RETAIL ENERGY CODE

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# NON-CONFIDENTIAL CONSOLIDATED IMPACT ASSESSMENT RESPONSES

## R0137 – INTRODUCING THIRD PARTY INTERMEDIARY (ENERGY BROKER) ASSURANCE AND ACCREDITATION

On 15 August 2024 the Code Manager issued an impact assessment to industry to seek feedback on the proposed solution for R0137 – Introducing Third Party Intermediary (energy broker) assurance and accreditation.

The purpose of this document is to consolidate the responses and for the Code Manager to answer any questions raised within those responses.

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| **RESPONSIBLE COMMITTEE** | Change Panel |
| **LEAD ANALYST** | Caroline Freimuller |

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| **DATE IMPACT ASSESSMENT ISSUED** | 15/08/2024 |
| **RESPONSE DEADLINE** | 09/09/2024 |

| Question 1: | Do you have any comments on the proposed solution? | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice (Consumer Body) | We have no comments on the proposed solution. | n/a |
| Drax Group (Energy Supplier) | Drax is a long-time advocate of TPI regulation as we recognise there is a significant gap in the protections afforded to non-domestic consumers. However, we have significant reservations about how the proposed solution would work in practice.<br><br>Having multiple accreditation bodies could create a race to the bottom as TPIs seek to join the scheme with the least onerous requirements, which is most likely to be the scheme with the lowest standards of consumer protection. We have already seen the emergence of an additional Alternative Dispute Resolution (ADR) scheme provider, in addition to the Energy Ombudsman, potentially leading to inconsistent outcomes for consumers seeking redress, with the possibility that further competing schemes could be established in the future. There is a risk of a similar situation arising with multiple TPI accreditation bodies. Notwithstanding that, we question the legal authority of RECCo to approve/reject Industry Recognised Accreditation Bodies.<br><br>Moreover, we are unconvinced that the REC proposals would have the "teeth" to make a difference. The deterrent effect is likely to be very diluted with this approach, compared to a regime governed by Ofgem | Thank you for your comments. |

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| | with the powers to levy appropriate penalties and with consequences for a TPI's reputation.<br><br>Our preference is for a whole-of-market, future-proofed approach with legally enforceable consequences that doesn't carry a risk of challenge. | |
| SSE Energy Supply (Energy Supplier) | We do not believe that is reasonable to apply the TPI Schedule across the entire non-domestic market. Particularly where we are already dealing with TPIs and have implemented our own Auditing schedule to ensure they comply with our expectations. Ofgem's non-domestic energy review seeks to protect the non-domestic customers which need it most, such as the MBC and Small Business areas, therefore the TPI Schedule should be limited to those markets.<br><br>We remain supportive of a voluntary code of practice, but we are concerned that the introduction of these rules and additional reports for suppliers just increases the resource burden. We strongly believe that the only appropriate way for a TPI to be accredited is by direct regulation from Ofgem. Should REC choose to progress this TPI, we are concerned that direct regulation would not progress and this scheme would become difficult to manage.<br><br>The only true way to protect consumers from unscrupulous TPI's is for direct regulation to be implemented. The current ADR scheme will extend to SBC's from December '24, this is a known process of which many suppliers use, therefore it would be beneficial to ensure that both the REC accreditation and the ADR scheme registration processes are aligned.<br><br>We do not see that this REC schedule will remove the burden from Suppliers to carry out their own checks and balances as we are ultimately the licence holder and will be responsible for ensuring that | Thank you for your comments.<br><br>The Code Manager and RECCo are in frequent communication with Ofgem, and as this change is Authority Determined they will make the ultimate decision on this change. We will ensure any work being done by the Government/DESNZ is kept in consideration while working on this change. |

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| | any TPI's we use are working within the remit of our licence, we will not pass this responsibility onto REC as we will be liable without direct regulation. Therefore we strongly recommend that direct regulation is the only way which TPI's should be monitored and audited. | |
| Business Energy Direct UK (Third Party Intermediary) | We agree that more can and should be done to improve the experience that non-domestic consumers receive, we believe that TPI's should be transparent and looking to raise their standards, and we support many parts of the TPI CoP. We do however believe the industry needs to ensure that the balance is correct, to prevent unnecessary burdens on TPI's that extend beyond the obligations Ofgem already place on suppliers, because it may result in a material imbalance between parties<br><br>The main area that we believe there is a disproportionate alignment in obligations between suppliers and TPI's is fee disclosure PRIOR to a contract being agreed. An industry which has had similar issues with commission and fee disclosure is the car finance industry, we believe the TPI CoP should mirror the fundamental principals that the FCA have incorporated for car finance companies.<br><br>The new commission disclosure rules apply to **brokers** (including retailers) rather than to funders. They apply at two stages:<br><br>• Financial promotions and other customer communications (e.g. on websites and in marketing or emails). The broker / retailer should describe the extent of their powers and whether they are working exclusively with one or more lenders or are independent. They should also disclose prominently the existence and nature of any financial arrangement with a lender. These disclosures may be in general terms.<br><br>• Pre-contractual information. The broker / retailer should disclose to the customer, **prominently** and **in good time** before the customer decides whether to proceed with their agreement, the existence and nature of any commission (or other remuneration) arrangement with a funder and how this may affect the amounts payable by the customer. This disclosure may also be in general terms, and there is not a requirement to provide the customer with an individually tailored illustration. | Thank you for your comments.<br><br>It will be up to the TPI to decide how best to prove they have been as transparent as possible in cases where commission is tied to targets rather than a fixed figure (for example, provide a range or smear commission across multiple contracts).<br><br>The Code Manager takes these comments on board and will keep hold of them for potential later changes, but making amendments to the TPI CoP is out of scope for this change. |

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| | The car finance industry can be considered more closely aligned to the domestic energy market, because it's more consumer based rather than business based. These are considered 'unsophisticated' customers, yet the TPI CoP sets a higher bar with regards to commission disclosure, even though almost all the customers in the non-domestic energy market are considered to be 'sophisticated', which has been evidenced in numerous legal judgments from claims against energy suppliers in the past few years.<br><br>Sophisticated customers are expected to understand the role of the TPI and their role as the client. This involves knowing when to work with a TPI, the costs involved and what can be done if the TPI is not meeting their expectations. Sophisticated customers can make business decisions based on appropriate laws and information that they have access to themselves.<br><br>Another FCA regulated industry (insurance) requires insurance undertakers to provide customers with information on the nature of the renumeration received, by its employees in relation to a contract of insurance, prior to the conclusion of a contract. The same standard has not been set for energy suppliers at this stage but should be considered to ensure that the broader market operates fairly and transparently, not just the TPI sector.<br><br>TPI commission is typically paid based on a p kwh/p per day uplift, however some TPI's will have volume targets agreed with certain suppliers (based on either kwh volume, or MPXN numbers).<br><br>Due to the nature of these targets, it would become impossible for relevant TPI's to inform the customer of the financial value/commission due (as at the point of sale they won't know if they have achieved the volume target set by the supplier). As the industry evolves, we would | |

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| | also envisage different “support” offered away from the traditional uplifts we see at present (as is seen in the car finance industry where you may see disclosure such as “provide financial support for our training and marketing”.<br><br>The standard licence conditions are clear and presently require suppliers to provided clear and accurate information to customers. This method of commission disclosure fails to meet supplier’s obligations, because the commission disclosed will more often than not be wildly inaccurate to the commission actually paid. | |
| ENGIE<br>(Energy Supplier) | We are supportive of the initiative to provide an accreditation scheme for TPIs and agree that this should be administered by REC. The scheme should not however place unnecessary barriers in the way of suppliers forming commercial relationships with TPIs and should take into account the pace at which such commercial arrangements may need to be put in place. There should also be recognition in the accreditation process where there is an established and well controlled relationship between a TPI and multiple suppliers with the potential to fast track these accreditations or potentially provide some exemptions from parts of the accreditation process. | Thank you for your comments.<br><br>Under the REC Accreditation Scheme, there will not be a way to fast track or have exemptions from parts of the accreditation process. However, if a Supplier wishes to register as an Industry-Recognised Accreditation Body (subject to PAB approval) to accredit TPIs it already works with and already has evidence for, it will be for that Supplier to decide how to accredit the TPI. |
| Anonymous<br>(Third Party Intermediary) | Overall, the proposed solution provides a suitable framework for TPI accreditation. | Thank you for your comments. |
| British Gas<br>(Energy Supplier) | We welcome the opportunity to review and respond to the proposed solution for a mandatory Third-Party Intermediaries (TPI) code of Practice. TPI’s have a key role to play in the non-domestic market, any | Thank you for your comments.<br><br>The Code Manager and RECCo are in frequent communication with Ofgem, and as this change is Authority Determined they will |

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| | proposed solution should look to improve practices that cause detriment to customers and drive-up behaviour in the market.<br><br>The Energy Market is more complex today and energy brokers are evolving their services, we therefore see a greater need for governance and direct regulation of Energy Broker activity in the non-domestic market.<br><br>This proposal to implement a Mandatory code of practice sets a minimum standard which is better than nothing. We are unclear how the minimum standard in the code of practice would drive better outcomes for customers, as the audit and enforcement regime does not seem sufficiently effective enough to improve Broker practices, other than prohibiting suppliers from working with Brokers. Further clarity is required on how the enforcement process would be implemented, how much due process is given to a broker before action is taken and what are the scale of the actions and consequences other than prohibiting suppliers working with Brokers, given this is a code for TPI's to adhere to.<br><br>We fully support Direct Regulation as a simpler, more transparent route to placing brokers on the same standing as suppliers in protecting customer interests. RECCo need to assure stakeholders that the timing of their proposal is consistent with wider work being undertaken by Government, and supported by Government and Ofgem, as we would not want this approach of implementing a code of practice to distract from delivering on direct regulation that we believe is the best action for customers. | make the ultimate decision on this change. We will ensure any work being done by the Government/DESNZ is kept in consideration while working on this change. |
| Anonymous<br>(Third Party Intermediary) | No. This imposes significant new burdens on TPIs, undermining our role and independence as customer agents. | Thank you for your comments. |

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| Peritus Energy and Water (Third Party Intermediary) | The Retail Energy Code Company (RECCo) is attempting to implement a Code of Practice that Third Party Intermediaries (TPIs) would be required to follow. The problem lies in the fact that TPIs are not officially regulated, yet they are being subjected to a system of new rules and standards. This creates concerns about the fairness of imposing such obligations without a formal regulatory framework, potentially setting a precedent where TPIs face regulatory-like demands without adequate support or recognition.<br><br>A major point of concern is the lack of transparency surrounding the costs tied to these new accreditation requirements. Introducing a regulatory framework should be accompanied by a thorough cost-benefit analysis, ensuring the financial impact is both clear and justified.<br><br>Our primary worry is that the direction being proposed could make the market increasingly difficult for TPIs to thrive, possibly pushing them out of business. If the costs of meeting these new obligations are too steep or if the regulatory pressure becomes overwhelming, TPIs may find it hard to remain profitable. This would reduce competition and limit consumer options, negatively affecting customers who depend on TPIs for impartial advice and negotiation services. | Thank you for your comments. |
| Energy Renewals Ltd (Third Party Intermediary) | The proposed solution is lacking in any detail and undermines the role of TPI as Independence customer consultants whose function is to obtain the most appropriate and energy management arrangement for the customer.<br><br>RECCo do not operate as an agnostic organisation, they are a for profit business who have a vested interest in introducing a control and a | Thank you for your comments.<br><br>RECCo is a non-profit company, and the REC Accreditation Scheme will not be used to subsidise anything else. The change proposal also allows TPIs to register under any Industry-Recognised Accreditation Body, |

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| | regulated process over TPI for financial gain and this proposal is a conflict of interest.<br><br>Our position as independent advisors and the very purpose of TPIs is compromised when the entities we negotiate with (suppliers) on behalf of customers are granted oversight over our operations. | it is not mandatory to register under the REC Scheme.<br><br>Under this change proposal Energy Suppliers would not be granted oversight on TPI operations. Any sight of operations would only be seen by the accreditation scheme/auditor the TPI chose to register with. |
| Utilities Intermediaries Association<br>(Trade Association) | The Retail Energy Code Company (RECCo) is seeking to enforce a Code of Practice that TPIs would have to follow. The issue here is that TPIs are not formally regulated, yet they are being subjected to a framework that imposes new rules and standards. This imposition without formal regulation raises questions about the fairness and appropriateness of such a move. It could set a precedent where TPIs are burdened with regulatory-like obligations without the corresponding support or recognition.<br><br>The lack of transparency around the costs associated with the new accreditation requirements is a critical issue. Establishing a regulatory framework should involve a thorough cost-benefit analysis to ensure that the financial implications are clear and justified.<br><br>Our overarching concern is that the proposed direction could make the market inhospitable for TPIs, potentially driving them out of business. If the cost of compliance with these new requirements is too high, or if the regulatory pressures become too burdensome, TPIs may struggle to operate profitably, leading to reduced competition and choice in the market. This would ultimately harm customers, who rely on TPIs for independent advice and negotiation. | Thank you for your comments. |

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| The Energy Company<br>(Third Party Intermediary) | See below. | n/a |
| CUB (UK) Ltd<br>(Third Party Intermediary) | I believe that the requirements for TPI's to become compliant with the code of conduct are fairly onerous. I completely support the need to ensure customers are protected and as a family owned business that has been in the market for 30 years we have a track record of providing an exceptional level of service. Throughout this time we have seen several instances of poor practice amongst TPI's. I believe compliance with the code of conduct may go some way towards resolving this but I think excessive priority is being placed on the commission declaration.<br><br>Following the changes to Standard Licence Condition 1.3 and 20.5A in the Electricity Supply Licence, and 1.2 and 20.6A in the Gas Supply Licence, taking place on 1st October 2024. will see some tightening on this area already. The requirement for declaring commission upfront in the proposed RECCO documents isn't always possible in the manner proposed, with many TPI's having to be flexible with commission levels and structure right up to the point of signature to ensure competitiveness. I believe it is unnecessary to declare the entire calculation on commission for each and every supplier and may only confuse customers further, as well as overburdening the TPI's with additional work. Provided that the customer is aware that commission will be included and that they will be made aware of the amount of commission included (which suppliers will be obligated to do) at the time of contract signature I think this should be enough and that RECCO should be looking at a wider scope following this change.<br><br>If TPI's sign up to this code of conduct simply to tick a box and carry on acting in an unscrupulous way how will this be policed? Regulation via the suppliers simply isn't enough, as the supplier hasn't the time or the | Thank you for your comments.<br><br>The decision behind 2-5 years being the audit timeframe is because we expect there to be a lot of TPIs register with the REC Services Accreditation Scheme around the same time (at go-live) and while ideally, we would like TPI audits to be closers to 2 years, having this range stops the TPI Accreditation Auditor being obligated to do a large number of audits at the same time. This will be combined with a risk-based approach to ensure TPIs deemed higher risk are audited first/more frequently as appropriate. |

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| | commercial motivation to police this. If the audit frequency of between 2 to 5 years (yet to be agreed) is correct then the handful of TPI's that have acted in an unscrupulous way, whom seem to have brought about this proposal will be able to continue to operate freely during this time. The Fit and Proper persons form appears to go someway to ensuring there is protection to customers in who is approved and adhering to the code of conduct however the data requirements for this information could be easily manipulated or falsified. | |
| Scottish Power Energy Retail (Energy Supplier) | We believe it is in the interests of energy consumers to bring appropriate regulatory oversight to Third Party Intermediaries (TPIs). While we recognise that many TPIs operate to good standards, it remains the case that rogue TPI actors are active in the market, facing limited accountability for their actions. As a major energy supplier, we have long supported the introduction of direct regulation of TPIs to bring accountability and oversight to the energy broker market. We welcome the principles for conduct of TPIs contained in RECCo's current TPI Code of Practice. However, we are not convinced that the proposed change should be taken forward at this time. We note that the UK Government had pledged, in its policy paper Putting consumers first: empowering and protecting energy consumers of 24 May 2024, to consult on direct TPI regulation. In our view, it is essential first to have the necessary clarity from the Government on whether it will proceed with consultation – and to have the outcome of any such consultation – before considering whether or not it is appropriate or necessary to introduce TPI accreditation into the REC. Direct regulation would likely render REC TPI accreditation unnecessary. | Thank you for your comments.<br>The Code Manager and RECCo are in frequent communication with Ofgem, and as this change is Authority Determined they will make the ultimate decision on this change. We will ensure any work being done by the Government/DESNZ is kept in consideration while working on this change. |
| Energy Solutions (Third Party Intermediary) | n/a | n/a |

| Question 2: | Do you agree the proposed solution addresses the problem statement? If not, please provide details. | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice (Consumer Body) | Yes, the proposed solution addresses the problem statement. A TPI code of practice will benefit customers and suppliers as it should drive up standards by following best practice in the market. An accreditation scheme should increase the confidence of both consumers and suppliers when engaging with TPIs. We welcome the robust audit regimes to monitor TPI behaviour, which will provide reassurance for customers, suppliers, and TPIs that the code of practice is functioning as intended and that there is accountability. | Thank you for your comments. |
| Drax Group (Energy Supplier) | It's difficult to answer this question as the problem statement set out in the R0137 Initial Assessment is unclear and misleading. It states that Non-domestic Consumers (which we assume refers to larger Non-domestic consumers) have more limited protections than Domestic and Microbusiness Consumers. This is true in respect of their interactions with energy suppliers, who have additional targeted obligations to fulfil in their dealings with microbusinesses, but it is a misleading statement in the context of TPI interactions. While microbusinesses have access to redress schemes to resolve complaints with TPIs, they have no additional or greater protections than any other non-domestic consumer interacting with TPIs. | Thank you for your comments. |

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| | Furthermore the "background" section of the Initial Assessment states that R0137 "*seeks to expand the obligation for Energy Suppliers to only work with TPIs who are adhering to the principles set out in the REC CoP to all Non-Domestic Consumers*". As Suppliers are not currently under any obligation to only work with TPIs adhering to the principles set out in the CoP, it is unclear what the change is seeking to expand on. The background also states "*for Micro-Business Consumers, the standard licence conditions obligate Energy Suppliers to ensure TPIs they work with are adhering to certain principles*" – this statement misrepresents the conditions in the supply licence and so gives a misleading impression of suppliers' current obligations and, consequently, the impact the proposed solution might have.<br><br>Ahead of publishing the REC consultation, we ask that the Background and Problem Statement are amended to remove any misleading statements and clearly set out the existing protections and licence conditions along with the risks/issues this change is seeking to address. For example, it would be more accurate if the Problem Statement was changed to – *Small Business Consumers do have targeted protections and access to redress schemes following extensive Ofgem consultation. However, there remains a significant risk that all Non-domestic consumers could receive substandard experience when interacting with TPIs.* | |
| SSE Energy Supply (Energy Supplier) | As we have answered to Q1, we believe that direct regulation is the only way that TPI's can and should be accredited under any scheme. Although the solution addresses the problem statement, we see an added burden on suppliers with the proposed reporting and that suppliers will still be responsible for TPI's practices. | Thank you for your comments. |

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| Business Energy Direct UK (Third Party Intermediary) | "Non-Domestic Consumers have more limited protections than Domestic and Microbusiness Consumers in the energy market, and so may not always experience best practice from all parties they interact with. The aim is to expand these protections while limiting the audit burdens on Suppliers and TPIs".<br><br>I don't believe the proposed solution does address the problem statement. The problem statement talks about non domestic consumer protections and not always experiencing the best practice from ALL parties they interact with – but the solution is only focused on TPI's .<br><br>I understand that suppliers have obligations under Ofgem SLC's and PAB from RECCo – however this TPI CoP potentially places more burden on TPI's than it does on a supplier.<br><br>One example of this the proposed solution not addressing the problem would be "establishing accurate energy consumption data". We work with many brands and associations, so we understand our client's consumption very well, however if a customer moves into a new property, we would provide them with a quote based on an accurate consumption projection from known equivalent operations (based on say 200 other locations we manage for the customer throughout the country that are of a similar size, with the same operating hours and same equipment).<br><br>However, the supplier who the customer wants to join and agree a contract with may state that they can only accept a contract based on the industry D19 (EAC) figure (and this would be based on the previous occupiers consumption) meaning we are then forced by the suppliers internal process, to generate the contract paperwork based on the incorrect consumption information (and in turn incorrect financial | Thank you for your comments.<br><br>This Change Proposal and solution is only focused on TPIs. If there are other parties interacting with Consumers that may benefit from Codes of Practice or regulation that are within the remit of the REC, the Code Manager and RECCo would be happy to consider this under future changes. |

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| | budgets) – yet under the TPI CoP we have a binding obligation to use accurate consumption data. | |
| ENGIE<br>(Energy Supplier) | Broadly yes. We agree that the proposal provides important protections to non-domestic consumers and that the administrative burdens of the accreditation process are relatively low for suppliers.<br><br>However, we believe (as per our comments on Question 1, that the administrative burden of the accreditation process could be reduced for well-established TPIs with multiple supplier relationships, and would also note that the reporting envisaged for suppliers will place further burdens on the management information function within our business which is already servicing multiple reporting requirements across the REC and other licence and governmental obligations. | Thank you for your comments.<br><br>The Code Manager and RECCo view this solution as reducing the administrative burden on TPIs as they would only need to become accredited once rather than having each Supplier separately audit/check they are adhering to the Code of Practice. |
| Anonymous<br>(Third Party Intermediary) | As above – however, we would request clarification around 10.1, as to why the '*audits do not apply to Accredited TPIs accredited by an Industry-Recognised Accreditation Bodies'*. This approach would likely give rise to inconsistency and potentially result in TPIs favouring Industry-Recognised Accreditation Bodies over REC accreditation. Consistency is the concept which underpins TPI Accreditation, therefore, it's important that consistency is a key consideration within the REC Schedule itself. | Thank you for your comments.<br><br>There will be minimum requirements for any Industry Recognised Accreditation Body to be approved by PAB, and details of these requirements will be available before go live. These will include audit requirements of the TPIs the body accredits. However the TPI Accreditation Auditor as defined in the proposed schedule will only be responsible for routine audits of TPIs accredited under the REC Scheme. |
| British Gas<br>(Energy Supplier) | No customer has the assurance that regulatory oversight of TPIs would give; this is a significant gap in regulatory protection. Variation in | Thank you for your comments. |

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| | regulation between non-domestic, micro, and domestic customers is important context but the problem remains a lack of regulation of TPIs.<br><br>Ofgem with the recent outcome of the Non-Domestic Market Wide Review on improving outcomes for customers have implemented further protections by way of suppliers, with the expansions of Commission Transparency and ADR schemes. With these interventions we believe there is still insufficient standards for brokers participating in the market as it is through supplier standard licence conditions where enforcement would be levied.<br><br>Therefore, we as a supplier have set the standard for ourselves through the work, we do accrediting Brokers, driving better outcomes for customers with a robust assurance regime aligned with our frameworks and principles. The proposal by the RECCo to set a minimum viable standard across the industry by accrediting Brokers is welcomed but should not be seen as a solution to or replacement for the broader problem.<br><br>We believe non-domestic customers deserve the same protection whichever route they choose to engage in the market, direct regulation of Brokers is more transparent will encompass all Broker Services and places Brokers on the same standings as suppliers in protecting customers' interest. | |
| Anonymous<br>(Third Party Intermediary) | RECCo states Non-Domestic Consumers lack the same protections as Micro Businesses. However, this argument is outdated<br><br>Since Ofgem's Non-Domestic review Supplier Standards of Conduct and Broker Fee transparency now extend to the entire non-domestic sector, with further protections for a newly defined Small Business category under the Consumer Redress and Broker ADR scheme, in the | Thank you for your comments.<br><br>This change aims to protect all Non-Domestic Consumers, rather than just the Microbusinesses and Small Businesses covered by current and upcoming schemes. |

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| | pipeline. Changes that have already been made to protect Non-Domestic consumers. | |
| Peritus Energy and Water (Third Party Intermediary) | No.<br><br>RECCo's reasoning for its actions, citing that Non-Domestic Consumers lack the same protections as Micro Businesses, is outdated and misleading. The regulatory landscape has changed considerably since Ofgem's Non-Domestic review. Current regulations, such as the Supplier Standards of Conduct and Broker Fee transparency, now extend protections across the entire non-domestic market. Moreover, additional safeguards for a newly defined Small Business category will soon be introduced through the Consumer Redress and Broker ADR scheme. RECCo's proposals fail to recognize these significant advancements and seem out of touch with the current regulatory framework, which already addresses many of the concerns for Non-Domestic consumers. | Thank you for your comments.<br><br>This change aims to protect all Non-Domestic Consumers, rather than just the Microbusiness and Small Businesses covered by current and upcoming schemes. |
| Energy Renewals Ltd (Third Party Intermediary) | This does not address the question about regulating TPI's.<br><br>A major concern is the lack of transparency around the costs associated with these new accreditation requirements. Establishing a new regulatory framework should involve a clear understanding of the financial burden it imposes, yet RECCo has provided no concrete details.<br><br>This raises serious questions about the potential costs TPIs may face and concern's whether these have been intentionally obscured. | Thank you for your comments. |
| Utilities Intermediaries Association (Trade Association) | No. | Thank you for your comments. |

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| | The justification provided by RECCo for its actions, based on the claim that Non-Domestic Consumers lack the same protections as Micro Businesses, is both outdated and misleading. The regulatory landscape has evolved significantly since Ofgem's Non-Domestic review. Current regulations, including Supplier Standards of Conduct and Broker Fee transparency, now cover the entire non-domestic sector. Additionally, further protections for a newly defined Small Business category under the Consumer Redress and Broker ADR scheme are forthcoming. RECCo's proposals fail to acknowledge these important developments and appear disconnected from the current regulatory environment, which already addresses many of the concerns for Non-Domestic consumers. | This change aims to protect all Non-Domestic Consumers, rather than just the Microbusiness and Small Businesses covered by current and upcoming schemes. |
| The Energy Company<br>(Third Party Intermediary) | No.<br>Principle 1 Transparency….<br>There are 8 points (A to H). To our mind, ALL are covered within the Codes of Practice we already adhere to with the Energy Ombudsman and the UIA (Utilities Intermediaries Association).<br>Principle 2 Transparent TPI Pricing…..<br>Again, the 4 proposals listed cover existing requirements within codes of practice already in force. | Thank you for your comments.<br>The Code Manager would like to note it is voluntary for TPIs to sign up to the Utilities Intermediaries Association. The Energy Ombudsman schemes are currently only mandatory for microbusiness Consumers, whereas this change extends to the entire Non-Domestic market. |
| CUB (UK) Ltd<br>(Third Party Intermediary) | Measuring success/KPI's – If the aim of this change is to improve the experience of customers in their dealings with TPI's how will the success of this be measured? Whatever these measures are, I believe there needs to be a sample of customers that deal directly with suppliers. The reason for this is that I believe some suppliers will use the declaration of commission as a sales tool, cutting TPI's out of deals. | Thank you for your comments.<br>RECCo will continue to liaise with parties such as Ofgem and Citizens Advice to monitor how Consumers are impacted by this change. |

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| | Where TPI's are adding value (using comprehensive market experience) to the complaints process and general customer service provided, the service standards for customers in the market could actually get worse as energy suppliers generally are struggling with customer service levels at present. Generally speaking I cannot see a clear and measurable aim for what is clearly quite a lot of work for RECCO, TPI's and suppliers. We need the customer to benefit from this, otherwise it's a complete waste of time. | |
| Scottish Power Energy Retail (Energy Supplier) | In our view, the problem statement is particularly vague and does not describe an actual problem. While it remarks that "Non-Domestic Consumers have more limited protections than Domestic and Microbusiness Consumers in the energy market", that is a statement of fact, not a problem. Non-microbusiness non-domestic customers have fewer protections than microbusiness customers, which have fewer protections than domestic customers. It is so because the regulatory framework of the retail energy market was designed in that manner. The problem statement asserts a desire to expand unspecified protections for (all) non-domestic customers while "limiting the audit burdens on Suppliers and TPIs". We agree that energy customers should have appropriate protections. However, the proposer's solution here is to introduce TPI accreditation into the REC, obliging suppliers to work only with TPIs which are accredited under the proposed Schedule – representing yet further indirect regulation of TPIs through suppliers. Given the potential of direct TPI regulation, we are not convinced that REC TPI accreditation is the best means of bringing oversight to the energy broker market.<br><br>As a major energy supplier, we already undertake audit and review of TPIs with which we work, in view of our licence obligations and our own | Thank you for your comments. |

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| | high standards. We would continue that work, regardless of the introduction of REC TPI accreditation. In any case, each supplier has its own standards when assessing whether or not to work with a particular TPI. In that light, REC TPI accreditation would not result in a lessening or removal of our internal audit and review of TPIs. Instead, it would add further requirements on suppliers (and introduce requirements on TPIs which seek accreditation). Beyond the problem statement not being robust, we do not see a rationale for how the proposal for REC TPI accreditation would benefit energy consumers materially better than direct TPI regulation would. | |
| Energy Solutions (Third Party Intermediary) | n/a | n/a |

| Question 3: | Are there any alternate solutions that would better meet the needs of the problem statement? If yes, please provide details. | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice<br>(Consumer Body) | We believe the proposed solution best meets the needs of the problem statement. | Thank you for your comments. |
| Drax Group<br>(Energy Supplier) | Yes. While we're supportive of regulating TPIs, we are concerned that the proposed approach (under the REC) introduces a proxy-regulatory regime, which will be ineffectual under the REC's capacity to govern.<br><br>Our preferred alternative is that the regulation of TPIs falls to an appointed regulatory body (e.g. Ofgem) afforded specific powers by Government. Both the previous and new Government have committed to consulting on the regulation of TPIs. Furthermore, Ofgem, in its recent Non-domestic Market Review decision highlighted that it remains highly supportive of Government looking into the regulation of TPIs following its Call for Input in 2021. | Thank you for your comments.<br><br>The Code Manager and RECCo are in frequent communication with Ofgem, and as this change is Authority Determined they will make the ultimate decision on this change. We will ensure any work being done by the Government/DESNZ is kept in consideration while working on this change. |
| SSE Energy Supply<br>(Energy Supplier) | We will continue to reiterate that we feel the only solution is with direct regulation of TPI's. | Thank you for your comments. |
| Business Energy Direct UK<br>(Third Party Intermediary) | n/a | n/a |

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| ENGIE<br>(Energy Supplier) | We believe the current proposal is adequate to meet the needs of the problem statement but would ask for consideration of the points noted in our responses to Questions 1 & 2. | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | No. | n/a |
| British Gas<br>(Energy Supplier) | The energy market is more complex today with an array of services offered to consumers through TPIs making it complex for consumer to navigate. In 2023 industry information estimates that 39% of small and medium businesses used a TPI to secure an energy contract, the market size for energy procurement was £0.4bn. We are seeing TPI's evolve their services from purely focusing on securing energy contracts to providing sustainability advisory services. The proposed code of practice although welcomed is limited in its scope to Brokers providing sales services on contracts and does not cover the wide-ranging services and advice that TPIs are providing.<br><br>With the backdrop of a more complex Energy Market where Brokers are evolving their services, we therefore see a greater need for governance and regulation of Energy Broker activity in the non-domestic market to improve standards, remove poor practices, and deliver better customer outcomes. The simplest way to protect customers interests is through direct regulation this would be an effective and enduring way to ensure customers are treated fairly across all their interactions and would align with Broker regulation in other sectors e.g., financial services.<br><br>The introduction of Broker Regulation aligns with Ofgem's view following the Non-Domestic Market Wide Review, in addition, the Department for Energy Security and Net Zero has committed to | Thank you for your comments.<br><br>The Code Manager and RECCo are in frequent communication with Ofgem, and as this change is Authority Determined they will make the ultimate decision on this change. We will ensure any work being done by the Government/DESNZ is kept in consideration while working on this change. |

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| | consulting on regulatory options for TPIs later this year, as the RECCo will be aware. | |
| Anonymous<br>(Third Party Intermediary) | n/a | n/a |
| Peritus Energy and Water<br>(Third Party Intermediary) | Formal Regulation of TPIs<br><br>Directly regulating Third-Party Intermediaries (TPIs) would promote fair practices while preserving their independence. Creating a dedicated regulatory body for TPIs could provide a well-structured system with clear rules and protections. This body would monitor TPI activities, enforcing standards that prioritize transparency, ethical conduct, and consumer protection. Such regulation would help protect consumers by ensuring that TPIs operate impartially and prioritize their clients' best interests. At the same time, it would offer TPIs the support and framework they need to function effectively in the marketplace. | Thank you for your comments. |
| Energy Renewals Ltd<br>(Third Party Intermediary) | RECCo justifies its actions by claiming that Non-Domestic Consumers lack the same protections as Micro Businesses. However, this argument is both outdated and misleading. The regulatory landscape has evolved significantly following Ofgem's Non-Domestic review.<br><br>Supplier Standards of Conduct and Broker Fee transparency now extend to the entire nondomestic sector, with further protections for a newly defined Small Business category under the Consumer Redress and Broker ADR scheme, in the pipeline.<br><br>RECCo's proposals seem to be out of touch with these recent developments, failing to recognise the changes that have already been made to protect non-domestic consumers | Thank you for your comments. |

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| Utilities Intermediaries Association<br>(Trade Association) | Formal Regulation of TPIs<br><br>Direct regulation of Third-Party Intermediaries (TPIs) would ensure they adhere to fair practices while maintaining their independence. Establishing an independent regulatory body specifically for TPIs could create a structured environment with clear guidelines and protections. This body would oversee TPI operations, enforcing standards that promote transparency, ethical behaviour, and consumer protection. Such regulation would help safeguard the interests of consumers by ensuring TPIs act impartially and in their clients' best interests, while also providing TPIs with the necessary support and framework to operate effectively in the market. | Thank you for your comments. |
| The Energy Company<br>(Third Party Intermediary) | The existing Codes of Practice are perfectly adequate. | Thank you for your comments. |
| CUB (UK) Ltd<br>(Third Party Intermediary) | I believe that that the TPI market is in need of a proper market regulator to address the issues stated, I don't believe that simply proposing a code of conduct and effectively placing the burden of compliance with energy suppliers will resolve the issues presented in the problem statement. | Thank you for your comments. |
| Scottish Power Energy Retail<br>(Energy Supplier) | As stated in our responses to Questions 1 and 2, we believe that direct regulation of TPIs would be the optimal regulatory approach to the energy broker market. Given that the UK Government pledged to consult on introducing direct regulation, we consider it premature to advance this proposal for REC TPI accreditation at this stage. Direct regulation would like render TPI accreditation unnecessary. At the very least, the proposer should ensure that introducing REC TPI accreditation does not conflict with current or future regulatory | Thank you for your comments |

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| | obligations on suppliers and TPIs. In particular, it is essential to avoid overlaps, contradictions and inefficiencies between supply licence conditions relating to TPIs, direct regulation of TPIs and REC TPI accreditation. While the nature of prospective direct TPI regulation remains to be established, the premise of three separate regimes covering supplier-TPI-consumer sales for non-domestic energy contracts appears to be excessive and not optimal as regulation. | |
| Energy Solutions<br>(Third Party Intermediary) | n/a | n/a |

| Question 4: | Do you think we have identified and considered all processes and scenarios that may be impacted through the implementation of the proposed change? | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice (Consumer Body) | No comments. | n/a |
| Drax Group (Energy Supplier) | It's unclear if RECCo has considered scenarios where suppliers are already legally, contractually bound to interact with TPIs (e.g. where the customer enters into their contract months, or even years, before the supply start date, which is common in the non-domestic market), and how suppliers can meet the conflicting obligations to adhere to the REC and contractual law in circumstances where either a TPI doesn't get accredited to the REC CoP or loses accreditation in future. | Thank you for your comments.<br>The intention of the Schedule is that Suppliers must use a TPI that is accredited on the date the contract is signed. Contracts signed before the Schedule comes into force would not be in scope, and using a TPI who was accredited on the date the contract was signed who later lost their accreditation would be audit compliant. |
| SSE Energy Supply (Energy Supplier) | No, as there has not been any consideration that there will be two schemes the TPI's have to sign up to.<br>1. This results in two fees the TPI's have to pay (which could be passed on to the consumer)<br>2. Each scheme is looking at different subsets of consumers<br>3. There should be a link between the redress scheme, the accreditation scheme and the Code of practice. | Thank you for your comments.<br>A list of accredited TPIs and those whose accreditation has been lost will be published. It is currently envisaged that the TPI Accreditation Register will be available via both an API and a webpage, with the webpage being updated a minimum of weekly. |

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| | 4. Single approach such as direct regulation of TPI's would address many of the issues we have called out for all parties involved (TPI's, Supplier and Consumer).<br><br>We have not identified how suppliers will be notified of TPI's who have signed up to the scheme and TPI's who have left the scheme, we suppliers be expected to check at the point of each sale? This is an additional resource burden on suppliers that needs to be considered. | It is not possible to directly link TPI accreditation and the ADR scheme as TPIs who do not work with microbusinesses will not be required to register with an ADR scheme but will still be required to be accredited. |
| Business Energy Direct UK (Third Party Intermediary) | An area that I do believe has been overlooked is validating the entity that is registering to become a member of the TPI CoP.<br><br>Passing off is a big issue for a lot of TPI's (other organisations cold calling customers and saying they are from your company when they aren't). At present parties don't need to provide any form of ID to create a limited company (changes to companies' house are due to be brought in) and similarly you can operate as a sole trader without validating ID to either RECCo or Energy Ombudsman. At present it is possible for a "shell" entity to be created, they can register with Energy Ombudsman and can process sales with a supplier (as they are ADR registered) and then close the company and "phoenix" once the complaints start to be registered against them.<br><br>If RECCo review the Energy Ombudsman's registered TPI list, there are 141 TPI's who are no longer active and at least 9 of these were active for less than a 9 month period. As part of the onboarding process would like to see photo ID being provided to prevent fraud taking place, with an appropriate validation process to ensure that the ID / documents provided are legitimate.<br><br>Whilst to join the REC CoP you have to self-disclose, the issue is how legally enforceable this would be if the company/individual operates | Thank you for your comments.<br><br>Where a TPI is registered will be irrelevant for this scheme, as they will need to be accredited to work with UK Energy Suppliers.<br><br>All REC schedules and documents are publicly available, and this will include the TPI Schedule and Code of Practice. It is currently envisaged that the TPI Accreditation Register will be available via both an API and a webpage, and the webpage will be available publicly.<br><br>Photo ID will not be required as part of accreditation as it is companies that are being accredited rather than individuals. |

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| | outside of the UK. The Energy Ombudsman's list details a number of organisations that operate outside of the UK (for example Pakistan registered limited companies).<br><br>There is no indication of if any of the information about TPI CoP will be available publicly. We believe that like there should be a public register of all TPIs that is easily accessible. This will help build customer confidence.<br><br>A customer would be able to validate phone numbers and email addresses of registered members and a register would also provide a central view of which QDSS scheme a TPI is registered with (there isn't just the Energy Ombudsman), which would help both suppliers and consumers. Currently the Energy Ombudsman only provides a list of its members and as more QDSS are introduced to the sector, it will become more difficult for business customers to know which scheme a TPI is registered with.<br><br>No part of this proposed solution considers face to face sales which are still conducted. Visits to clients are commonplace and the end to end sales process on physically signed contracts cannot be subject to accurate or diligent auditing. | |
| ENGIE<br>(Energy Supplier) | We would like more clarification on the process for maintaining and publishing the list of accredited TPIs, and how frequently this will be updated. In a fast-paced commercial environment it may be necessary to enter contractual relationships with TPIs at short notice and if the accreditation process does not keep pace with this (for example through delays in the publication of the accredited list) suppliers may not be able to proceed with TPI mediated contracts, to the detriment of consumers. | Thank you for your comments.<br><br>The TPI Schedule does not reference the length of validity of an accreditation as accreditation expiring has not been included as part of the solution. TPIs shall remain accredited until it is notified their accreditation has been withdrawn/suspended. |

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| | From a technical perspective it could be beneficial for the list of accredited TPIs to be accessible via an API which would enable supplier quoting systems to query the list automatically rather than relying on manual checks and we would ask the REC to give some consideration to this point.<br><br>We also note that the draft Re-accreditation Form states that accreditation will be for either 12 months or 24 months. Our preference would be for a minimum of 24 months as this would cover at least one 12-month audit cycle and provide more stability to the population of accredited TPIs. We also note that the TPI Schedule does not appear to reference the length of validity of an accreditation – this should be included in the Schedule as the Re-accreditation form is not a Code controlled document and this is a critical element of the accreditation process. | |
| Anonymous<br>(Third Party Intermediary) | Yes – other than as stated within this response. | Thank you for your comments. |
| British Gas<br>(Energy Supplier) | We believe further consideration/clarity should be given to the following scenarios:<br><br>• Where a contract exists between the Energy Broker and end customer, what impact this has on the non-domestic customer should an Energy Broker be off boarded.<br><br>• When a contract for supply of energy has been placed in advance, will that forward contract be invalid if an Energy Broker has their accreditation removed or suspended for a period and what impact this would have on customers (who they miss out on pricing) and suppliers who have to hedge in advance. | Thank you for your comments.<br><br>For point 2, the intention of the Schedule is that Suppliers must use a TPI that is accredited on the date the contract is signed. Contracts signed before the Schedule comes into force would not be in scope, and using a TPI who was accredited on the date the contract was signed who later lost their accreditation would be audit compliant. |

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| | • Current SLC (20.5) requires suppliers to ensure TPI's are members of a QDSS scheme to work with them, along with requirement for suppliers to comply with the REC (11B.1) consideration should be given how these interact.<br>• RECCo need to reassure stakeholders that the timing of their proposal is consistent with wider work being undertaken by Government. Noting the cost to industry of implementing a change of this nature<br>• This code should not place further burden on suppliers to provide onerous reporting, other than confirmation of compliance to work with accredited.<br>• The level of data requested for Items 4 & 5 in the park catalogue, is not in line with the level of detail we provide to the RECCo, and we would consider onerous for this change. Data protection considerations are also required when more customer data is being requested than RECCo currently receives. | |
| Anonymous<br>(Third Party Intermediary) | n/a | n/a |
| Peritus Energy and Water<br>(Third Party Intermediary) | No, as above. | Thank you for your comments. |
| Energy Renewals Ltd<br>(Third Party Intermediary) | No the proposal is inadequate and does not take into account all stakeholders viewpoints, an unbiased approach is required to take into consideration customers, suppliers, industry bodies, regulators and energy consultants/TPI's requirements. | Thank you for your comments.<br>RECCo have held webinars with Non-Domestic Consumer groups, Suppliers and TPIs. RECCo and the Code Manager has regular meetings with Ofgem to keep them informed on this change. This Party impact assessment has provided viewpoints across |

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| | | the market, as will the later consultation period. |
| Utilities Intermediaries Association (Trade Association) | No, for the reasons already provided in our earlier answers | Thank you for your comments. |
| The Energy Company (Third Party Intermediary) | In our estimation these scenarios are already covered elsewhere. | Thank you for your comments. |
| CUB (UK) Ltd (Third Party Intermediary) | As stated above I don't believe there is enough data or information provided to assess the success of this change if it takes place so the potential impacts are untold and many. | Thank you for your comments. |
| Scottish Power Energy Retail (Energy Supplier) | Beyond the points made in our responses to Questions 1 to 3, we believe that the proposer should give greater consideration to the salient risks of the "Industry-Recognised Accreditation Body" route to TPI accreditation, should the proposal ultimately be progressed. As noted elsewhere, while many TPIs operate to good standards, rogue TPIs continue to exist. Inherently, the purpose of accreditation would surely be to detect and prevent rogue TPI activity. However, important aspects of the proposed Schedule (including TPI audits) would only apply to TPIs accredited directly by RECCo (or its agent). In that context, a TPI could avoid envisaged oversight by obtaining accreditation from an alternative "accreditation body". It is conceivable that rogue TPIs could gravitate towards any accreditation body perceived to offer the least onerous route to TPI accreditation. In addition, it is not clear at this stage that all suppliers could have the requisite confidence in accreditations offered by various third parties. Moreover, it remains unclear what would happen to the TPI accreditations issued by an accreditation body which had its powers of accreditation revoked. The resulting uncertainty in such a scenario | Thank you for your comments. |

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| | would not serve the interests of energy consumers and could damage confidence in the energy market. In this light, we believe that RECCo (or its agent) should be the sole TPI accreditation body. | |
| Energy Solutions (Third Party Intermediary) | n/a | n/a |

| Question 5: | Do you have any comments on the proposed legal text? | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice (Consumer Body) | We have no comments on the proposed legal text. | n/a |
| Drax Group (Energy Supplier) | **Clause 6.4** of the TPI REC Schedule states that *where a person wishes to be recognised as Industry-Recognised Accreditation Body, it shall make a request for recognition to RECCo. RECCo shall forward any such requests to the REC PAB, who shall review and determine the requests in accordance with its PAB Procedures* – We would question whether RECCo has the appropriate powers to approve/reject such requests. Furthermore, there may be a conflict of interests in RECCo being the only approver of Industry-Recognised Accreditation Bodies, given that membership of such bodies is the only alternative to the REC's own REC Services Accreditation Scheme.<br><br>**Clause 5.2** states that *Energy Suppliers, RECCo and the REC PAB shall co-operate as required to ensure the procedures set out in the RECCo TPI RoP and the PAB Procedures are upheld, and shall use reasonable endeavours to ensure that other relevant parties (such as applicants for accreditation under the REC Services Accreditation Scheme, Accredited TPIs and TPI Accreditation Auditors) comply with such procedures (as relevant to them)* – This misrepresents the relationship suppliers have with TPIs. Suppliers do not have leverage | Thank you for your comments.<br><br>It is the PAB rather than RECCo who will approve requests to become Industry Recognised Accreditation Bodies. |

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| | over TPIs and their operations, which is precisely why there is a need for regulation of TPIs. It is unreasonable and inappropriate to place obligations on suppliers to ensure the compliance of third parties acting independently. | |
| SSE Energy Supply (Energy Supplier) | Indicative PARC Extract<br><br>1. We do not believe additional reports should be developed, the current 'Party Gains' monthly report could be amended to include some of the information which REC are seeking to receive.<br><br>2. We do not believe the proposed information within the PARC would be required, specifically at what point the switch is at. We cannot see the value in REC receiving this information, especially if the Gains report is amended to include the TPI and the Supplier MPID.<br><br>3. We do not see what value, including the Company Registration number will add<br><br>4. REC will be able to aggregate the data which has been sent from the supplier, therefore we do not believe the additional reports would be required.<br><br>5. We do not see the value of REC receiving information of an intended switch, we have not seen any evidence that REC will benefit from this information. Are REC intending to monitor what TPI's are working with what supplier? If so, what is this information going to be used for?<br><br>TPI CoP<br><br>1.It is not clear how long the TPI needs to retain information relating to the calculation of the EAC/AC or AQ | Thank you for your comments.<br><br>The decision behind 2-5 years being the audit timeframe is because we expect there to be a lot of TPIs register with the REC Services Accreditation Scheme around the same time (at go-live) and while ideally, we would like TPI audits to be closers to 2 years, having this range stops the TPI Accreditation Auditor being obligated to do a large number of audits at the same time. This will be combined with a risk-based approach to ensure TPIs deemed higher risk are audited first/more frequently as appropriate.<br><br>PAB has the final decision on TPI Accreditation being revoked to allow the TPI to appeal the audit findings if they wish. This is a "checks and balance" approach that is taken throughout the REC.<br><br>There will be a requirement for Industry Recognised Accreditation Bodies to submit to RECCo all TPIs they have accredited for inclusion on the TPI Accreditation Register, plus any withdraws/suspensions. Only TPIs |

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| | 2. It needs to be clear that the use of the Energy Ombudsman is only for MBC's and small businesses, although the COP itself covers all Non Domestic customers<br><br>3. How can REC determine that a TPI has paid its ICO fee? Is this something that REC will monitor? If so, how will REC enforce this requirement?<br><br>TPI REC Schedule<br><br>1. The additional burden added to a supplier to check additional registers, needs to be considered. The supplier currently has to check those that are registered on the ADR scheme, and now, with this proposed schedule, will need to check whether they are now accredited with REC.<br><br>2. REC'S proposed register should include TPI's which are accredited under another approved scheme, which notes what scheme it is accredited under. This will reduce the resource burden on suppliers.<br><br>3. The current wording within the schedule details that although a TPI must be accredited to the REC, and an Energy Supplier must only contract with a TPI that is accredited, it is the responsibility of the supplier to ensure that the TPI works within the remit of the schedule. We do not believe it should be the responsibility of the supplier to ensure the TPI is working within the remit of the schedule where REC are responsible for accreditation.<br><br>4. Clause 10.2 – As we advised within the RFI, we believe that 5 years is too long for Audit, therefore this should be reviewed.<br><br>5. Clause 11.2 and 11.3 – If the TPI Auditor has recommended that the TPI should have its accreditation revoked, why does the REC PAB have | listed on this register will be officially recognised as accredited, and this will be the only list used when auditing Suppliers.<br><br>The Code Manager takes these comments on the TPI CoP on board and will keep hold of them for potential later changes, but making amendments to the TPI CoP is out of scope for this change. |

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| | a final decision on whether they should or not? Should the REC PAB disagree with the Auditor, this will undermine the work that has been completed. This does not seem a sensible approach<br><br>6. It is not clear how the Risk Based Approach Audit will work, we have not identified any criteria for this. | |
| Business Energy Direct UK (Third Party Intermediary) | I believe that some of the wording needs to be reconsidered.<br><br>The definition of TPI needs to be reviewed, specifically “purpose of the Code of Practice, a Third Party Intermediary (TPI) is an organisation or individual that, either on its own or through arrangements with other organisations or individuals, provides information and/or advice to a Non-Domestic Consumer about an Energy Supplier's charges and/or other terms and conditions and whose payment or other consideration for doing so is made or processed by that Energy Supplier”.<br><br>The currently proposed wording creates a loophole, it enables any TPI who charges the customer directly for their services to avoid registration, as no payment would be processed by the supplier.<br><br>Consumer Data is not defined and the principal “The TPI must ensure the maintenance of accurate Consumer data and provide such data as required by the Energy Supplier” could be hard for a TPI to legally adhere to. GDPR and contractual agreements would impact what consumer data can be shared, along with the reason that the data is “required” by the Energy Supplier.<br><br>“The TPI must take all steps to ensure that Consumers are treated fairly, and that they are not subject to unreasonable pressure when making decisions”. A TPI can only ensure consumers are treated fairly within their own organisation and have no control how other industry | Thank you for your comments.<br><br>The Code Manager and RECCo agree with your concern over a potential loophole, but it is not within the scope of the REC to audit TPIs directly so this cannot be closed by this change proposal.<br><br>The minimum requirements for a Letter of Authority does not require a commission breakdown, only a statement that the Consumer understands that a commission may be payable and how that commission will be recovered. The Code Manager takes these comments on board and will keep hold of them for potential later changes, but making amendments to the TPI CoP is out of scope for this change. |

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| | parties treat them. The ambiguity of this statement needs to be changed.<br><br>"The TPI must clearly signpost the Consumer to the services of the Energy Ombudsman, as well as provide clear signposts to other sources of independent help that is available to Consumers". TPI's are not obliged to register with the Energy Ombudsman, other QDSS schemes are available.<br><br>Minimum requirements for a LOA<br><br>The purpose of a LOA is to enable customers to give someone permission to act on their behalf within specified limits. TPI's may undertake a wide variety of work for their customers, many having nothing to do with contract procurement, as such it would be wrong for the TPI CoP to stipulate that commission disclosure be mandatory on the LOA.<br><br>It would unnecessary if the work carried out has nothing to do with contract procurement and as such no commission is paid to the TPI (an LOA could be used to engage with the DNO for example to obtain KVa information or speak about a service upgrade). Commission is already covered in multiple different areas and there is no value in it being included again on the LOA. Having a commission disclosure could also drive anti-competitive behaviour as commission agreements between a TPI and consumer is a commercial decision/agreement between two parties (3 including the contracted supplier) and it could place the TPI at a commercial disadvantage if this commercially sensitive information was to be released to other parties.<br><br>The LOA is a document that gives directions to the suppliers / DNO's etc, from the customer. The customer signs it so that the TPI can act | |

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| | unrestricted on behalf of the customer, therefore it is the customer decision how long they wish for the LOA is valid for. We suggest the 12 month term is removed from the example LOA provided, to ensure that this isn't misinterpreted as an absolute requirement as part of the CoP.<br><br>The example letter contains boxes for the customers contact email address and phone number – this could be a breach of GDPR as the customer may not wish for this information to be disclosed.<br><br>There is no legal requirement for these personal details to be on a LOA and as such should be removed from the example LOA provided (please refer to Companies Act 1985 for clarification on what should be contained on companies "letterheads" as I believe this is more suitable)<br><br>• Registered **business name**<br>• Registered **company number**<br>• **Place of registration** (e.g. England and Wales)<br>• **VAT number**<br>• **Geographical address** of the registered office — a P.O. Box does not meet the criterion of a "geographical" address.<br>• Membership details and registration number of a **trade or professional association**<br>• In certain industry sectors, **the regulatory or trade body** — for instance, a company in financial services must state it is authorised and regulated by the Financial Conduct Authority and (sometimes) the Prudential Regulation Authority. | |
| ENGIE<br>(Energy Supplier) | We note that the definition of an industry recognised body "which has been recognised by the REC PAB as being capable of granting, suspending or withdrawing accreditation of TPIs under its own scheme, as an alternative to the REC Services Accreditation Scheme" includes the possibility that this could be an Energy Supplier. | Thank you for your comments.<br><br>There will be minimum requirements for any Industry Recognised Accreditation Body to be approved by PAB, and details of these requirements will be available before go live. |

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| | Further clarification of the procedures an Energy Supplier would have to have in place in order to obtain such recognition from the PAB would be welcome, as it is important that accreditation via an alternative route meets the same standards as via the REC route to avoid creating competitive advantages for parties who could potentially offer a less onerous route to accreditation. Any deviation from a single accreditation route via the REC opens up a risk that there is inconsistency of treatment of applications which will need to be managed.<br><br>In addition, Section 10.1 of the proposed REC Schedule states that REC TPI audit procedures will not apply to TPIs that are accredited by alternative routes. While provision is made for "TPI Audits [to] be carried out in accordance with a risk-based TPI Audit programme to be determined by the REC PAB" it is important that this provides the same rigour as the REC TPI audit procedure to avoid inconsistency of treatment of TPIs accredited by the REC route and those accredited by alternative routes. More clarity on the audit process for non-REC accredited TPIs is needed. | These will include audit requirements of the TPIs the body accredits. |
| Anonymous<br>(Third Party Intermediary) | No – other than as stated within this response. | Thank you for your comments. |
| British Gas<br>(Energy Supplier) | RECCo should as part of this impact assessment provide the PAB guidelines which are referenced as part of the enforcement regime.<br><br>The change is being presented as a Code for TPI's to enter, with onus on suppliers to not work with TPI's not accredited by the Code, this needs to run in conjunction with our licence position and no put us in breach of our licence requirements by being at odds with what Ofgem have brought in/may bring in. | Thank you for your comments. |

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| Anonymous<br>(Third Party Intermediary) | n/a | n/a |
| Peritus Energy and Water<br>(Third Party Intermediary) | n/a | n/a |
| Energy Renewals Ltd<br>(Third Party Intermediary) | n/a | n/a |
| Utilities Intermediaries Association<br>(Trade Association) | n/a | n/a |
| The Energy Company<br>(Third Party Intermediary) | We do not offer any comment at the moment. | n/a |
| CUB (UK) Ltd<br>(Third Party Intermediary) | No. | n/a |
| Scottish Power Energy Retail<br>(Energy Supplier) | We have set out a series of proposed amendments to the draft legal text in the table below to ensure that it is as consistent, clear and effective as possible, should this proposal ultimately be progressed. In addition to some ancillary elements, our proposal covers the following themes:<br>1. We believe that the "REC Services Accreditation Scheme" should be renamed as the "REC TPI Accreditation Scheme". The latter makes clear the purpose of the scheme and limits the potential for confusion. Should the proposer desire the scheme to provide different forms of accreditation in future, its name could be changed at that point, as part of due change process.<br>2. In our view (as set out in our response to Question 3), RECCo (or its agent) should be the sole TPI accreditation body. To give effect to this approach, all references to the "Industry-Recognised Accreditation | Thank you for your comments.<br>The decision behind 2-5 years being the audit timeframe is because we expect there to be a lot of TPIs register with the REC Services Accreditation Scheme around the same time (at go-live) and while ideally, we would like TPI audits to be closers to 2 years, having this range stops the TPI Accreditation Auditor being obligated to do a large number of audits at the same time. This will be combined with a risk-based approach to ensure TPIs deemed higher risk are audited first/more frequently as appropriate. |

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| | Body" route to TPI accreditation and provisions which flow from that route should be removed from the draft proposed Schedule and amendments to Schedule 1.<br><br>3. We suggest that a "TPI Accreditation Number" be added into Schedule 1 and the proposed Schedule. Each accredited TPI would have an accreditation number which could be used as a unique reference to verify the accreditation status of a TPI. In that light, it would be better to have a bespoke TPI accreditation number than to use the TPI's company number for the TPI accreditation register, for instance. This approach would align with that taken by the Energy Ombudsman for TPIs registered under its TPI Alternative Dispute Resolution scheme. In the same vein, we believe that the dates for each TPI of admission, suspension and/or withdrawal from accreditation (as the case may be) should be available in the TPI register, so that parties can consult not only the accreditation status of a TPI, but also its time period of accreditation.<br><br>4. We believe that, given RECCo has proposed a draft Schedule under which it has responsibility for exercising the central functions of TPI accreditation, it should have an obligation to give a suitable justification for delegating any of its duties under this Schedule and to demonstrate that the delegated party has the requisite capacity to undertake the delegated duties. The clear alternative would be for the Schedule to designate a different responsible party directly.<br><br>5. To give the necessary clarity, we propose that the obligation on suppliers to retain evidence of the TPI associated with each TPI energy contract sale should be revised to specify that the evidence retention period will begin on the date of entering into the energy contract. | RECCo and the Code Manager have taken these comments on board and have included the suggestion of TPI Accreditation Number into the legal text.<br><br>Date of TPI admission, suspension and withdrawal will all be included in the TPI Accreditation Register so Suppliers can evidence a TPI was accredited at the point the contract was signed.<br><br>On point 7, PAB is able to accredit a TPI on a provisional basis pending prospective changes to the TPI Code of Practice or to issue a derogation to a TPI from a requirement of the TPI Code of Practice as we do not want to be in a situation where TPIs are prevented from doing business while they wait for a change to be made to the CoP. |

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| | 6. We note that the draft proposed Schedule states that the TPI audit interval will be “every 2-5 years”. However, we believe that this interval should be more precisely defined, so that TPIs understand the expectations placed upon them and so that the frequency of regular audits (separate from ad hoc audits, at the auditor’s discretion) is uniform for all TPIs. We consider 3 years to be a suitable interval. Relatedly, we do not agree that audits should be based on a “target date”. Regular audits should take place on schedule; ad hoc audits should by nature not have much notice. We also believe that any failures of a TPI in relation to an audit should be notified to the REC Performance Assurance Board (REC PAB), not just “repeated failures”.<br><br>7. While we appreciate the important role which the REC PAB would exercise in the proposed TPI accreditation regime, we do not believe that the PAB should have the ability to accredit a TPI on a provisional basis pending prospective changes to the TPI Code of Practice or to issue a derogation to a TPI from a requirement of the TPI Code of Practice pending a review of that requirement and any resulting prospective changes to the TPI CoP. In our view, the TPI CoP consisnts of straightforward and reasonable principles for the conduct of TPIs. We do not see cause for confusion in the meaning of the TPI CoP or for difficulty in meeting its principles. In this light, we believe that the PAB should make any decisions under the proposed Schedule on the basis of the TPI CoP as it stands, not on the basis of what it might be in the future.<br><br>8. We are not convinced that a TPI should have recourse to appeal a rejection of an application for accreditation or a decision to suspend or withdraw accreditation to Ofgem (the Authority). While we recognise the importance of such decisions (by the REC PAB) to a TPI, we are not | |

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| | certain that they would meet the threshold for escalation to Ofgem set out in Schedule 6 (and Paragraph 6.10 of that schedule, in particular). We believe that consideration should be given to alternative venues within the REC for TPI accreditation appeals, such as the REC Board.<br><br>9. We do not believe that the TPI Accreditation Auditor should have a duty to "promote the development and growth" of the TPI accreditation scheme. In our view, the auditor should maintain its focus on delivering its assessment and audit functions efficiently and effectively.<br><br>**The Code Manager is unable to paste the table provided by Scottish Power without corrupting the document, but it has been received and reviewed.** | |
| Energy Solutions<br>(Third Party Intermediary) | n/a | n/a |

| Question 6: | Would implementing the proposed solution incur any costs to your business? If so, please provide details. | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice<br>(Consumer Body) | Not applicable. | n/a |
| Drax Group<br>(Energy Supplier) | Yes. We would need to make changes to our TPI agreements and onboarding processes. And any new REC Performance Assurance reporting requirements on suppliers would also incur costs in terms of development and delivery. | Thank you for your comments. |
| SSE Energy Supply<br>(Energy Supplier) | Yes, this will impact our cost to serve because we have additional registers we must check against and additional monthly reporting requirements. We would also need to implement system changes, should any additional reporting be required and additional steps would need to be made to our sales process to ensure we are capturing the required information. | Thank you for your comments. |
| Business Energy Direct UK<br>(Third Party Intermediary) | Yes.<br>We will need to review a number of areas to ensure that we meet and evidence compliance. This includes working with our relevant 3rd party service providers to ensure they can help support these (e.g telephony system and CRM provider). | Thank you for your comments. |

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| | We are unable to quantify the costs of implementing the proposed solution at this stage. | |
| ENGIE<br>(Energy Supplier) | Yes. There will be costs incurred in resourcing the PARC reporting, and in building pre-checks into our quoting and contracting processes to ensure that we only contract with accredited TPIs. The latter may also involve system development costs as with up to 100 TPIs to manage there may be a need to automate this process. | Thank you for your comments. |
| British Gas<br>(Energy Supplier) | Whilst we do not foresee this change will incur material cost to our business, it is difficult to impact assess without clarity on the requirements for Suppliers to provide information beyond the Cost to Check our compliance with the TPI register. | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | There is a lack of transparency around the costs associated with these new accreditation requirements. Establishing a new regulatory framework should involve a clear understanding of the financial burden it imposes, yet RECCo has provided no concrete details.<br>This raises serious questions about the potential costs TPIs may face. | Thank you for your comments. |
| Peritus Energy and Water<br>(Third Party Intermediary) | n/a | n/a |
| Energy Renewals Ltd<br>(Third Party Intermediary) | Yes, it would no doubt bring about additional administration costs and increases in resourcing requirements. The proposal is not clear on any of the compliance statements that are being suggested and it is unclear what financial implications this would bring. | Thank you for your comments. |
| Utilities Intermediaries Association<br>(Trade Association) | n/a | n/a |

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| The Energy Company (Third Party Intermediary) | Yes it would! Furthermore there has been no indication of what the cost could possibly be and no doubt Brokers/TPI's would end up financing the scheme. | Thank you for your comments. |
| CUB (UK) Ltd (Third Party Intermediary) | This is difficult to quantify, our business will certainly incur costs in time, in order to register and ensure complete compliance with the scheme. There will also be costs associated with changing and updating our quoting templates to ensure all suppliers commission is broken out as suggested. There may also be an impact commercially from lost business if suppliers choose to use this opportunity as a sales tactic when attempting to "poach" customers directly. | Thank you for your comments. |
| Scottish Power Energy Retail (Energy Supplier) | As an energy supplier, we would incur costs in adapting our systems and processes to accommodate the TPI accreditation regime, should this proposal ultimately be progressed. These adaptations would primarily concern our functionality to check the accreditation status of TPIs, in relation to our sales arrangements with them. At this stage, we do not believe that such costs would be onerous. We note that the proposed Schedule provides that TPIs will pay for accreditation applications and audits. We believe it is appropriate that the costs of a TPI accreditation scheme should be borne mainly by TPIs. | Thank you for your comments. |
| Energy Solutions (Third Party Intermediary) | n/a | n/a |

| Question 7: | Do you identify any benefits to your business or to the industry through the implementation of the proposed solution? | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice (Consumer Body) | Citizens Advice has been supportive of a TPI code of practice since our 2019 report 'Closing the Protection Gap'. Requiring energy suppliers to use accredited TPIs would help reduce the risk of detriment to business consumers and improve consumer confidence in the sector.<br><br>4% of microbusiness contacts to the Consumer Service since August 2023 are to do with TPIs. In addition, a further 18% of microbusiness contacts to the Consumer Service are to do with 'non-domestic contract issues'. This code encapsulates a range of issues, but we see a great deal of contacts regarding TPIs within this code.<br><br>The cases we see related to TPIs often involve a few key issues. Customers often feel they have been mis-sold their contract, as they did not understand the full terms of what they were agreeing to. There are also cases in which upon receiving the contract which was discussed and agreed over the phone, the actual terms are different to what was agreed. This can include higher tariffs or longer contract periods than were discussed. These transparency issues are exacerbated by verbal contracting and high-pressure sales tactics, in which customers feel pressured to agree to the contract being offered without being given adequate time to decide whether it suits their business needs, or seek alternative quotes. | Thank you for your comments. |

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| | There are also issues which arise as a result of fraudulent activity on the part of unscrupulous brokers. These include information being incorrectly recorded by TPIs which can lead to issues for customers contacting their suppliers, and in some cases the build up of debt. There are also cases related to contracts being renewed by TPIs without the customer's permission, and in some extreme cases, TPIs entering into contracts on behalf of customers by initiating a fraudulent change of tenancy process with the customer's supplier.<br><br>The proposed accreditation scheme would help to prevent many of the problems our small business clients face. A commitment to transparency and accuracy during the contracting process would prevent confusion for customers. Pricing transparency will ease the contracting process. A commitment to ensuring the contract is suitable for a customer will prevent small business customers becoming locked into contracts which do not suit their business needs. Offering a clear route to dispute resolution should also drive up standards and ensure better practice within the industry. | |
| Drax Group<br>(Energy Supplier) | We already have robust governance processes in place to ensure the TPIs we work with meet the high standards we expect, so we haven't identified any direct benefits to our business. There may be some benefits to the wider industry through the implementation of R0137 but there may also be unintended consequences, such as, an increase in alternative TPI business models where the customer pays the TPI directly, without the knowledge/involvement of the energy supplier, and the customer would thus remain unprotected from poor TPI practices and behaviours. | Thank you for your comments. |

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| SSE Energy Supply<br>(Energy Supplier) | Not to this solution however, SSE fully support Direct Regulation of the TPI market. | Thank you for your comments. |
| Business Energy Direct UK<br>(Third Party Intermediary) | We do not believe that this proposed solution is sufficient enough and the significant disconnect between the activities taking place in the TPI and supplier sectors requires much greater consideration. Solutions cannot be implemented that result in more uncertainty for customers (the amount of commission a TPI will receive being derived from inaccurate data sources) and we have highlighted loopholes that exist that will be exploited by both TPIs and suppliers, because of this proposed solution. | Thank you for your comments. |
| ENGIE<br>(Energy Supplier) | The main benefit we see both to our business and the industry is to provide transparency and improve consumer confidence in the role and activities of TPIs and their relationships with suppliers. The scheme should also contribute to a reduction in complaints, claims and litigation relating to TPI relationships, reducing costs to TPIs, Energy Suppliers and consumers. | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | Within the B2B TPI industry, Ofgem have previously reported that an inconsistency in quality standards across TPIs can give rise to customer harm. The accreditation of TPIs against a Code of Practice is necessary to create consistency. We welcome thisand reducing customer harm is key in increasing customer engagement within the market and creating healthy competition.<br><br>However, REC should ensure the accreditation process also promotes consistency – regardless of how TPIs are accredited. | Thank you for your comments. |

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| British Gas<br>(Energy Supplier) | We have a robust on-boarding and assurance regime in place with our Energy Brokers which drives demonstratable change in the behaviour of brokers we work with to adhere to our standards, principles, and frameworks. Our assurance regime is a combination of thematic as well as end to end, depended on the type of review it is either conducted face to face, desktop review or teams meeting, the outcome of the review ranges from actions to improve behaviours/processes to meet our standards to off-boarding.<br><br>The implementation of a RECCo code of practice will not change the assurance and compliance work we do across Energy Brokers. Indeed, the introduction of the Code of Practice will place an additional burden on TPI's to adhere to a RECCo accreditation in addition to QDSS accreditation as well as suppliers own, frameworks and standards.<br><br>We do not therefore believe that our business will see a benefit from this mandatory code of practice. Benefits to the wider market will depend on the ability of RECCo to ensure compliance with the Code and to act when non-compliance is identified., although we do accept that others may well see a benefit. In addition, as the RECCo will be aware, the Department for Energy Security and Net Zero has committed to consulting on regulatory options for TPIs later this year. It is therefore important that the impact assessment takes this into account in determining its counterfactual. | Thank you for your comments.<br><br>The Code Manager and RECCo are in frequent communication with Ofgem, and as this change is Authority Determined they will make the ultimate decision on this change. We will ensure any work being done by the Government/DESNZ is kept in consideration while working on this change. |
| Anonymous<br>(Third Party Intermediary) | n/a | n/a |
| Peritus Energy and Water<br>(Third Party Intermediary) | No. | Thank you for your comments. |

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| Energy Renewals Ltd<br>(Third Party Intermediary) | None at all, the industry has already adopted the Ofgem guidance and protection for Micro Businesses.<br><br>The evolution and significance following Ofgem's Non-Domestic review implementing the Supplier Standards of Conduct and Broker Fee transparency now extend to the entire nondomestic sector, with further protections for a newly defined Small Business category under the Consumer Redress and Broker ADR scheme, in the pipeline.<br><br>RECCo's proposals seem to be out of touch with these recent developments. | Thank you for your comments.<br><br>This change aims to protect all Non-Domestic Consumers, rather than just the Microbusiness and Small Businesses covered by current and upcoming schemes. |
| Utilities Intermediaries Association<br>(Trade Association) | No. | Thank you for your comments. |
| The Energy Company<br>(Third Party Intermediary) | No additional benefits. | Thank you for your comments. |
| CUB (UK) Ltd<br>(Third Party Intermediary) | No. | Thank you for your comments. |
| Scottish Power Energy Retail<br>(Energy Supplier) | As stated in our response to Question 1, we believe in bringing appropriate oversight to the energy broker market and we welcome the principles for conduct of TPIs in the current TPI Code of Practice. In that context, we recognise that some potential exists for the proposed TPI accreditation regime to bring some improvement to the energy broker market. However, as noted in our response to Question 2, we do not see a rationale for how the proposal for REC TPI accreditation would benefit energy consumers materially better than direct TPI regulation would. | Thank you for your comments. |

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| Energy Solutions<br>(Third Party Intermediary) | n/a | n/a |

| Question 8: | Taking into consideration both the costs and the benefits seen, do you consider this change should be made? | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice (Consumer Body) | Yes, we think this change should be made. The accreditation process will provide both consumers and suppliers the trust and confidence they need when using a TPI. It will also ensure that TPIs who are already employing best practice examples do not unfairly lose out and that we do not witness a 'race to the bottom' in terms of TPI standards. | Thank you for your comments. |
| Drax Group (Energy Supplier) | No. We don't believe R0137 is the best way to address the behaviour of some TPIs operating in the market whose sharp practices pose a significant risk of harm to non-domestic consumers. While potentially going some way to addressing the issue, we are concerned that implementing R0137 risks derailing the Government's plans for putting in place an effective whole-of-market regulatory framework for TPIs. Conversely, if the Government does press ahead with its plans for direct regulation of TPIs, industry will be faced with the task of unwinding the REC arrangements, with consumers ultimately bearing the costs. | Thank you for your comments.<br>The Code Manager and RECCo are in frequent communication with Ofgem, and as this change is Authority Determined they will make the ultimate decision on this change. We will ensure any work being done by the Government/DESNZ is kept in consideration while working on this change. |
| SSE Energy Supply (Energy Supplier) | SSE favour direct regulation of TPI's however, if that cannot happen before implementation we would like to see a more joined up approach from all relevant parties and looking at existing licence schemes. We believe industry would benefit from further workshops, as held last year. | Thank you for your comments. |

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| Business Energy Direct UK<br>(Third Party Intermediary) | We believe that the foundations for ensuring that TPIs are more transparent can be seen in the proposed solution, however, we believe further consideration needs to be given to matters that have been overlooked. This proposed solution requires more work and we do not consider implementation of it appropriate until further consultation and resulting work has been completed. | Thank you for your comments. |
| ENGIE<br>(Energy Supplier) | Yes, taking into account the issues we have raised in this response. | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | As above, we are unable to quantify the costs without the Charging Statement including TPI fees. However, overall, we agree with the solution proposed – with the exception that TPIs accredited via Industry-Recognised Accreditation Bodies are not subject to the same audits as TPIs accredited by REC. | Thank you for your comments. |
| British Gas<br>(Energy Supplier) | We see limited benefit to us as a supplier, the change will have limited impact on us operationally or from a cost perspective.<br><br>We accept that having minimum standards to accredit brokers, enabling them to access suppliers to sell in the market is better than nothing, the introduction of these standards via suppliers for third parties is not best practice. We believe the best way to ensure the fair treatment of customers and protect Customers interests in an increasingly complex market is to implement direct regulation of Brokers in the same way as other industries e.g., financial services.<br><br>We strongly advocate for direct regulation in this market, as the effective and enduring way to ensure customers are treated fairly across all their interactions with Brokers and would not want the implementation of this code to delay or stop a focus on direct regulation, | Thank you for your comments. |

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| | as any delay would result in inadequate protection of customer interests. | |
| Anonymous<br>(Third Party Intermediary) | No change necessary. | Thank you for your comments. |
| Peritus Energy and Water<br>(Third Party Intermediary) | No. | Thank you for your comments. |
| Energy Renewals Ltd<br>(Third Party Intermediary) | No although the continued enhancement of the guidance and protection under the existing schemes should be developed further to allow customers to have peace of mind without losing freedom of choice to work with energy consultants/TPI's<br><br>Energy Procurement alone cannot be looked at in isolation, customers want more from TPI's/energy consultants and require added value services that bring about free market energy contract negotiations combined with energy and carbon reduction advice. | Thank you for your comments. |
| Utilities Intermediaries Association<br>(Trade Association) | No. | Thank you for your comments. |
| The Energy Company<br>(Third Party Intermediary) | No. | Thank you for your comments. |
| CUB (UK) Ltd<br>(Third Party Intermediary) | No – as stated above I think much more thought needs to be given to changes in SLC's already taking place and more data is needed for input on this change and KPI's on how this will ensure customers get a better experience. | Thank you for your comments. |
| Scottish Power Energy Retail<br>(Energy Supplier) | In line with our responses to Questions 1 to 4, we do not believe that this proposal for REC TPI accreditation should be taken forward at this time. In our view, clarity is first required on the prospect and design of | Thank you for your comments. |

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| | direct TPI regulation before due consideration can be given to whether a REC TPI accreditation regime is appropriate or necessary. We do not believe that any potential relative benefits from a TPI accreditation regime are sufficient to justify the establishment of such a scheme before the shape of direct TPI regulation is known. We believe it is likely that direct regulation would render REC TPI accreditation unnecessary. In that light, we believe this proposal should not be progressed. | The Code Manager and RECCo are in frequent communication with Ofgem, and as this change is Authority Determined they will make the ultimate decision on this change. We will ensure any work being done by the Government/DESNZ is kept in consideration while working on this change. |
| Energy Solutions<br>(Third Party Intermediary) | n/a | n/a |

| Question 9: | What lead time would be required for your business to implement the proposed solution? Please provide justification. | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice (Consumer Body) | Not applicable. | n/a |
| Drax Group (Energy Supplier) | We would need at least 8 months. This was the length of time afforded suppliers to ensure TPIs are members of a qualifying ADR scheme following Ofgem's Microbusiness Strategic Review. Similarly, in Ofgem's Review of the Non-Domestic Market, when the requirement was expanded to Small Business Consumers, 8 months was allowed for implementation. The R0137 proposals would involve similar changes to processes and TPI agreements, while also applying them to a wider group of TPIs than just those serving microbusinesses/Small Business Consumers. | Thank you for your comments. |
| SSE Energy Supply (Energy Supplier) | We are working on the assumption that only contracts sold on or after the current proposed implementation date of the 1st October 25 will be impacted by these proposals. Therefore, any contracts sold prior to this which are future dated for post 1st October 25 will not be impacted. | Thank you for your comments.<br>This assumption is correct, it is only contracts sold after go-live which will be in scope. |
| Business Energy Direct UK (Third Party Intermediary) | This is to be confirmed. We do not control the speed that third party providers work and their support will be required. | Thank you for your comments. |

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| ENGIE<br>(Energy Supplier) | We would need at least 9 months to update our quoting processes and put the required PARC reporting in place, and 6 months within that period to ensure that all our existing TPI relationships were accredited. | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | See below. | n/a |
| British Gas<br>(Energy Supplier) | We see limited impact to implementing this as a supplier and do not require an extended lead time | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | n/a | n/a |
| Peritus Energy and Water<br>(Third Party Intermediary) | n/a | n/a |
| Energy Renewals Ltd<br>(Third Party Intermediary) | The proposal in its current form is lacking in more detail, content and clarification. | Thank you for your comments. |
| Utilities Intermediaries Association<br>(Trade Association) | n/a | n/a |
| The Energy Company<br>(Third Party Intermediary) | No idea. | n/a |
| CUB (UK) Ltd<br>(Third Party Intermediary) | At least 12 months, to ensure our systems and processes are compliant with the proposed changes. | Thank you for your comments. |
| Scottish Power Energy Retail<br>(Energy Supplier) | To make the necessary system and process changes, we believe that parties (suppliers and TPIs) should have a minimum of 6 months of implementation time from a positive decision by Ofgem on a TPI accreditation scheme to the opening of TPI accreditation applications. For the same reason, we believe that parties should have a minimum of | Thank you for your comments. |

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| | 12 months of implementation time from a positive decision by Ofgem on a TPI accreditation scheme to the entry into force of the obligation on suppliers to work only with TPIs which are accredited under the proposed Schedule. These timelines take due account of the time and work required to deliver the requisite system and process changes, as well as the time implications of potentially several thousand TPIs seeking to register (noting that Ofgem quotes an estimate of 2,500 TPIs in its Non-Domestic Market Review Decision of 5 April 2024). | |
| Energy Solutions<br>(Third Party Intermediary) | n/a | n/a |

| Question 10: | Do you agree with the dates within the legal text – which states the REC Services Accreditation Scheme will be available and Industry Recognised Accreditation Bodies will be able to qualify from 01 April 2025, and that this becomes binding to Suppliers from 01 October 2025. If no, please provide more information. | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice (Consumer Body) | Yes, we agree with the dates given within the legal text. | Thank you for your comments. |
| Drax Group (Energy Supplier) | The phased approach makes sense, but timescales feel ambitious. Ofgem afforded suppliers 8 months to prepare for implementation of the obligation to ensure TPIs they work with are members of a qualifying ADR scheme, and that obligation was limited to TPIs working with microbusinesses / Small Business Consumers. The Energy Ombudsman onboarded 1,890 TPIs to its TPI ADR scheme during the first year of operation and identified multiple challenges in the process of doing so. The scope of the REC proposals is far wider than the ADR scheme, and assessing significant numbers of diverse TPIs for accreditation is going to be an extremely time-consuming exercise. If the R0137 change report is expected to go to Ofgem for Authority determination in December 2024, the proposed timescales don't seem feasible. | Thank you for your comments. |
| SSE Energy Supply (Energy Supplier) | Please see our answer to question 9 | n/a |
| Business Energy Direct UK (Third Party Intermediary) | Given the conflict of interest that we have advised of,(the ability of suppliers to become an recognised accredited body), this needs to be | Thank you for your comments. |

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| | further considered, therefore we do not agree with the dates in the legal text. | |
| ENGIE<br>(Energy Supplier) | Yes, these dates seem reasonable provided the details of the scheme are fully understood and the change has been approved by the Authority as soon after the planned Panel decision on 18 December 2024 as possible. If the Authority decision is delayed into Q1 2025, consideration should be given to moving the implementation date for TPIs back to 1 October 2024 and the supplier implementation date to 1 April 2026. | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | All TPIs will want to ensure their business is in the best position possible for accreditation. As such, a reasonable period should be allowed to enable TPIs to prepare. From reviewing the proposed REC Schedule, the accreditation process is expected to take a minimum of circa 6 weeks, from when the TPI uploads their accreditation documents to potential acceptance. This process will be longer if a TPI is required to make changes to their documents, a more in-depth audit is conducted n the TPI or if a TPI appeals the decision to reject their accreditation. Given the number and wideranging sophistication of TPIs operating in the market, plus the Charging Statement not yet being published, we would strongly recommend a minimum of one full financial year between applications opening and the requirement becoming binding on suppliers. For example, we would suggest amending the above period to 01 April 2025 – 01 April 2026. This will reduce the likelihood of TPIs exiting the market, as they will be able to factor in accreditation costs into their financial budgets and put themselves in the best position possible for their accreditation. This | Thank you for your comments. |

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| | additional time should in turn reduce REC time spent in handling poor quality accreditation applications.<br><br>Given the response to RECCo's previous discussions with TPIs on the Code of Practice, it is evident in our opinion that there is a proportion of the B2B TPI market which is not yet engaged with RECCo's work. This engagement is key in ensuring the TPI accreditation change lands effectively within the market, acting as a positive driver to raise standards.<br><br>We would also recommend REC liaise with the Energy Ombudsman to understand its experience in onboarding TPIs who sell to microbusinesses onto their ADR scheme. This knowledge share will help REC understand the barriers it may face during the accreditation process. It is important for REC to balance a consistent and formalised accreditation process, with a process which is not overly cumbersome or complicated, so as to not inadvertently dissuade less sophisticated TPIs from signing up for accreditation. | |
| British Gas<br>(Energy Supplier) | We have no comment on the dates proposed. | n/a |
| Anonymous<br>(Third Party Intermediary) | Not applicable as it should no go ahead. | n/a |
| Peritus Energy and Water<br>(Third Party Intermediary) | n/a | n/a |
| Energy Renewals Ltd<br>(Third Party Intermediary) | No for reasons stated within this response. | Thank you for your comments. |
| Utilities Intermediaries Association<br>(Trade Association) | n/a | n/a |

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| The Energy Company<br>(Third Party Intermediary) | No. | Thank you for your comments. |
| CUB (UK) Ltd<br>(Third Party Intermediary) | I think this needs to be pushed back at least 6 months should the change go ahead. This is from the suppliers perspective as the administrative burden on them will be significant. We are seeing a drop in service levels from a number of energy suppliers and this will only exasperate the issue, impacting customers – the exact opposite of the proposed benefit of this change. | Thank you for your comments. |
| Scottish Power Energy Retail<br>(Energy Supplier) | In line with our response to Question 9, we believe that the dates for the opening of TPI accreditation applications and the entry into force of the obligation on suppliers to work only with TPIs which are accredited under the proposed Schedule should be based on the date of any positive decision by Ofgem on a TPI accreditation scheme. (As noted in our response to Question 5, we believe that the Industry-Recognised Accreditation Body route should be removed from the draft legal text.) We do not believe that the implementation dates can be set in advance for this change proposal. Should dates be required in the absence of the necessary information, despite any difficulties which that approach might cause, we believe that applications for TPI accreditation could open on 1 October 2025 and the accredited-TPI requirement on suppliers could take effect on 1 October 2026. | Thank you for your comments. |
| Energy Solutions<br>(Third Party Intermediary) | n/a | n/a |

| Question 11: | Do you agree the Code of Practice should be an appendix within the TPI Schedule (to keep everything in one place for ease of use), or think the Code of Practice should be its own document? Please provide reasoning. | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice<br>(Consumer Body) | Yes, we agree that the Code of Practice should be an appendix within the TPI Schedule for ease of use. | Thank you for your comments. |
| Drax Group<br>(Energy Supplier) | We don't have a strong view on this. | n/a |
| SSE Energy Supply<br>(Energy Supplier) | Yes. | Thank you for your comments. |
| Business Energy Direct UK<br>(Third Party Intermediary) | n/a | n/a |
| ENGIE<br>(Energy Supplier) | We have no strong views on this but there could be administrative convenience in having everything in the same Schedule. | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | Yes – TPIs have minimal experience of REC and the REC process, which can result in a lack of engagement and/or awareness of REC's work. Keeping all relevant documentation in a centralised format and place would help less sophisticated TPIs navigate the accreditation process more easily and avoid confusion. Also, this approach would help allow customers to locate the necessary information they may need, if they have concerns around the quality of service they have received from their TPI. | Thank you for your comments.<br>RECCo and the Code Manager will explore multiple avenues to increase TPI engagement. However we do also hope that Suppliers will reach out to the TPIs they work with to encourage them to become accredited so they can continue working with them. |

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| British Gas<br>(Energy Supplier) | n/a | n/a |
| Anonymous<br>(Third Party Intermediary) | We are already bound to a Code of Practice via Utilities Intermediaries Association and don't need another one. | Thank you for your comments.<br>It is voluntary for TPIs to sign up to the UIA Code of Practice. |
| Peritus Energy and Water<br>(Third Party Intermediary) | n/a | n/a |
| Energy Renewals Ltd<br>(Third Party Intermediary) | No for reasons stated within this response. | Thank you for your comments. |
| Utilities Intermediaries Association<br>(Trade Association) | n/a | n/a |
| The Energy Company<br>(Third Party Intermediary) | Again. This is not needed. | Thank you for your comments. |
| CUB (UK) Ltd<br>(Third Party Intermediary) | No comment on this. | n/a |
| Scottish Power Energy Retail<br>(Energy Supplier) | We have no objection to the TPI Code of Practice being placed within the Code as an appendix to the proposed Schedule. We believe that, should the proposed Schedule be enacted, the TPI CoP should also be Category 1 document. We do not think it would be suitable for the TPI CoP to remain a Category 3 document in the event that the REC TPI accreditation regime takes effect. | Thank you for your comments.<br>The TPI CoP being an appendix to the new Schedule would automatically make it a Category 1 document. |
| Energy Solutions<br>(Third Party Intermediary) | n/a | n/a |

| Question 12: | Do you have any comments on the Performance Assurance (including the additions to the PARC) requirements for this change? | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice<br>(Consumer Body) | We have no further comments. | n/a |
| Drax Group<br>(Energy Supplier) | The data set out in the indicative PARC extract exceeds what should be required to determine suppliers' compliance/ performance against the requirements. If the obligation on suppliers is to identify whether a TPI is listed as accredited before entering into a contract with a consumer via that TPI, we see no justification for MPAN level data.<br>It is our understanding that a number of suppliers do not submit current PARC reporting to the REC, so we would presume they would not submit new reports either. If this is the case, REC would only be monitoring compliance of a subset of suppliers, and so, not all suppliers would be held to account for any failings. We therefore don't believe the proposed approach to performance assurance would be effective or fair. | Thank you for your comments.<br>It is an important part of REC qualification that Parties submit their required PARC data. |
| SSE Energy Supply<br>(Energy Supplier) | Please see our response to Q5. | n/a |
| Business Energy Direct UK<br>(Third Party Intermediary) | The reporting requirements placed on suppliers are excessive, and we have concerns regarding the amount of information being captured across all TPI's and how this information will be used within the industry | Thank you for your comments. |

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| | in future. The industry is known for frequent data leaks, some being quite significant, and we do not consider it appropriate for RECCo to retain this information centrally.<br><br>Only the motor insurance industry retains this level of information presently and it is required to do so for legal reasons. There is every possibility that the reported information retained by RECCo could fall into the wrong hands, despite every effort to prevent that. We don't consider it appropriate for RECCo to retain contract dates (we assume that this is the date the contract is signed – which can be a completely different to the date of acceptance which is controlled exclusively by the supplier) and detailing the TPI that the switch takes place through, could lead to anti-competitive behaviour if the data is leaked (for example the volume of sales a TPI makes and which suppliers they are using).<br><br>Furthermore, the reporting requirements only relate to switching, therefore there would be no record of contracts agreed with the same supplier as part of a renewal process.<br><br>We would like to further understand how data captured in the reports from suppliers will be used and if the registration / agreed contracts data will be used to trigger the audits, because a lot of the "registration" part of a customer's journey is beyond a TPI's control. For example, we can request a start date of "x" but if a supplier takes 15 days to validate a contract (TPI's will confirm that some suppliers often have lengthy back logs on processing contracts), or if a TPI operates in a specific sector, then the objections maybe higher than industry average. | Renewals are in scope of the Code of Practice as it does not call out Switches specifically. However at this time, RECCo and the Code Manager have decided not to include renewals as part of the Performance Assurance requirements in order to keep costs as reasonable as possible for impacted Parties. This will be reviewed as and when required. |
| ENGIE<br>(Energy Supplier) | Further information should be included in the forthcoming consultation about how the PARC reporting will be used to monitor Supplier | Thank you for your comments. |

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| | compliance with the scheme and how performance assurance techniques will be applied in cases of breaches. | |
| Anonymous<br>(Third Party Intermediary) | No. | n/a |
| British Gas<br>(Energy Supplier) | This code should not place further burden on suppliers to provide onerous reporting, other than confirmation of compliance to work with accredited.<br>The level of data requested for Items 4 & 5 in the park catalogue, is not in line with the level of detail we provide to the RECCo, and we would consider onerous for this change. Data protection considerations are also required when more customer data is being requested than RECCo currently receives.<br>Domestic has been flagged in the PARC as being applicable, I'm not entirely sure if this is correct. | Thank you for your comments. |
| Anonymous<br>(Third Party Intermediary) | n/a | n/a |
| Peritus Energy and Water<br>(Third Party Intermediary) | n/a | n/a |
| Energy Renewals Ltd<br>(Third Party Intermediary) | No for reasons stated within this response. | n/a |
| Utilities Intermediaries Association<br>(Trade Association) | n/a | n/a |
| The Energy Company<br>(Third Party Intermediary) | No. | n/a |

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| CUB (UK) Ltd<br>(Third Party Intermediary) | No. | n/a |
| Scottish Power Energy Retail<br>(Energy Supplier) | While we appreciate the proposer's desire for Performance Assurance (PA) requirements associated with the proposed TPI accreditation regime, we believe that any PA requirements should be both appropriate for and proportionate to the subject matter for assurance (in this case, supplier adherence to the proposed obligation to work only with TPIs which are accredited under the proposed Schedule). We note that the draft legal text includes three proposed PA reports for suppliers to provide monthly. Nevertheless, the proposer and the REC Code Manager have provided minimal explanation and no justification for these particular reports and their reporting requirements. We believe it is important for sufficient explanation and justification for any PA requirements to be presented as part of this change proposal now, not at some point in the future after this proposal has theoretically been approved.<br><br>From the limited information available, we believe that the three proposed reports can be consolidated into one report, which would simplify reporting and limit the administrative burden on suppliers. In our view, PA of the accredited-TPI requirement could be satisfied by a single quarterly report, instead of monthly. For simplicity, we propose that it be named the "Supplier TPI Report". We have set out our proposed amendments to the draft additions to the PARC in the table below, reflecting this approach.<br><br>**The Code Manager is unable to paste the table provided by Scottish Power without corrupting the document, but it has been received and reviewed.** | Thank you for your comments. |

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| | As noted in the table above, we believe that the “Switching using TPI – Supplier's use of TPI: MPXN Data” should be removed in its entirety. We consider it disproportionate to introduce MPxN-level reporting for the accredited-TPI requirement. We note, but do not see the rationale, for orienting this PA reporting around switching, given the subject matter is sales and switching is not mentioned once in the proposed Schedule. We do not agree that PA of an obligation on suppliers to work with certain TPIs requires MPxN-level data of customer switches. We believe this approach should be discounted.<br><br>We propose that the “Switching using TPI – Supplier's use of TPI: Aggregate Data” be renamed as the “Supplier TPI Report” and refashioned as a quarterly report that provides the core information required for PA on the accredited-TPI requirement: the names of TPIs, TPI accreditation numbers and the number of sales per TPI. In line with our response to Question 5, we believe that TPI accreditation numbers should be used for reference instead of company numbers. We also consider it important to focus on TPIs which “sold” a contract rather than TPIs “used” by a supplier, as working with a TPI generally and selling new contracts through a TPI specifically are separate matters. In keeping with our single-report proposal, we believe this report should cover its reporting period only.<br><br>In our view, the “Switching using TPI – Supplier's use of TPI: Confirmation of use” should also be removed in its entirety. The explanation of the report is unclear, but it suggests that suppliers should provide information on TPI sales and non-TPI sales (to demonstrate the proportion of TPI sales). We do not agree that PA of an obligation on suppliers to work with certain TPIs requires information on sales which | |

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| | did not involve TPIs. Any PA reports should only request necessary information.<br><br>Separately, we note that the PARC extract provided as part of the draft legal text has a “Y” indicator under the “Domestic” heading. However, given the proposed Schedule relates only to non-domestic consumers, Performance Assurance under this Schedule should equally cover only non-domestic consumers. As a result, the indicator under the “Domestic” heading should be “N” in this case. | |
| Energy Solutions<br>(Third Party Intermediary) | n/a | n/a |

| Question 13: | Do you have any other comments relating to this Change Proposal? | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| Citizens Advice<br>(Consumer Body) | We have no further comments. | n/a |
| Drax Group<br>(Energy Supplier) | Any regulatory intervention in a market needs to consider emerging and future trends. Energy is an evolving market where we are already seeing new and different TPIs offering more varied and complex services such as Demand Side Response, flexibility services and electric vehicle offerings. TPI regulation also needs to capture arrangements where the TPI pays the customer, or another party directly, with the energy supplier having no knowledge of the TPI's involvement. The narrow scope of R0137 risks part of the market remaining unregulated and non-domestic consumers continuing to be exposed to sharp practices. | Thank you for your comments. |
| SSE Energy Supply<br>(Energy Supplier) | As we have alluded to in several questions, we believe Direct regulation of a TPI would be more appropriate. | Thank you for your comments. |
| Business Energy Direct UK<br>(Third Party Intermediary) | We don't agree that suppliers will be able to become an industry recognised accreditation body, such bodies need to exclusively impartial and not associated with either suppliers or TPIs. | Thank you for your comments.<br>Both Suppliers and TPIs will be able to register as Industry Recognised Accreditation Bodies if they wish, as long as they meet the |

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| | The idea of the TPI CoP is to build trust in the sector with non-domestic consumers. We consider that a supplier being an industry recognised accreditation body will result in a conflict of interest. Consumer trust has been significantly damaged by some suppliers over the past decade or because of the and their conduct / relationship with "TPI's".<br><br>A number of BES Commercial Electricity Ltd (now known as Ruby Electricity Ltd) previous directors were convicted of fraud in 2023[1]. The criminal investigation centred around the contract sales process conducted by the 'TPI' Commercial Power, which happened to share the same directors as BES, yet Commercial Power claimed to be an 'independent' TPI.<br><br>Around the same time as the directors of BES were convicted of fraud, Maxen Power was fined for breaches of GDPR[2]. Maxen Power claimed it used 'independent contractors' or 'third party intermediaries', therefore it was not responsible for the sales calls being made to customers, in the absence of a call verifications.<br><br>However, it appears to the Commissioner that the business model of using overseas call centres was designed to avoid Maxen Power being identified as the instigator of the unsolicited calls. In any event, Maxen Power ought to have recognised the risks associated with using overseas call centres.<br><br>In both instances had the TPI CoP existed at the time of these events, it would have resulted in clear conflict of interests, and we don't believe business customers would have confidence in the process (if either supplier had been an industry recognised accreditation body) and that | minimum requirements (which will be confirmed before go-live) and are approved by the PAB. We would like to note that if a Supplier chooses to register as an Industry Recognised Accreditation Body and accredits TPIs, they accredit that TPI to be able to work with any Supplier, not just themselves. |

[1] https://www.nationaltradingstandards.uk/news/andrew-pilley-sentenced-to-13-years-in-prison-for-fraud/
[2] https://ico.org.uk/action-weve-taken/enforcement/maxen-power-supply-limited-en/

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| | they could be trusted to carry out their duties in accordance with performance assurance.<br><br>We are aware that presently some registered energy suppliers still have "ownership" of a TPI (either linked directorships, or directors of a supplier also having significant control of a TPI) which creates the potential for a conflict of interest to exist and cause further consumer distrust in the industry. | |
| ENGIE<br>(Energy Supplier) | No. | n/a |
| Anonymous<br>(Third Party Intermediary) | No. | n/a |
| British Gas<br>(Energy Supplier) | n/a | n/a |
| Anonymous<br>(Third Party Intermediary) | n/a | n/a |
| Peritus Energy and Water<br>(Third Party Intermediary) | n/a | n/a |
| Energy Renewals Ltd<br>(Third Party Intermediary) | n/a | n/a |
| Utilities Intermediaries Association<br>(Trade Association) | n/a | n/a |
| The Energy Company<br>(Third Party Intermediary) | We have been involved in the Energy Industry since the mid 1990's. Eastern Energy approached us to represent them in the new emergency, deregulating HH market. Over the following 20 years or so we have seen many changes both in the supplier requirements and Ofgem legislation. We have many customers who accepted our | Thank you for your comments. |

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| | expertise as a Broker and used our services in those early days. Many of these businesses are still consumers and continue to use our expertise to identify competitive rates.<br><br>We formed The Energy Company is 2004 and have a long record of customer support and satisfaction. We have always kept our customers informed of regulatory changes and were far ahead when it came to the adoption of the new Ofgem/Energy Ombudsman requirements. While we understand and accepted that customers should be informed at all times, we do not see the need for yet another level of legislation! | |
| CUB (UK) Ltd<br>(Third Party Intermediary) | No. | n/a |
| Scottish Power Energy Retail<br>(Energy Supplier) | We make the following comments on the TPI Code of Practice version in the draft legal text:<br><br>1. Introduction – In line with our response to Question 5, we believe the definition of a TPI should be amended to add “services” – reading “provide information, services and/or advice”, given in some cases the TPI will undertake services for the customer related to its energy contract.<br><br>2. Principle 3 – We would note that some TPIs make use of a verbal authority (which is normally recorded and provided to the supplier) instead of a written authority. As a result, we suggest that consideration be given to amending “a letter of authority” to read simply “an authority”.<br><br>3. Principle 4 – The draft TPI CoP references the Small Business Consumer definition in relation to participation in a qualifying TPI ADR scheme. However, the relevant amendments to the energy supply licences concerning the Small Business Consumer have not yet taken | Thank you for your comments.<br><br>We have not required signposting to the ADR in the CoP because if a TPI does not work with microbusinesses, they will not be required to be registered with an ADR scheme.<br><br>The Code Manager takes these comments about the TPI CoP on board and will keep hold of them for potential later changes, but making amendments to the TPI CoP is out of scope for this change. |

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| | effect and no date has yet been set by Ofgem for them to take effect (not least as the requisite legislation has not been enacted). In that light, the TPI CoP should instead continue to refer to Micro Business Consumers in respect of the TPI ADR matter, unless or until the Small Business Consumer definition is enacted in legislation and takes effect in the licence.<br><br>4. Principle 4 – We note the requirement in the draft TPI CoP for TPIs to signpost customers to the Energy Ombudsman. Nevertheless, not all TPIs will be registered with the Ombudsman for the purposes of TPI ADR. We suggest that consideration be given to requiring signposting to the qualifying ADR scheme to which the TPI is registered. In addition, the TPI CoP could specify that TPIs can signpost microbusinesses to Citizens Advice for independent advice.<br><br>5. Principle 5 – This section conflates the Data Protection Act 2018 and UK GDPR, which are in fact separate items. We suggest that this distinction (and the requirements of both) be made.<br><br>6. Appendix 1 – For clarity, we suggest that the example Contract Type in the tables be changed from “Fixed Contract” to either “Fixed-Term Contract” or “Fixed-Rate Contract”, given that the original example is open to interpretation on whether the contract length or prices are fixed.<br><br>7. Appendix 2 – In line with our comment above, we suggest that consideration be given on whether to specify that a verbal authority is acceptable in place of a letter of authority, and also whether a verbal authority should mirror aspects of the example letter of authority. | |
| Energy Solutions<br>(Third Party Intermediary) | Energy Solutions (ES) Ltd has expressed significant concerns regarding the Code of Practice for Non-Domestic Third-Party Intermediaries (TPIs) in the UK energy market. Although the Code aims to enhance | Thank you for your comments. |

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| | transparency, fairness, and customer protection, these well-intentioned principles may inadvertently impose substantial challenges on TPIs. This essay critically evaluates how the Code's provisions, while designed to benefit customers and foster market competition, could also have adverse effects on the operational sustainability of TPIs. By examining the potential positive and negative<br><br>impacts of each principle, it becomes evident that the Code introduces complexities that could affect TPIs' efficiency and market viability.<br><br>One of the primary aims of this Code is to empower customers by ensuring full transparency regarding the role and remuneration of TPIs. By mandating clear disclosure of how TPIs are compensated and requiring accurate data maintenance, the Code helps customers make informed decisions, thereby fostering trust and promoting fair dealings. Customers benefit from detailed information about energy consumption and contract specifics. However, this transparency may disadvantage TPIs by making their commission structures and operational practices more visible to competitors and customers. Suppliers are not subject to these same transparency requirements, which could increase the pressure on TPIs to justify their value. This situation may drive customers to bypass intermediaries in favour of negotiating directly with suppliers. Furthermore, the principle of Transparent TPI Pricing & Product Information could place TPIs at a competitive disadvantage, as suppliers frequently offer lower prices directly to customers. This practice not only attracts customers away from TPIs but also allows suppliers to avoid paying broker commissions. The lack of formal competition agreements between brokers and suppliers exacerbates this issue, as suppliers may seek to secure renewal contracts directly | The proposed solution doesn't impact the service a TPI can offer, it just ensures that TPIs are transparent in their service offering. If TPIs continue to offer a good service offering to Consumers, then Consumers will continue to use their services. Increasing levels of Consumer trust in TPIs may encourage more of them to use their services. |

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| | with customers originally introduced by TPIs, further undermining the TPIs' market position.<br><br>Considering the current market, the application of competition policy in the UK energy industry should be extended to include both TPIs and Suppliers to ensure a fair and balanced marketplace. Currently, TPIs face substantial risks due to the absence of formal competition agreements with suppliers, making them vulnerable to losing existing<br><br>clients. Without a clear framework governing the relationship between TPIs and suppliers, TPIs are at a disadvantage, as suppliers can circumvent intermediaries and deal directly with customers. To address this imbalance, competition policy should enforce fair practices and transparency for both parties, preventing suppliers from exploiting their position at the expense of TPIs. An even application of these policies would foster healthy competition, protect TPIs from unfair practices, and ultimately benefit customers by maintaining a diverse range of energy procurement channels.<br><br>The principle of fair treatment of customers by TPIs aims to build trust and enhance customer engagement by promoting transparency and preventing misleading practices. This principle strengthens customer relationships and boosts market confidence. Nevertheless, the increased complexity and cost of adhering to detailed fairness requirements and maintaining robust complaints procedures can burden TPIs, especially smaller ones, potentially impacting their operational efficiency and competitiveness. Additionally, the need for comprehensive compliance processes, including evidence retention and data security, can strain resources and hinder the ability of smaller intermediaries to compete effectively. | |

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| | In respect to the letter of authority which will automatically expire after 12 months, unless a gas and/or electricity supply contract is established within that period, presents several implications for Third Party Intermediaries (TPIs). This requirement could impact TPIs by necessitating ongoing engagement and follow-up with clients to ensure that their letters of authority are renewed before expiration. The need for continuous client interaction to maintain authority can strain resources and increase administrative efforts and costs for TPIs.<br><br>In conclusion, while the Code of Practice for Non-Domestic Third-Party Intermediaries (TPIs) in the UK energy market aims to improve transparency, fairness, and customer protection, it also poses significant challenges for TPIs. The principles promote informed decision-making and build trust through clear disclosures, but they may disadvantage TPIs by increasing their exposure to scrutiny and competition. The lack of formal competition agreements with suppliers further complicates the landscape, potentially undermining TPIs' market position. To achieve a fair and balanced marketplace, it is crucial that competition policies are applied equally to both TPIs and suppliers. A balanced approach that supports robust customer protection while addressing the operational challenges faced by TPIs is essential for maintaining a dynamic and equitable energy market. | |