the sample size is sufficient and ensuring questions are well designed and not leading.
9. All results of trials must be provided to Ofgem within five working days of the trial ending. If sites decide to stop their trial or Ofgem asks for a trial to be stopped, all results collected for the trial up to the point of it ending must be sent to Ofgem within five working days of the trial being stopped.

**Compliance** – During the trial period for any sites whose trial has been approved, and upon condition of an accredited PCW complying with the terms of its trial as agreed with Ofgem, Ofgem will not prioritise enforcement of certain sections of the Confidence Code that relate to the WoM Requirement. For the avoidance of doubt, all other aspects of the Code outside of the WoM Requirement will remain in force and enforceable in the usual manner. Ofgem reserves the right to halt all trials if we feel there is evidence of widespread consumer harm.

**Results**

1. Results should be displayed in the following or similar format for the overall trial period.

| <b>A. Test Group</b> | <b>B. Number of visitors to the PCW who began a search</b> | <b>C. Number of customers who converted</b> | <b>D. Conversion Rate<br/>(C/B x 100)</b> |
|----------------------|--|---|---|
| 1. Control Group     |  |   |   |
| 2. Test Group 1      |  |   |   |

|                 |  |  |  |
|-----------------|--|--|--|
| 3. Test Group 2 |  |  |  |
|-----------------|--|--|--|

2. Respondent level data to the following survey questions should be provided and questions should be asked in the following order:

| <b>Questions for all groups:</b>                                       |   | <b>For each question, one answer should be given from the following choices:</b>  |
|--|---|---|
| 1  | Have you used a Price Comparison Website before?  | <ul style="list-style-type: none"> <li>• Yes – for energy and other services</li> <li>• Yes – only for energy</li> <li>• Yes – for other services but not for energy</li> <li>• No – I have not used a price comparison website before</li> <li>• Don't Know</li> </ul>   |
| 2  | How would you rate the service provided on this site today on a scale of 1 to 5?  | <ul style="list-style-type: none"> <li>• 1 (very poor)</li> <li>• 2</li> <li>• 3 (average)</li> <li>• 4</li> <li>• 5 (very good)</li> </ul>   |
| 3  | How well did you understand the results you obtained today?   | <ul style="list-style-type: none"> <li>• 1 (very difficult to understand)</li> <li>• 2</li> <li>• 3 (average)</li> <li>• 4</li> <li>• 5 (easy to understand)</li> </ul>   |
| 4  | Thinking back to your energy comparison today, what tariffs were you shown on the results page?   | <ul style="list-style-type: none"> <li>• I was only shown tariffs that I could switch to through [PCW name]</li> <li>• I was shown the widest range of tariffs available on the market, including those that [PCW name] can't switch me to</li> <li>• I'm not sure</li> <li>• I can't remember</li> <li>• I didn't make it to the results page</li> </ul> |
| 5  | When comparing energy deals, how important is it that a price comparison website shows you a wide range of deals, including deals that the price comparison site CAN'T switch you to? | <ul style="list-style-type: none"> <li>• Not at all important</li> <li>• Slightly Important</li> <li>• Moderately Important</li> <li>• Very Important</li> <li>• Extremely Important</li> </ul>   |
| <b>Additional optional question that can be asked for Test Group 1</b> |   |   |
| 2.1  | The results shown to you only included suppliers with whom we have a commercial relationship and could switch you to today. Did you understand that?<br>[To be asked after Qs 1-5]    | <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> <li>• Not Sure</li> </ul>   |

| <b>Additional optional question that can be asked for Test Group 2</b> |  |   |
|--|--|---|
| 2.2  | The results shown to you only included suppliers with whom we have a commercial relationship and could switch you to today. Did you understand that?<br>[To be asked after Qs 1-5] | <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> <li>• Not Sure</li> </ul>   |
| <b>Additional questions for Test Group 2</b>                           |  |   |
| 2.3  | Did you understand that you could click through to Citizens Advice and see a wider range of energy deals in the market?<br>[To be asked after Qs 1-5 or after Q 2.2 if asked]      | <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> <li>• Not Sure</li> </ul>   |
| 2.4  | How useful did you find this link? [To be asked after Q 2.3 if the answer is Yes]  | <ul style="list-style-type: none"> <li>• 1 (not at all useful)</li> <li>• 2</li> <li>• 3</li> <li>• 4</li> <li>• 5 (very useful)</li> </ul> |

3. Ofgem will be in contact with accredited PCWs during the trial period to discuss progress and ask further questions on their trial such as:
- where in the consumer journey are the survey questions being asked of site visitors
  - further details on the process used to meet the rules of the trial;
  - an explanation of how the site defined repeat visitors over the trial period (i.e. if a customer visited their website in the morning and begun a search then left the website but returned later that afternoon or a day later and completed a switch would they be counted as two visitors or one)
  - to those in which it is applicable, Ofgem may ask for details of any statistical analysis conducted such as the p-value, the confidence interval and the significance level tested against.

Ofgem may ask for further information from accredited PCWs to be provided alongside their results and other questions on the process taken for the trial.

### **Confidentiality and disclosure**

Any information provided to Ofgem which relates to the affairs of an individual or a particular business will be subject to statutory restrictions on disclosure under section 105 of the Utilities Act 2000. However, you should note that there are exceptions to the statutory restrictions, including where the disclosure is necessary to facilitate the statutory functions of Ofgem (e.g. publishing information to promote the interests of consumers) or other public bodies.

You should note that Ofgem cannot provide any assurances in relation to the treatment of information which may be the subject of a request made under the Freedom of Information Act 2000 ("FOIA"). However, we can confirm that Ofgem will always consider whether the statutory restrictions on disclosure apply to the requested information and therefore whether one or more of the FOIA exemptions apply.

Before deciding whether to publish any information relating to the affairs of a particular business, Ofgem is required to consider whether it is appropriate to redact any information on the basis that the information would or might, in our opinion, seriously and prejudicially harm the interests of that person (“confidential information”).

In order to enable Ofgem to conduct this assessment (in the event that the possibility of publishing information is considered), we would ask that you indicate in your submission whether you consider any information to be confidential information and provide brief reasoning in support of your views. Where appropriate, we may seek further representations at a later stage in respect of any specific information Ofgem is proposing to publish for any other purposes.

## Appendix 3



Promoting choice and value

**for all gas and electricity customers**

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

## Code of Practice

**Publication date:** 1 September 2017

**Contact:** Xander Fare

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### Overview:

The Confidence Code sets out minimum requirements that a provider of an interactive price comparison service for domestic consumers must meet in order to be, and remain, accredited by Ofgem.

# 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>Wide Results</b>                       | means all tariffs within the scope of requirement 2A(i) taking into consideration any opt-in filters selected by the consumer.   |
| <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>Partial View</b>                       | means a view of only those tariffs the consumer can apply to switch to or enter into contracts for, via the Service Provider's Price Comparison Service.   |
| <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.   |

# 1. 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, or where a consumer does not choose what order their results should be in, results must be presented strictly by cheapest price first.

### *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;
- i. at least once during the Consumer Journey; and
  - ii. on the Partial View results page.

- (I) The Service Provider must provide, alongside the list required in (G), (wherever it

appears):

- 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) (i) 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; or
  - tariffs which are exclusive deals between a supplier and another Service Provider.
- (ii) When signposting consumers to, or displaying any results page the Service Provider must not use wording that would in any way imply that it contains every possible tariff available from all suppliers via any means unless this statement is factually accurate. For the avoidance of doubt, descriptions that should not be used include, but are not limited to, wording to the effect of 'whole of market' or 'all tariffs'.
- (iii) Any results page displaying Wide Results must identify the limitations of this view and communicate to consumers what categories of tariffs covered by Requirement two(A)(i) are not shown on the Wide Results page.
- (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,

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

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

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

- 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.

##### *The display of a Partial View*

- (F) A Service Provider may (subject to requirement 5(G) below) display a Partial View as a default option or by offering a filter option before the results page.
- (G) At any point of filtering-which may lead to a Partial View, the Service Provider must

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

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) At any point where the Service Provider displays a Partial View (either as a default or after a filter is applied), the Service Provider must, on the results page:
- i. ensure that the consumer can quickly and easily access the page that shows the Wide Results without re-entering their details or going back to a previous page or link;
  - ii. provide a clear and intelligible statement prominently on the results page explaining that the consumer is seeing a Partial View on the results page, and that they are able to access the Wide-Results; and
  - iii. provide a prominent, clear and intelligible statement summarising the extent of the market coverage provided by the Partial View which is reflective of the service the customer is actually offered and is not misleading.
- (I) A Service Provider must test the prominence, clarity and intelligibility of the messaging required to fulfil requirements 5(G), (H)(i) and (H)(ii) 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).
- (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

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

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. 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.