



Third Party Intermediaries
Code of Practice
Draft approach

Introduction

- Based on the findings and feedback from the recent workshops, we think that a principle-based approach is most appropriate way to introduce a Code of Practice (CoP); it sets standards whilst allowing participants the flexibility that meets their business model.
- We will adopt an agile approach; introducing the CoP on a voluntary basis in the first instance will enable us to move at pace while continuing to work on assurance of compliance with the CoP principles, including an accreditation scheme which could replace existing individual supplier audits.
- In taking this approach we will:
 - Enable participants to prepare for a mandated CoP
 - Ensure that an accreditation scheme is established
 - There is sufficient lead in time to enable participants to seek accreditation
 - Establish a performance assurance regime that will underpin the CoP



Code of Practice

Draft approach

Once the approach and content is agreed, it will be formally drafted as a Code of Practice

Principles approach to include:

- Transparency and accuracy
- Price and product
- Fair and appropriate selling
- Complaints handling/dispute resolution
- Data protection
- Training
- Supplier requirement – performance assurance

Principle 1 - Transparency and accuracy

Purpose

To empower customers to make informed purchasing decisions.

Proposed principles

Key aspects include ensuring:

- Maintenance of accurate customer data
- Customer is clear that they are speaking with an energy TPI from the outset
- Customer has clarity of how the TPI is remunerated
- Taking all reasonable steps to establish accurate EAC and/or AQ data
- Clarity of the total annual energy consumption figures used for tendering is provided
- Customer is aware that calls are recorded for training and monitoring etc.
- All supplier quotation and/or contractual documentation is provided to the customer and not misrepresented
- Customer is aware they are entering into a legally binding contract
- All relevant information is referenced, such as supplier, legislative market or industry news
- TPI has appropriate compliance processes in place

Impacts

- Improve customer understanding of terms and conditions, basis for the contract and reduce misrepresentation
- The Supplier will be able to have confidence in the TPI that they are adhering to license requirement 7A

Principle 2 - Price and product

Purpose

To enable customers to carry out effective comparisons and to protect and increase competition in the market.

Proposed principles

Key aspects include ensuring:

- Clearly state the total value of commission earned and how it was calculated and, where applicable, commission must be displayed as pence per kWh
- Details of which Suppliers were approached, and the prices offered are provided to the customer
- Quotation documents that include the products and/or services are provided to the customer
- TPI has appropriate governance and assurance to check sales and activities relating to this principle

Impacts

- Transparency will ensure the customer has visibility of full TPI costs and services
- Provide an accurate representation searches and prices and prevent use of 'preferred suppliers' that may not be in the customer's best interest
- Removes risk of undisclosed commission

Purpose

To ensure customers are being treated fairly and to increase customer engagement and trust in the market. This principle should also have regard to Principle 2.

Proposed principles

Key aspects include ensuring:

- The contract is suitable for the customer based on the information provided
- The contract type is clearly explained to the customer, including commodity and non-commodity charges
- Compliance with relevant legislation such as Business Protection from Misleading Marketing Regulations 2008
- Only classifying a transfer as a Change of Tenancy where there is reasonable evidence that a change of tenancy has occurred
- Uses all reasonable endeavours to ensure customers are treated fairly and not subject to unreasonable pressure
- Use minimum requirements of a standard Letter of Authority
- Has appropriate governance and assurance to check activities relating to this principle

Impacts

- Customer has clarity on the contract
- TPI can be sure the LOA will be accepted
- Supplier risk is reduced
- Supplier is assured that the TPI is providing correct change of tenancy details

Purpose

To ensure customers have a clear route for complaints to be addressed

Proposed principles

Key aspects include ensuring:

- There is a robust complaints procedure in place and available to customers
- The complaints procedure is maintained and kept up to date with version control
- Where a TPI provides services to a Micro Business, the TPI must be signed up to a qualifying Alternative Dispute Resolution scheme
- The customer can register complaints in various formats
- Complaints are logged and retained for a period of 24 months
- The customer is signposted to the appropriate Ombudsmen scheme as well as sources of independent help
- Has appropriate governance and assurance to check activities relating to this principle

Impacts

- Customer has route for complaint handling and dispute resolution
- Provides Supplier with comfort that the TPI is a current member of a qualifying ADR scheme
- Provides Supplier with details of scheme and membership number for ease of validation

Purpose

To ensure data protection regulatory requirements are met to protect customers and drive trust in the market

Proposed principles

Key aspects include ensuring:

- Customer data is handled in line with the relevant data protection regulations applicable at the time
- Is registered with the ICO for fee payers
- Has an up-to-date Data Protection Policy
- Has appropriate governance and assurance to check activities relating to this principle

Impacts

Greater confidence in the TPI that customer and supplier data is protected correctly and in line with UK law

Principle 6 - Training

Purpose

To ensure that TPIs and their representatives understand the requirements of this Code

Proposed principles

Key aspects include ensuring:

- Training in relation to the Code of Practice Principles is undertaken regularly
- The training is provided to all relevant staff, third parties, agents and representatives
- Maintain a detailed training log
- All relevant staff, third parties, agents and representatives training is regularly monitored, reviewed and refresher training is provided
- Has appropriate management in place to ensure consistent delivery against the activities relating to this principle

Impacts

- Proper training and monitoring will provide customers with consistent, fair and appropriate TPI interaction, aligned to these principles across the value chain
- Supplier will be able to have confidence in the TPI that the principles of this Code are being trained and monitored across the sales journey

Additional Principle - Supplier requirement performance assurance to be developed

Purpose

The Supplier will be expected to adhere to standards that will form part of the Supplier Performance Assurance

Proposed principles

Key aspects include

- Supplier must use all reasonable endeavours to accept any LOA presented as the RECCo standard LOA
- Supplier will respond to TPI queries within service level agreements
- Supplier must not erroneously object to a customer transfer
- Supplier must ensure that any change of tenancy request is made with the required supporting evidence

Introduction of this Principle will require further consideration and development and is therefore not expected to be included as part of the first phase.

Impacts

- The customer is confident that the change of tenancy is legitimate
- TPIs can be assured that the LOA will be accepted if the RECCo standard/minimum requirements are used
- TPI can expect a response to enquiries within a reasonable time
- TPI can be confident that contracts agreed will proceed

CoP questions to address

Overall approach

Do you agree with the general proposed approach?

Are there any principles that you disagree with and why?

Are there any principles that you think we should include?

Specific issues

Should the CoP apply to all SMEs, Microbusinesses and I&C customers who use TPIs?

Should commission be displayed at p/per kwh?

Should there be relevant SLAs in place for Suppliers to respond to TPI queries? What would reasonable timescales look like?



Letter of Authority

Draft Letter of Authority

Business name:	
Company Registration Number:	
Business Address:	
Signatory Name:	
Customer Email:	
Customer Telephone:	

Authorised Signatory:	
Printed name:	
Position in company:	
Date:	

I confirm that (BROKER NAME) (an independent utility consultant) is acting on my behalf to negotiate a contract for the supply of gas and/or electricity on our behalf. I authorise them to obtain/action:

<input type="checkbox"/> Contract End Date	<input type="checkbox"/> HH Consumption / HH Data
<input type="checkbox"/> EAC/AQ (Annual usage consumption)	<input type="checkbox"/> Meter details & Tariff rates
<input type="checkbox"/> Application of contract termination notice	<input type="checkbox"/> Request Copy Invoices
<input type="checkbox"/> Supply transfer objections (incl. account balance information where relevant)	<input type="checkbox"/> Obtain Pricing
<input type="checkbox"/> Sign and Submit new contracts	<input type="checkbox"/> Raise a Change of Tenancy / Occupier

This Letter of authority will remain in place for 12 months, and/or the full term of your agreed contract placed by (BROKER NAME). I understand that the authority given to (BROKER NAME) under this Letter of Authority can be revoked at any time by contacting (BROKER EMAIL) and requesting it be rescinded.

TO BE INCLUDED IF CUSTOMER INTRODUCED BY A SUB BROKER: We have been introduced to (BROKER NAME) by (SUB BROKER NAME) for the provision of services as described above.

We understand and accept that (BROKER NAME) may procure prices via a 3rd Party Aggregator.

(BROKER NAME) undertakes that it shall use the customer data solely for the purposes of delivering the services specified in this document and may share that data with relevant third parties in order to do so.

By signing this Letter of Authority you confirm that you have read our terms and conditions and agree to be bound by them, these can be found at (WEBSITE ADDRESS). (BROKER NAME) Complaints process can be found here (WEBSITE ADDRESS)

Commission: You understand that (BROKER NAME) will be paid a commission from the supplier for the procurement of your contract. The commission payable can be calculated as the unit rate uplift x the estimated annual consumption x the contract length

Privacy Guarantee: Your privacy and security are important to us. (BROKER NAME) are fully committed to ensuring that our high standards for data Privacy and security comply with the European Union's General Data Protection Regulations (GDPR). By signing this letter of authority, you are allowing (BROKER NAME) to store and share your data internally, with suppliers for information and new contracts and with our trusted partners for the delivery of agreed products and services. Your information will not be given to any other third party.

LOA questions to address

Overall approach

Do you agree with the draft LOA?

Are there any issues we need to address?

Specific issues

Would you use this template as the minimum requirements ?

Are there circumstance where you would tailor it to your customer/organisation?



Change of Tenancy

Change of tenancy – issues and approach

Governance

Robust obligations for validating a CoT and holding evidence

Consistent requirements across gas and electricity

Evidence

Implement agreed list of acceptable evidence

Consistent due diligence

Introduce digital CoT application form

Performance assurance

Used to check levels of compliance

Next steps



GARNER STAKEHOLDER
FEEDBACK ON PROPOSED
APPROACH



DRAFT COP FOR CONSULTATION



RAISE CHANGE PROPOSAL