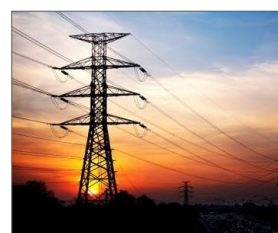


The implementation of the Energy
Supplier Marketing Code of Practice
(Pursuant to September 2012 IME3
Licence Modifications)

Decision Paper
19th March 2014



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Social; and Water. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

Our Mission

Value and sustainability in energy and water.

Our Vision

We will make a difference for consumers by listening, innovating and leading.

Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

Abstract

This paper sets out the Utility Regulator's (UR) final decisions on the UR Marketing Code of Practice following the second consultation in October 2013.

This Paper deals with the issues and feedback which were received in response to the second consultation and the UR view on these as well as the impact and final decisions for the Code.

Audience

This document is most likely to be of interest to regulated supply companies in the energy industry, consumer organisations, community and voluntary organisations, natural gas and electricity consumers, government and other statutory bodies.

Consumer impact

This paper sets out the UR's decisions for the Implementation of the Marketing Code of Practice. Once the Marketing Code is complete and in place (post publication of this paper) it will promote best practice and contribute to the protection of energy customers (both domestic and business customers up to 70KVA for electricity and 732,000 for gas) against potential mis-selling practices. It will therefore have a direct impact on the consumers sales experience in NI, with all suppliers of energy being compelled by their licence obligations to comply with this Code. Failure to do so will result in a licence breach and may be subject to enforcement action.

Contents

Executive Summary	2
1. Introduction	7
2. Overarching themes	11
3. Third Parties	15
4. Recruitment and Training	16
5. Doorstep Selling	19
6. Face-to-Face Selling/Contact	25
7. Telesales	27
8. Website/Telephone	30
9. Marketing Material/Literature	33
10. Marketing by email/via text message or Social Media	34
11. Marketing by Post	35
12. Monitoring and enforcement	37
Appendix I: Marketing Code of Practice for Domestic Customers	
Appendix II Marketing Code of Practice for Domestic Customers – Track Changed Version	
Appendix III: Marketing Code of Practice for Business Customers	
Appendix IV: Marketing Code of Practice for Business Customers – Track Changed Version	
Appendix V: Consultation Responses	

Executive Summary

Background to the Marketing Code

Implementation of the EU's Third Package of energy market Directives (IME3) resulted in licence modifications which required the development of a new Supplier Marketing Code of Practice. The Marketing Code of Practice will protect gas and electricity customers, in particular vulnerable customers, from inappropriate marketing practices, ensuring that they can make an informed, unpressurised decision on whether or not to change their energy supplier.

The Code will be mandatory for all gas and electricity suppliers and they will have to comply with the Code. There is an existing voluntary Marketing Code of Conduct in Northern Ireland which has been developed by CCNI. However, ongoing issues in GB, some of which have resulted in fines and penalties (and the majority of the 'Big six' suppliers stopping their doorstep sales) as well as a sharp increase in complaints to CCNI in relation to doorstep selling practices demonstrate the requirement for this Code.

The UR believes that Supplier mis-selling or poor customer information at the point of sale are fundamental issues to the operation of the competitive energy supply market, and need clear, firm and enforceable rules and regulation.

Therefore, the UR implemented, as part of the IME3 licence modifications a condition that the Marketing Code will be written by the UR and that all Supply licensees will be required to adhere to the new Marketing Code. Failure to do so will be a licence breach and may be subject to enforcement action, including the possibility of financial penalties.

It should be reiterated that the Marketing Code is in addition to, and not a substitute for, existing legislative consumer protection. Nothing in the Marketing Code is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligation to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.

Feedback to the Consultation

The UR published a Draft Marketing Code of Practice to apply to gas and electricity suppliers in NI in February 2013¹ and invited respondents' views. The Code covered areas such as Doorstep selling, Face-to-Face selling and telesales. The Code set out requirements for suppliers when carrying out these activities.

Following the publication of the consultation document, the UR also held a workshop in March 2013 on our proposals as well as bilateral meetings with stakeholders (where they were requested).

A second consultation was published in October 2013². The second consultation took detailed consideration of the feedback received in both the workshop and the written submissions of stakeholders. The issues and suggestions provided by stakeholders were considered and where appropriate changes were made to the draft Code or rationale was provided as to why no change was made to the original proposals.

¹ http://www.uregni.gov.uk/publications/consultation_on_new_marketing_code_of_practice

² http://www.uregni.gov.uk/news/marketing_code_of_practice_second_consultation/

Stakeholders were asked to respond to the second consultation. However, stakeholders were asked only to make new or additional comments on the latest draft of the Code (not to reiterate comments made in their responses to the original draft of the Code issued in February 2013). This was based on the premise that their feedback in the written responses, the workshop and bilateral meetings had been given full and detailed consideration by the UR.

The UR received six responses to the second consultation from:

- Airtricity;
- Energia;
- Power NI;
- CCNI;
- Electricity Association of Ireland; and
- firmus.

This Decision paper takes into account these responses and details the final decisions in relation to the Code.

Feedback and Impact on the Code

As expected, the responses to the second consultation were less detailed than before, given much had been covered by the UR in the second consultation and accompanying second draft of the Marketing Code, and only a few clarifications and issues were raised. The detail is provided in the relevant sections of this paper.

In terms of how these have impacted upon the Code there has only been one small change to the Domestic and Business Codes. This relates to Section 6 of the Code which deals with sign up via the website or by telephone (where a customer proactively approaches the supplier). An issue was raised around the fact that Section 6.1 cross references Section 3.10 of the Domestic Code which requires a physical signature on the rate sheet. In this instance, the UR has decided that in the case where the customer proactively approaches the supplier to switch then the requirement for a physical signature on the rate sheet (which will be sent to them as part of their written information post sign-up) is not needed. However, the rest of Section 3.10 will still need to be complied with under Section 6.1. This has also been changed in the Business Code where the corresponding section to Section 3.10 in the Business Code is 3.9.

The same issue regarding a physical signature was raised around Section 5.6 (Telesales) which also requires compliance with Section 3.10. However, in this circumstance we are still of the view that a physical signature should be obtained (the customer can sign the sheet and send it back). In a telesales scenario, the customer is being approached by the supplier (similar to face-to-face and doorstep) and as such there should be the same requirements.

There have also been small amendments made to Section 3.7 and 3.8 of the Business and Domestic Codes respectively (relating to the provision of quotes on a unit rates as opposed to an annual basis) to make it as clear as possible that no quotes should be provided on an annual bill basis and that any standing charges should be shown separately clearly showing if they are monthly, quarterly etc.

There have been no further amendments made to the Code as part of this decision.

Monitoring and Enforcement

In terms of monitoring and enforcement of the Code, all respondents who referenced it in their response were supportive of the proposals and assumptions made by the UR.

Next Steps

This Decision Paper signals the finalisation of the UR Marketing Code of Practice. This results in the Code being effective and in place from the 19th June 2014 (three months after publication of this paper). This is to allow suppliers adequate time to put in place processes and procedures to ensure Code compliance.

After such period, if a supplier is not compliant, it will be viewed by the UR as a breach of licence.

1. Introduction

Background to the Marketing Code

- 1.1 Implementation of the EU's Third Package of energy market Directives (IME3) resulted in licence modifications which required the development of a new Supplier Marketing Code of Practice. The Marketing Code of Practice will protect gas and electricity customers, in particular vulnerable customers, from inappropriate marketing practices, ensuring that they can make an informed, un-pressurised decision on whether or not to change their energy supplier.
- 1.2 The Code will be mandatory for all gas and electricity suppliers and they will have to comply with the Code. There is an existing voluntary Marketing Code of Conduct in Northern Ireland which has been developed by CCNI. However, ongoing issues in GB, some of which have resulted in fines and penalties (and the majority of the 'Big six' suppliers stopping their doorstep sales) as well as a sharp increase in complaints to CCNI in relation to doorstep selling practices demonstrate the requirement for this Code.
- 1.3 The UR believes that Supplier mis-selling or poor customer information at the point of sale are fundamental issues to the operation of the competitive energy supply market, and need clear, firm and enforceable rules and regulation.
- 1.4 Therefore, the UR implemented, as part of the IME3 licence modifications a condition that the Marketing Code will be written by the UR and that all Supply licensees will be required to adhere to the new Marketing Code. Failure to do so will be a licence breach and may be subject to enforcement action, including the possibility of financial penalties.

1.5 It should be reiterated that the Marketing Code is in addition to, and not a substitute for, existing legislative consumer protection. Nothing in the Marketing Code is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligation to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.

1.6 The UR published a Draft Marketing Code of Practice to apply to gas and electricity suppliers in NI in February 2013³ and invited respondents' views. The Code covered areas such as Doorstep selling, Face-to-Face selling and telesales. The Code set out requirements for suppliers when carrying out these activities.

1.7 At an overall level the Code should:

- protect consumers against unwanted, unfair or misleading marketing methods;
- ensure that a Supplier adopts best practice when marketing its products and services;
- ensure that Suppliers take all reasonable steps to make sure their marketing material is accurate and clearly specifies the product being marketed;
- ensure that the appropriate training is provided on the Marketing Code, to their staff (including agents/third parties) if they are carrying out marketing activities on behalf of the supplier;
- ensure that Suppliers make all reasonable efforts that employees or agents do not misrepresent the firm or portray rival Suppliers in a negative way; and

³ http://www.uregni.gov.uk/publications/consultation_on_new_marketing_code_of_practice

- make it mandatory that Suppliers provide the option for customers (current or future) to opt out of future marketing activities.

1.8 One of the key elements of the Marketing Code of Practice is ensuring that sales agents do not misrepresent the savings that customers can make by switching from their current supplier. It will be incumbent upon any sales agent or representative of the company to clearly demonstrate how any individual customer will save money when switching to their company.

1.9 Following the publication of the consultation document, the UR also held a workshop in March 2013 on our proposals as well as bilateral meetings with stakeholders (where they were requested).

1.10 The second consultation was published in October 2013⁴. This consultation reflected the detailed consideration of the feedback received in both the workshop and the written submissions of stakeholders in response to the first consultation and draft Code. The issues and suggestions provided by stakeholders were considered and where appropriate changes were made to the draft Code or rationale was provided as to why no change was made to the original proposals.

1.11 Stakeholders were asked to respond to the second consultation. However, stakeholders were asked only to make new or additional comments on the latest draft of the Code (not to reiterate comments made in their responses to the original draft of the Code issued in February 2013). This was based on the premise that their feedback in the written responses to the first consultation, the workshop and bilateral meetings had been given full and detailed consideration by the UR.

⁴ http://www.uregni.gov.uk/news/marketing_code_of_practice_second_consultation/

1.12 The consultation period closed on the 20th December 2013, the UR received six responses to the second consultation from:

- Airtricity;
- Energia;
- Power NI;
- CCNI;
- Electricity Association of Ireland; and
- firmus.

1.13 This paper takes into account these responses and details the final decisions in relation to the Code. The format of the paper will follow that which was set out in the second consultation paper.

2. Overarching Themes/Issues

2.1 As stated in the second consultation paper, there were a number of general overarching themes/issues which were reflected across a number of the responses. This section sets out at a high level the proposals which were made in the October consultation, the second consultation questions, feedback received and the final UR decision.

UR proposals

2.2 The UR made the following proposals in the October consultation:

- A separate Code for domestic customers and for business customers;
- The Business Code would cover customers up to a threshold of 70KVA for electricity and 732,000kWh for gas;
- The UR was of the view that implementation of the Domestic Code and the Business Code would not result in a significant cost impact on supplier;
- All references to existing legislation or other codes of practice would be removed from the UR Marketing Code of Practice to avoid overlap or conflict; and
- The Code should be sufficiently detailed so that there can be no ambiguity as to what is expected. It leaves the Code being clear and less likely to be open to interpretation. It should also help to cultivate a uniform “good practice” approach adopted by all suppliers engaging in marketing and selling activities.

Consultation Questions

2.3 We asked a number of consultation questions with regard to the overarching themes we had highlighted in the second consultation. It should be noted that there was a typo in question 2 in the consultation, which referred to the threshold for gas being 72,300 KWh. However, the proposal in the

consultation paper (as well as in the Codes themselves) stated that the threshold for gas would be set at 732,000 KWh. The questions asked were as follows:

Q1. Do respondents agree that there should be a separate Marketing Code of Practice for domestic customers and business customers?

Q2. Do respondents agree that the scope of coverage of the Code for business should be to cover all businesses under 70KVA for electricity and 732,000KWh for gas?

Q3. Do respondents agree that compliance with the Code will not have a significant cost impact? If not, please provide robust quantifiable analysis and rationale as to the likely cost impact.

Q4. Do respondents agree with the removal of references to specific legislation and codes which the UR or Suppliers have no input into from the Code? If not please provide robust rationale as to why.

Q5. Do respondents agree that the Marketing Code of Practice should have sufficient detail to ensure that it is clear what is expected from energy suppliers and that a uniform approach is taken by all?

Feedback and UR comments

2.4 In relation the creation of two separate Codes, all respondents were supportive of this proposal. CNNI stated:

“the creation of two separate Codes should not result in diluted provisions. We are satisfied based on the proposed changes by UR that this will not be the case.”

2.5 Airtricity were also positive in their response stating:

“The revised Code also gives appropriate recognition to the differences between domestic and commercial customers”

2.6 All respondents deemed that the scope of coverage of the Code which covers business customers up to a threshold of 70KVA for electricity and 732,000kWh for gas was appropriate.

2.7 There were a number of respondents who raised the issue of cost impact of implementing the Code in their responses to the original consultation. This was raised by firmus in their response to the second consultation. The UR stated in the second consultation paper that a lot of the provisions in the Code should be practices already in place by the suppliers especially if they had signed up to the CCNI voluntary Marketing Code. We also stated:

“During the consultation process on IME3 which introduced the licence condition on the Marketing Code, there was no suggestion by suppliers that the resulting Code would incur significant costs⁵.”

2.8 In addition to this, we also stated:

“Where stakeholders can produce robust rationale and quantifiable analysis as to significant additional costs they may incur, as a result of implementing the Code, we will take this into consideration in line with the customer benefits.”

2.9 None of the respondents provided robust quantitative data. CCNI supported the UR view that:

⁵ <http://www.uregni.gov.uk/uploads/publications/IME3 - Final Decisions - September 2012.pdf> (pg 53)

“suppliers are responsible for providing “robust rational and quantifiable analysis”, particularly in relation to cost impact.”

2.10 With regard to the removal of references to specific legislation or Codes, again all respondents who referred to this in their response were in agreement. However, CCNI expressed the view that the existing Codes and legislation didn't appear to be effective in mitigating issues in relation to sales activities in NI. They also stated:

“therefore the removal of those references places a greater onus on the Regulator to deliver a strong Code”

2.11 As stated in the October consultation, the UR is of the view that companies should be adhering to any legislation and codes which are relevant to them and that they must also adhere to the UR Code as a licence condition. Failure to do so will be deemed as a breach of licence. We are of the view that the Code is robust and will offer greater protection to customers against mis-selling.

2.12 With regard to the level of detail in the Code a number of respondents, such as CCNI, firmus and Power NI, supported the UR proposals and view that the Code should have a level of detail that ensures that the expectation on suppliers is clear.

UR Decision

2.13 In relation to overarching themes/issues the UR decisions are that the Code will remain as consulted on in the second consultation.

3. Third Parties

3.1 This section of the Code (Section 1) deals with a third party acting on behalf of a supplier. In our first Consultation paper the UR stated that we were of the view that a third party acting on behalf of a supplier was an extension of the licensee. In this context, they will be bound by the Marketing Code of Practice.

UR Second Consultation proposals

3.2 As there was no material feedback received in the responses to the first consultation, the second consultation proposed that Section 1 of the Code would remain unchanged and a third party acting on behalf of a supplier would be viewed as an extension of the licensee. No consultation question was asked on this.

UR Decision

3.3 Section 1 of the Code will remain as proposed in the original consultation.

4. Recruitment and Training

- 4.1 This section of the Code (Section 2) covers the process for the recruitment of an agent and their subsequent training.
- 4.2 This section of the Code received significant feedback in the responses to the first consultation.

UR Second Consultation proposals

- 4.3 The UR made the following consultation proposals with regard to Section 2 of the Code:
- The removal of Section 2.2.1 – 2.4.4 from the draft Code for both the Domestic and Business Codes relating to procedures to be followed when recruiting agents (based on discussion and feedback determined to be covered by employment legislation). However, Section 2.4.5 which is the requirement for suppliers to ensure that agents ID's are to be retrieved at the end of their employment would remain in the Code.
 - With regard to training, regarding verification and monitoring, the UR believe that the suppliers themselves should have the freedom to deliver the training as they see fit on the basis that it will, as a minimum, cover the areas outlined in the Code. They have the responsibility to ensure that the training is 'fit for purpose'. Suppliers should put in place the appropriate monitoring to ensure that their sales representatives are adequately trained to meet the requirements of the Code. This will be linked to the verification method they choose to implement.
 - Sections 2.6.5 (training compliant with equal opportunities legislation) and 2.6.7 (probationary period for recruits) are removed, from both the Domestic and Business Codes as these may cross into the area of employment and recruitment.

- Therefore, other than those sub sections mentioned with regard to training, Sections 2.5 and 2.6 will remain in the Code unchanged in both the Domestic and Business Codes.

Consultation Questions

- 4.4 We asked the following consultation questions with regard to the Recruitment and Training section (Section 2) of the Code:

Q6. Do respondents agree with the URs' proposal to remove Sections 2.2.1 -2.4.4?

Q7. Do respondents agree with the URs' proposal for Section 2.5 and 2.6 to remain in the Code?

Feedback and UR comments

- 4.5 In response to consultation question 6 a number of stakeholders, such as Power NI and firmus, stated in their response that they agreed with the removal of Section 2.1.1 to 2.4.4 as they are covered by employment legislation.
- 4.6 With regard to Section 2.5 and 2.6 remaining in the Code, the respondents were positive about this. firmus stated:
"firmus enery has no issue with Sections 2.5 and 2.6 remaining within the Code"
- 4.7 Power NI stated:
"Power NI believes that appropriate training is fundamental and that it is in a supplier's interest to ensure the training of its agents to deliver the

principles and goals of the Marketing Code of Practice as the agent is representing the company when interacting with the consumer”

- 4.8 CCNI were also supportive that these sections remained within the Code. Both Energia and Power NI asked for clarification on what “verifiable standard of competence measurement” means. As we stated in the second consultation, we are of the view that suppliers have the responsibility to deem whether their training is ‘fit for purpose’.

UR Decision

- 4.9 In relation to recruitment and training the UR decisions are that the Code will remain as consulted on in the second consultation.

5. Doorstep Selling

- 5.1 This section of the Code (Section 3) covers the processes and requirements for suppliers who engage in selling on the doorstep i.e. at a customer's home.
- 5.2 This section of the Code received significant feedback in the responses to the first consultation.

UR Second Consultation proposals

- 5.3 The consultation proposals were set out as per the main themes of the stakeholder feedback. These are set out below

Appropriateness of Doorstep selling in NI

- Currently, doorstep selling is appropriate at this time given the current position of the domestic markets in gas and electricity and it has a role in the development of the market.

Contact hours for Doorstep Selling

- Hours which an agent may make a doorstep call are between 9am and 8pm on weekdays. We do not believe it is appropriate to extend the hours of contact to 9pm. Saturday hours of contact will be 9am to 7pm. In the context of business customers the hours of contact are not restricted. However, suppliers are asked to exercise reasonable judgement outside normal business hours.
- Where the owner of a business has clearly indicated by way of a notice/sign that they do not want to receive visits from doorstep sellers agents must respect this.

Unit Rate Detail

- For domestic customers rates should be detailed out exclusive and inclusive of VAT to provide customers with greater transparency.

- The requirement to include VAT for business customers to be removed from the business customers Code.
- Discounts applicable will not be specifically named in the Code (for example direct debit discount) for business customers. Instead, the pro forma table per the Code gives generic headings so that any relevant discount type can be entered.

Maintenance of Records

- The period of time that data relating to the customer and the sales process should be held, in the event of a sale, is for a minimum period of two years
- An Independent consultant has examined the issue for us and has given the view that there should not be a significant cost burden.
- Where no sale has been made suppliers should ensure that enough detail is held to enable identification of a sales agent if an issue arises (name/area worked/dates etc). These should be held for a minimum of six months.
- Section 3.15 (requirement to maintain record of information when a customer signs up) has been removed from the Code as 3.10 already reflects the requirements in it.

Contact Post Sale

- In relation to Section 3.14, the Code has been amended so that there is no longer a requirement for the supplier to contact customers who sign up on the doorstep by phone call.
- The Code states that a supplier must take all reasonable steps to ensure that a new customer receives 'written information' within 7 days. The Code sets out the minimum information which this must contain, such as T&Cs, contract length and unit rate etc. This section is present in both the Business and Domestic Codes but varies where relevant to each customer type.

Other

- The expiry date must be shown on an agents' ID card as it is particularly important in the instance that it is lost or stolen.
- The requirement in Section 3.1.1 for an agent to be verifiable through the 'Quick Check' scheme has been removed from the Code.
- With regard to issues raised by stakeholders relating to various elements throughout Section 3 such as 3.6.1 and 3.8.2 to 3.8.5, as well as references to 'vulnerable' and 'personal circumstances' (which suppliers feel are not relevant to business customers), as stated in Section 2 the UR has separated the Code so that there is one for business customers and one for domestic customers. These will include requirements which are relevant to that customer group only (for example use of the word vulnerable and personal circumstances will not be relevant in the Business Code). We have also removed Section 3.6.1 (Sales agents will take account of the consumer's personal circumstances) from the Domestic Code, as we are of the view that 3.6.3 adequately covers this area. Section 3.8.3 (which describes how different more complex tariffs be shown) has been amended (in both the Domestic and Business Code) and Sections 3.8.4 and 3.8.5 have been removed from both the Domestic and Business Codes. References to 'cooling off' period in the Business Code have also been removed.
- Section 3.16 which relates to the cooling off period has been removed from the Business Code as it is not relevant to business customers.

Consultation Questions

- 5.4 We asked the following consultation questions with regard to the Doorstep Selling section (Section 3) of the Code:

Q8. Do respondents agree with the current & revised proposals made

Feedback and UR comments

Appropriateness of Doorstep selling in NI

- 5.5 CCNI were the only respondent to make specific reference to this supporting the UR view that if doorstep selling is practiced, it should be carried out under clear guidelines for the protection of consumers.

Contact hours for Doorstep Selling

- 5.6 Power NI stated that they had no further comment to make on Section 3 of the Code. firmus welcomed the extension of weekday hours. CCNI stated: *“CCNI will monitor any complaints received about this provision and will raise any issues with UR if/when appropriate.”*

Unit Rate Detail

- 5.7 CCNI were extremely supportive of the unit rate detail being retained in the Code. firmus expressed concern around the detail required: *“firmus energy is concerned that a fraudulent salesperson could confuse potential customers with excessive information regarding unit rates, VAT, seasonal tariffs, fuel price pass-through, tiered rates, consumption level, comparison costs, dual fuel bundles, etc.”*
- 5.8 Energia also stated the view that the specific requirements around unit rate should be replaced by: *“The final unit rate the customer pays should be clearly communicated and displayed.”*
- 5.9 Airtricity stated their view that they should have the ability to quote annual bill savings.

- 5.10 Airtricity also asked for clarification in relation to Section 3.7.1 (which was previously 3.8.1 in the originally consulted upon Code) relating to the display of fixed charges. They stated:
- “Airtricity believes the intention of this clause is that the standing charges or fixed charges would be shown as annual amounts rather than the unit rates, but it could be interpreted differently”*
- 5.11 The amount for standing or other fixed charges (not unit rates) should be shown (as stated in the Code) either annually/quarterly or by the chargeable period to which they refer – whichever is applicable. The most important element of this requirement is that when displaying this that suppliers show clearly what the period to which the charge applies (whether annual or otherwise). For the avoidance of doubt, annual total bill or total amount comparisons or quotations to the customer by a salesperson are not permitted. This is covered in Sections 3.7 and 3.8 in the Domestic Code and 3.8 and 3.9 in the Business Code. These sections of both Codes have been amended to make this clear.
- 5.12 In relation to the required unit rate detail, the UR is of the view that this has been thoroughly discussed in the second consultation and has clearly demonstrated the rationale for its inclusion in the Code. We believe that the customer must be able to make an informed decision and to do this they need to be equipped with the appropriate detailed information.

Maintenance of Records

- 5.13 firmus stated that they supported the removal of the requirement to maintain customer records where a sale had not been made. Energia stated that they felt it was unnecessary to retain sufficient information to allow the identification of Sales Agent involved for a minimum of a year in the business customer context.
- 5.14 The consultation paper stated that the period for maintenance of records adequate to identify the sales agent should be six months – the code now

reflects this. The UR would reiterate that this has been adequately discussed and dealt with in the second consultation, and indeed amendments made to the original draft Code to deal with the concerns expressed in the stakeholders feedback to the initial consultation.

Contact Post Sale

- 5.15 firmus stated that they supported the UR proposal in the second draft of the Code to remove the requirement to contact every customer post-sale within 7 days. No other stakeholder made specific reference to this.

Other

- 5.16 CCNI raised their concern that the UR removed the requirement for suppliers to register with the 'Quick Check' scheme from the Code. The rationale for the UR doing this is linked to the fact that it is our understanding that the scheme is now running at full capacity and as such is currently unable to provide this service to any more organisations. Therefore, if it may not be possible for a supplier who isn't currently registered with them to sign-up it would not be reasonable for the UR to stipulate such sign-up in the Code.

UR Decision

- 5.17 In relation to Doorstep Selling the UR decision is that the proposals made in the Second Consultation will remain in the Code.

6. Face-to-Face Selling/Contact

6.1 This section of the Code (Section 4) covers the process for suppliers who engage in face-to-face selling/contact.

UR Second Consultation proposals

6.2 The UR made the following consultation proposals with regard to Section 4 of the Code:

- If an agent is prepared to make a statement that they can save a particular customer money, if they switch supplier, then they should be in a position to prove it.
- The timeframe which agents can conduct face-to-face sales/contact can be made in accordance with the event times or the opening hours of the shopping centre for example.

Consultation Questions

6.3 We asked the following consultation questions with regard to the Face-to-Face Selling/Contact section (Section 4) of the Code:

Q9. Do respondents agree with the current revised proposals made to Section 4 of the marketing Code of Practice

Feedback and UR comments

6.4 firmus welcomed the change to the original Code whereby face-to-face selling/contact can be carried out in accordance with the event times and opening times of the venue in question. CCNI stated that they agreed with the revised proposals and Power NI had no further comments. No other stakeholder made any specific reference to this section in their response.

UR Decision

6.5 In relation to Face-to-Face Selling/Contact the UR decision is that the proposals made in the Second Consultation will remain in the Code.

7. Telesales

7.1 This section of the Code (Section 5) covers the process for suppliers who engage in telesales.

UR Second Consultation proposals

7.2 The UR made the following consultation proposals with regard to Section 5 of the Code:

- A copy of the checklist be provided to the customer after the phonecall (if the customer signs up). This copy can be sent via e mail or hardcopy. This should be sent to the customer as part of their 'written information' post sale. This 'written information' should be received by the customer in time to allow them to exercise their 'cooling off' rights (business customers will not have the 'cooling off' period).
- Contact times for telesales should remain 9am to 8pm on weekdays this would align them with the new proposal to extend doorstep selling to 8pm. Contact via telephone on Saturday will remain as 9am to 7pm. For business customers this will be within the confines of the opening hours of the business itself. In relation to 'not for contact' we are of the view if a supplier calls a business and is asked by that business not to be contacted again the supplier should adhere to this. There are also telephone preference services which cover sole traders and the option for a business to sign up to a corporate telephone preference service. Suppliers should use these lists to ensure they do not contact customers who have registered for these services.
- Whilst we appreciate that telesales are a different process compared with doorstep sales and face-to-face sales, we are still of the view that compliance with Sections 3.8 and 3.9 should apply. Where a customer signs up via telephone the information required via 3.8 and 3.9 can be provided via e mail or hard copy after the phone call. This will remain in the

Code under the requirements laid out for telesales. This can be sent to the customer as part of their 'written information'. As stipulated above, this should be received by the customer in time to allow them to exercise their 'cooling off' rights.

- The Code has also been amended so that there is a requirement to record all telephone sales calls (regardless of whether they result in a sale), and that they be stored for a minimum period of six months (as opposed to the previous requirement in the draft Code to maintain records for two years).

Consultation Questions

- 7.3 We asked the following consultation questions with regard to the Telesales section (Section 5) of the Code:

Q10. Do respondents agree with the current revised proposals made to Section 5 of the marketing Code of Practice

Feedback and UR comments

- 7.4 CCNI agreed with the proposed changes made in the second consultation as did Power NI.
- 7.5 Airtricity raised the concern of data protection issues in relation to the recording and retention of telesales calls for six months where no sale has taken place. The UR is of the view that it is the suppliers' responsibility to ensure they are compliant and have procedures in place in terms of other relevant legislation. The Code no longer cross references any other legislation.
- 7.6 Airtricity also raised the issue that Section 5 is cross referenced back to Section 3.10 (which was previously 3.11 in the originally consulted upon Code) of the Code which states the requirement for a signature to confirm the rate. Whilst we appreciate there are logistical considerations with this requirement we expect that if the supplier is going to switch a customer via

telephone a signature should be obtained. The written information will include the rate sheet with a customer copy and one to be signed and returned to the supplier. This is especially relevant where it is an outgoing telephone call and the supplier is the one to approach the potential customer.

UR Decision

- 7.7 In relation to Telesales the UR decision is that the proposals made in the Second Consultation will remain in the Code.

8. Website/Telephone

8.1 This section of the Code (Section 6) covers the process where a customer signs up via the website or telephone.

UR Second Consultation proposals

- The checklist can be provided as a follow up to the sign up via telephone or internet. This can be provided via e mail or hard copy and should be part of the 'written information' provided to the customer (as per 3.14 which has now been made a requirement for compliance in Section 6 of the Code). Potentially the checklist can be part of the sign up procedure similar to a requirement to 'check' a box to say they have read the T&Cs. The customer could be directed to the checklist and asked to confirm that the checklist has been covered as part of their online sign up.
- The requirement to comply with Section 3.8 and 3.9 means that after the customer has signed up either via telephone or website they will receive the rate breakdown (as to comply with 3.8 and 3.9) either by e mail or hardcopy. This can be sent to the customer as part of their 'written information'. The 'written information' (as per 3.14) should be received by the customer in time to allow them to exercise their 'cooling off' rights.
- Similar to outgoing telesales, the Code now has the requirement that all sales calls should be recorded and stored for a minimum of six months.
- For websites (given the difficulty of tracking customer visits where no sale has been made) the Code has been amended to require that suppliers maintain records of sales pages and subsequent amendments (including dates of such amendments) for a minimum of two years.

Consultation Questions

8.2 We asked the following consultation questions with regard to the Website/Telephone section (Section 6) of the Code:

Q11. Do respondents agree with the current & revised proposals made to Section 6 of the marketing Code of Practice

Feedback and UR comments

- 8.3 As noted in the previous section Airtricity raised the issue of the requirement for a physical signature to acknowledge that the potential customer had seen and agreed with the rates they had been offered in the context of remote sign up. The UR is of the view that in the case where the customer initiates the switching or sales process with a supplier a physical signature on the rate sheet is not required. Therefore the supplier will still have to comply with Section 3.10 in the context of website and telephone sign up except for the part of the clause which refers to the requirement for a customer signature. The Code has been amended to reflect this.
- 8.4 Energia raised a query in relation to the requirement for suppliers to keep records of the sales pages on their website as to what the expectation on suppliers was. The rationale for this is an example where a query is raised in terms of prices or offers which a supplier has advertised on their website. The supplier should be in a position to provide a copy of the sales/offers page on that particular date. The UR is of the view that the supplier should choose the method of the retention of these copies (eg. Electronic/physical printouts).
- 8.5 CCNI and firmus were supportive overall of the second consultation proposals on Section 6 of the Code.

UR Decision

- 8.6 In relation to Website/Telephone the UR decision is that aside from the slight amendment to the requirement for a physical signature on the rate

sheet (requirement to comply with Section 3.10 as part of Section 6) the proposals made in the Second Consultation will remain in the Code.

9. Marketing Material/Literature

9.1 This section of the Code (Section 7) covers the area of Marketing Material and Literature.

UR Second Consultation proposals

- Specific references to other legislation will be removed from the Code. This will apply to both the Business and Domestic Codes.
- The UR believes that it is more appropriate that suppliers engage with the third sector, as per NEA observation, in relation to their marketing material as opposed to the UR engaging with the third sector in relation to supplier marketing material.

Consultation Questions

9.2 We asked the following consultation questions with regard to the Marketing Material and Literature section (Section 7) of the Code:

Q12. Do respondents agree with the current revised proposals made to Section 7 of the marketing Code of Practice

Feedback and UR comments

9.3 CCNI stated that they supported the proposals made by the UR in relation to Section 7 of the Code. Power NI stated that they had no further comment. firmus reiterated their support for the removal of specific references to other legislative requirements. No other respondents made specific reference to this section in their responses.

UR Decision

9.4 In relation to Marketing Material and Literature, the UR decision is that the proposals made in the Second Consultation will remain in the Code.

10. Marketing by email/via text message or Social Media

10.1 This section of the Code (Section 8) covers the area of Marketing by email, text message or Social Media.

UR Second Consultation proposals

- The Code requires that only the name and the number of the supplier be included.
- Section 8 of the Code will also cover Social Media marketing.

Consultation Questions

10.2 We asked the following consultation questions with regard to the Marketing by email, text message or Social Media section (Section 8) of the Code:

Q13. Do respondents agree with the current revised proposals made to Section 8 of the marketing Code of Practice

Feedback and UR comments

10.3 firmus and CCNI stated that they supported the proposals for Section 8 of the Code. Power NI stated that they had no further comment to make on the proposals. No other stakeholder made specific reference to Section 8 in their responses.

UR Decision

10.4 In relation to Marketing by email, text message or Social Media, the UR decision is that the proposals made in the Second Consultation will remain in the Code.

11. Marketing by Post

11.1 This section of the Code (Section 9) covers the area of Marketing by Post.

UR Second Consultation proposals

- Section 9 will remain in the Code unchanged for domestic customers.
- It has come to light that business customers cannot sign up to a mail preference service. Therefore this reference has been removed from the Business Code.

Consultation Questions

11.2 We asked the following consultation questions with regard to the Marketing by Post (Section 9) of the Code:

Q14. Do respondents agree with the current & revised proposals made to Section 9 of the marketing Code of Practice

Feedback and UR comments

11.3 Airtricity ask for clarification in relation to Section 9.2 of the Code where it states that suppliers must not pass on customer information to third parties. They stated:

“This requires clarification, as suppliers may legitimately be entitled to pass on information under limited circumstances. For example, a customer may have signed up to third party offers through their supplier and therefore agreed to having their information passed on.”

11.4 The context of this requirement in the Code is that, once a customer has requested they not be contacted again then subsequent to this request the supplier must not contact them nor may they pass on their details to a third party (subsequent to the request not to be contacted).

11.5 CCNI stated that they supported the UR proposals on Section 9. Power NI and firmus stated that they had no further comment to make on this section.

UR Decision

11.6 In relation to Marketing by Post, the UR decision is that the proposals made in the Second Consultation will remain in the Code.

12. Monitoring and Enforcement of the Code.

12.1 In UR's second consultation on the Code we laid out at a high level our intentions in relation to the monitoring and enforcement of the Code.

UR Second Consultation proposals

- For the avoidance of doubt, it is the view of the UR that it is the supplier's responsibility to ensure that they have put in place the necessary internal processes to ensure that they can comply with all sections of the Code. We expect that these should be embedded into internal business processes and information systems.
- The UR intends to carry out proactive monitoring of whether licensees are fully complying with the Code on an ongoing basis. This could include (but not be limited to) liaison with other organisations such as consumer representatives, third sector organisations, and OFT. It may also include activities such as mystery shopping. In the event of a breach of the Code suppliers will be asked to demonstrate that they do have the necessary internal procedures in place to ensure compliance.
- It is envisaged that the UR will also conduct investigations after there has been a 'trigger' event or evidence of a breach of licence (for example a customer complaint, or a referral from a stakeholder organisation).
- With regard to an investigation of breaches of Code, there are a number of scenarios from which a trigger might originate. It would unlikely be as a result of a single complaint or isolated incident. Rather it is anticipated that a trigger, potentially prompting an investigation, is likely to occur where there is evidence of ongoing non-compliance, or evidence of a "cluster" of complaints emerging (the UR will be recording the level of complaints and other indicators in relation to marketing for each supplier as part of the

wider market monitoring framework which is currently being developed and will be consulted on in due course). Another example is where an organisation such as CCNI receives a number of complaints in relation to the same practice or same supplier and informs the UR.

- In the event that this happens, it may provide the impetus for an investigation to establish if the behaviour is a result of the company or companies not adhering to the Code. If this is found to be the case then a breach in licence will potentially have occurred and a licence breach investigation will be undertaken, including an assessment of the requirement for enforcement action.
- In this instance, companies may be asked to provide evidence to show that they have been adhering to Code.

Consultation Questions

12.2 We asked the following consultation questions with regard to the Monitoring and Enforcement of the Code:

Q15. Do respondents agree with the proposals for monitoring and enforcement of the Code?

Feedback and UR comments

12.3 Power NI stated:

“Power NI believes that the proposals for monitoring and enforcement represent a balanced approach.”

12.4 CCNI also agreed with the UR that it is essential that effective monitoring and reporting systems are introduced. fimus also stated that they agreed with the logic behind the trigger mechanism proposed.

12.5 No other stakeholder made specific reference to the proposals for monitoring and enforcement in their responses.

UR Decision

12.6 In relation to Monitoring and Enforcement of the Code, the UR decision is that the proposals made in the Second Consultation will remain as consulted upon.

Appendix I
Marketing Code of Practice for Domestic
Customers

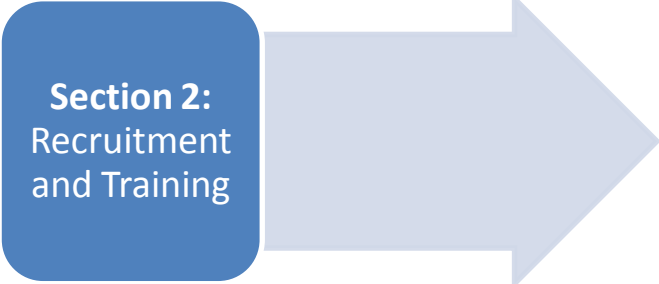
The UR Marketing Code of Practice for Domestic Customers

Nothing in this Code of Practice is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligation to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.



Section 1: Third Parties

1.1 For clarity, where a Supplier contracts with a third party for the provision of Sales Agents, the Supplier must ensure that the third party complies with all components of this Code. Any breaches of this Code by a third party will be deemed to be a breach by the Supplier.



Section 2: Recruitment and Training

Recruitment

- 2.1 A Supplier must put in place and follow procedures which are appropriate for the selection of those who are employed or engaged in roles which might involve or will involve communication with Customers for the purpose of its Marketing Activities. These procedures must be fully compliant with all current employment legislation.
- 2.2 If a Sales Agent ceases to represent the Supplier, the Supplier should ensure retrieval of the agent's ID card.

Training

- 2.3 A Supplier must provide or procure appropriate training for all staff or other Representatives who communicate with Customers for the purposes of the licensee's Marketing Activities. This training should include, but not be limited to, training about the Supplier's obligations insofar as they affect Customers, including its obligations under this Code.
- 2.4 Suppliers will ensure that as a minimum the training will:
 - 2.4.1 take into account the knowledge and skills necessary to fulfil the role.
 - 2.4.2 take into account changes in the market and to products/services, legislation and regulation.
 - 2.4.3 Insofar as possible be reflective of consumer ethnicity and diversity.
 - 2.4.4 provide training on the recognition and treatment of vulnerable consumers.
 - 2.4.5 be linked to a verifiable standard of competence measurement.
 - 2.4.6 include defined monitoring procedures to ensure consistency of training delivery.
 - 2.4.7 be effective and up to date.
Should contain details such as:
 - 2.4.8 relevant customer terms and conditions.
 - 2.4.9 relevant principles of consumer protection law.
 - 2.4.10 customer cancellation process.
 - 2.4.11 the procedure for handling customer complaints.
 - 2.4.12 the consequences of mis-selling or deliberately giving false information to a customer or any other such breach of this Code.

A blue rounded square containing the text 'Section 3: Doorstep Selling' is positioned to the left of a large, light blue arrow pointing to the right.

Section 3: Doorstep Selling

3.1 If a Supplier engages in marketing calls at a consumer's premises or place of residence, upon arrival, the Supplier must immediately:

- 3.1.1 Produce/Display an identity card, and if appropriate, a business card, which clearly displays their full name and photograph and the name, business address, contact number of the Supplier and an expiry date for validity of the card. Thereafter, the Supplier must always show the card to the consumer if asked. Sales Agents must not misrepresent themselves or the purpose of their visit.
- 3.1.2 Give the consumer the reason for the visit and clarify if the consumer wishes to proceed with a presentation about the product(s) being sold. If they do not, the Supplier must leave the premises immediately and inform the consumer they can be removed from the contact list. The Supplier must tell the consumer that this option is available and action such removal if requested. A Supplier must be able to demonstrate that they are complying with this by keeping a 'not for contact' database.
- 3.1.3 Provide the customer with a copy of the sales checklist (for the customer to keep) prior to the commencement of the sales pitch; this is to help the customer ensure that the agent has followed the correct procedure (See Annex A).

3.2 The salesperson must obtain permission from the consumer before entering their place of residence. A consumer has the right to refuse to let the salesperson enter their residence, and may wish to either end the conversation or continue with it at their doorstep. If a customer indicates that the contact is unwelcome the salesperson must cease immediately and leave the premises.

3.3 Unless otherwise requested, a Supplier must only contact a domestic consumer at home for marketing purposes between:

- i. 9am to 8pm on weekdays; and
- ii. 9am to 7pm on Saturdays.

And not during:

- iii. Christmas Eve;

- iv. Any Public or Bank Holiday; or
- v. Sundays.

Domestic consumers should not be contacted outside of these times.

3.4 Where there is sheltered housing, approval must be gained from the warden or other person in authority before making any approach to the residents

3.5 Sales Agents will:

- 3.5.1 not call on any premises where there is a message prominently displayed in the form of a visible, clearly worded and unambiguous notice indicating that a consumer does not wish to receive uninvited doorstep sales callers.
- 3.5.2 Sales Agents must not exploit a person's inexperience, vulnerability, credulity, loyalties or intimidate a consumer in an attempt to restrict their ability to make an informed choice.

3.6 Sales Agents must at all times:

- 3.6.1 be courteous and professional.
- 3.6.2 not give any misleading information or make false assumptions, in particular over potential savings, or act to mislead or make omissions designed to mislead.
- 3.6.3 not use high pressure tactics and be fully compliant with all current relevant consumer protection and sales legislation.

3.7 Sales Agents must provide the consumer in writing or by means of an electronic display, the unit rate which the customer will be charged for all products discussed.

3.7.1 Tariffs with standard unit rates must be shown in the following formats:

Display tariffs inclusive and exclusive of VAT on a per unit basis. Rates should be shown side by side inclusive and exclusive of VAT.

Tariff Name	Pence per unit (ex. VAT)	Pence per unit (inc. VAT)

Any annual or quarterly standing charges (included in any tariffs which include standing charges) must be shown as an annual or quarterly amount (or such other period e.g. monthly as is applicable) inclusive and exclusive of VAT that applies to the tariff. **To avoid any confusion caused by varying consumption levels agents will be prohibited from offering any quotes for the supply of energy to customers on an**

annual bill or annual amount basis. All quotations must be on the basis of unit rates only or standing/fixed charges by period with unit rates shown separately.

This approach (to standing or fixed charges) should be applied to any other fixed charge applied by the Supplier. All associated fixed costs should be presented alongside unit rates and any discounts on unit rates in the same text and font size.

Tariff Name	Pence per unit (ex. VAT)	Pence per unit (inc. VAT)	Standing Charge for Year/Period (ex. VAT)	Standing Charge for Year/Period (inc. VAT)

Furthermore tariffs with any discounts being offered off the standard rate tariff of that Supplier (e.g. for Direct Debit or a discounted period) should be shown in the following format.

Each discount must be set out clearly in pence per unit (or such other discount applicable e.g. quarterly discount amount, fixed amount discount) alongside the standard unit rate to demonstrate the actual unit rate the customer will be charged (including any discounts) and the duration of any discount.

Note that the discounts used in the table below are for illustrative purposes:

	Standard Unit Rate	Dual Fuel Discount	Dual Fuel/DD Discount	Dual Fuel/DD/E-billing Discount
Pence per Unit (ex. VAT)	10.00	9.00	8.00	7.00

3.7.2 Where a Supplier is offering a dual fuel bundle, the gas and electricity tariffs should be shown separately with details provided on additional components of the tariff.

3.7.3 For differently composed or more complex tariffs where additional tariff rate elements are included in the proposal, such as tiered unit charges, Time of Day charges, fuel price pass through, wholesale price pass through, seasonal tariffs etc, all the relevant required information should be clearly displayed.

3.8 For all consumers where the Sales Agent had stated they can save money on Energy Supply if they switch from their current supplier to the agent's supplier, the Sales Agent must provide a comparison with the consumers current unit rates (i.e. those being charged by the consumers existing Supplier including any current discounts given) in writing or by means of an electronic display. The format for the comparison of these unit rates must be the same as that laid out in Section 3.7. To avoid any confusion caused by varying consumption levels agents will not be permitted to provide comparisons on an annual bill basis. All comparisons must be on the basis of unit rates only or standing/fixed charges by period with unit rates shown separately. For more complex tariff offerings agents must provide clear and transparent information that illustrates the offering adequately and any savings quoted.

The unit rate comparison must:

3.8.1 be based on the best information available to the Sales Agent. This must be information that is accurate and relevant to proving to the (specific) consumer that switching will save them money as stated by the sales agent. If no information or inadequate information is available e.g. if the sales agent cannot ascertain what the consumer's current unit rate is, then the sales agent will not state that he/she can save the consumer money or they will retract any previous statement made indicating that they could save the consumer money.

3.8.2 include any relevant differences.

3.9 In the event a sale/sign-up is made, Suppliers will maintain records for not less than 2 years including the date of contact with the consumer and sufficient information to allow the positive identification of the Sales Agent involved. Any material shown to the customer such as price comparison information should also be maintained (including electronic displays). This will assist in dealing with any complaint or query. In the event of no sale being made Suppliers must retain sufficient information to allow the identification of the Sales Agent involved for a minimum of six months.

3.10 Where the customer enters into an Energy Supply contract the Sales Agent must provide the customer with a copy of the written unit rate(s) in one of the formats specified in Section 3.7 and obtain a signature from the consumer to confirm this. If it has been claimed savings can be

made the “written information” must also include the relevant comparative information presented to the customer, as detailed Section 3.8 or a copy of the comparative information is left with the customer to keep.

3.11 The sales agent must:

- 3.11.1 not abuse the trust of vulnerable or inexperienced customers, for example those who are elderly or those who have special needs. Sales agents should not complete an energy supply contract with customers who are not capable, at the time of the contact, of making an informed decision as to whether or not to enter into the contract.
- 3.11.2 ensure that details of how a customer’s account information may be used with respect to debt flagging is clearly set out on the sign up form and within the sign up process. Explain how a debt flag may be raised against the customer’s account by their existing Supplier.
- 3.11.3 provide the customer with details of the “cooling off” period that applies and how to go about cancelling their request to switch Supplier within that cooling off period (in line with existing legislation).
- 3.11.4 confirm that the customer has read and understood the doorstep/face-to-face sales checklist (where the customer is being signed up in person).
- 3.11.5 provide their ID name/number in writing.

3.12 Suppliers must design application literature such that the nature of the literature or forms is clear to the consumer. It must be made clear on the literature itself that the consumer is entering into a legal and binding contract and a statement of this nature should be immediately adjacent to where the consumer signs, so that the word CONTRACT or AGREEMENT cannot be obscured or concealed.

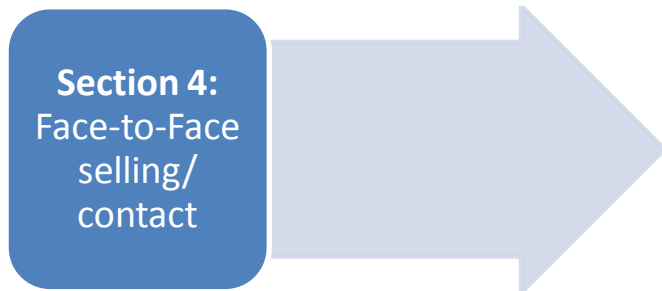
3.13 Suppliers must within 7 days of entering into the Energy Supply contract, take all reasonable steps to ensure the consumer receives ‘written information’. This information can be sent via e mail or post and will clearly:

- 3.13.1 state that they have entered into a contract.
- 3.13.2 State the customers right to cancel within the 10 day ‘cooling-off’ period.
- 3.13.3 state the principal terms and conditions of the contract including any fixed term conditions, duration any applicable exit fees and any other specific conditions of the contract.
- 3.13.4 state the proposed unit rates and any comparison given by a sales agent.
- 3.13.5 state the expected date of commencement of supply.

3.14 Where the consumer indicates (within the 10 day ‘cooling-off’ period) that they are not content to have entered into an Energy Supply contract the company must take all reasonable steps to ensure that:

3.14.1 the contract is ended.

3.14.2 the company does not begin to supply the consumer.



4.1 In relation to Face to Face selling, as well as the stipulations laid out here in 4, the following elements of Section 3 (Doorstep Selling) should also be adhered to:

- 3.1.1, 3.1.3
- 3.5.2
- 3.6
- 3.7
- 3.8
- 3.9
- 3.10

- 3.11
- 3.12
- 3.13
- 3.14

4.2 In the case of marketing at events or on third party retail premises Sales Agents may make sales in accordance with the event times or the opening hours of the venue they are marketing in.



5.1 In any telephone call made by or on behalf of a Supplier to a customer for the purposes of marketing, the caller must, as soon as practicable, clearly identify:

- i. his or her name;
- ii. contact number (if requested by the customer);
- iii. the name of the Supplier on whose behalf the call is being made; and
- iv. the purpose of the call.

5.2 If told by a customer, at any time during a telephone conversation between the customer and the caller that the customer does not wish to continue, the caller must cease the phone call **immediately without attempting to change the customers mind. Furthermore the caller must not continue the conversation in any other way save to explain the terms of 5.3.**

5.3 The Supplier must also inform the customer they can be permanently removed from the contact list and remove the consumer from their contact list if asked.

5.4 Suppliers will also use the Telephone Preference Services¹

5.5 Unless otherwise requested, a Supplier must only contact a domestic consumer at home for marketing purposes between:

- i. 9am to 8pm on weekdays; and
- ii. 9am to 7pm on Saturdays.

And not during:

- iii. Christmas Eve;
- iv. Any Public or Bank Holiday; or
- v. Sundays.

Domestic consumers should not be contacted outside of these times.

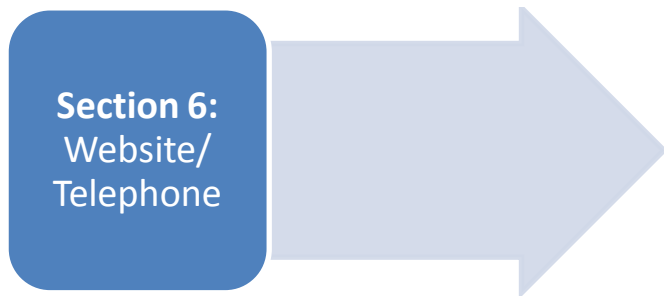
5.6 Similarly to Section 4 (Face-to-Face selling/contact) the following elements of Section 3 (Doorstep selling) will also apply:

- 3.1.3 (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.5.2
- 3.6
- 3.7 (this would be a follow up to the telephone call as part of the 'written information')
- 3.8 (this would be a follow up to the telephone call as part of the 'written information')
- 3.9 (as well as all telesales being recorded (regardless of whether a sign up occurs) and held for a minimum of 6 months)
- 3.10 (this would be a follow up to the telephone call as part of the 'written information')
- 3.11

¹www.tpsonline.org.uk/tps/whatistps.html or contact 0845 070 0707.

- 3.12
- 3.13
- 3.14

5.7 In the event of a customer signing up, the agent must inform the customer that there is a standard sales checklist and that this will be sent out to them as part of their 'written information'.



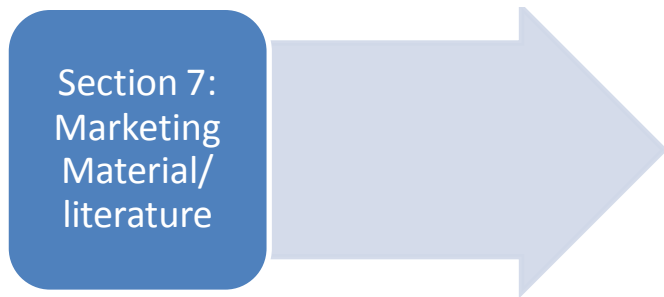
This Section applies when a customer proceeds with an application to switch online or via the telephone i.e. where the customer has proactively engaged with the Supplier.

6.1 If a customer is 'signed up' via the website/internet or telephone then the Supplier must also comply with the following sections of this Code:

- 3.1.3 (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.5.2 – telephone only
- 3.6 – telephone only
- 3.7 – (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.8 – (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.9 (as well as all telesales being recorded (regardless of whether a sign up occurs) and held for a minimum of 6 months)

- 3.10 - (follow up to website or telephone contact by the customer sent to customer as part of their 'written information', except for the requirement for a physical signature on the rate sheet)
- 3.11 of this Code except for 3.11.5 for online sign up
- 3.12
- 3.13
- 3.14

6.2 Records of sales pages on the website and updates to these should be retained for a period of 2 years.



Marketing Materials will be all materials and information related to potential offerings including printed materials, information and information on websites

- 7.1** Suppliers, or those acting on behalf of the Suppliers, must ensure that any of their marketing material is legal, decent, honest, easily understandable and truthful.
- 7.2** Information contained in marketing literature should be as accurate and up to date as possible.
- 7.3** All marketing communications should respect the principles of fair competition.
- 7.4** Marketing communications must be in line, and fully compliant, with all current relevant advertising and marketing legislation.

7.5 Where marketing literature contains prices or price comparisons it must comply with those conditions set out in 3.7 and 3.8.



Section 8:
Marketing
by email /
via text
message or
Social Media

8.1 Suppliers may send electronic mail or SMS for direct marketing purposes in line with appropriate regulations.

8.2 Where a Supplier engages in marketing via e-mail to customers, the Supplier must provide the following information to customers:

8.2.1 the Supplier's name and address; and

8.2.2 the Supplier's e-mail address or other means of electronic contact; or

8.2.3 the Supplier's contact telephone number; and

8.2.4 an easy method of unsubscribing/ removing their email address from future messages at no cost to the customer. This should be clearly shown on the e-mail.

8.3 Where a Supplier engages in marketing via SMS to customers, the Supplier must provide the following information to customers:

8.3.1 the Supplier's name and contact number; and

8.3.2 an easy method of unsubscribing/removing their mobile phone number from future messages at no cost to the customer.

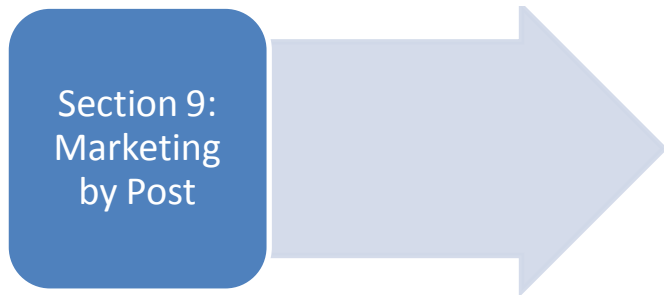
8.4 If the consumer chooses to opt out of future marketing the Supplier must not contact that consumer in any way for marketing purposes, unless the consumer has agreed or asked for further contact. The Supplier must suppress their details or move their details to a 'not for contact' file or database within 28 days. After that time, the consumer should not be contacted without their consent. A consumer may ask for written confirmation from the Supplier that they will not be contacted and this should be provided within 40 days of the request.

8.5 Where a Supplier employs agents to conduct direct marketing on its behalf, any requests from consumers to be removed from the database should be forwarded to that agent who must follow the same procedure.

8.6 A Supplier must be able to show that it is complying by keeping a 'not for contact' database.

8.7 Suppliers will also use the Telephone Preference Services².

8.8 In relation to Marketing by email/via text message or Social media a Supplier must also adhere to the conditions laid out in Section 7 of this Code.



9.1 If a Supplier or someone acting on their behalf carries out marketing by post they must also comply with Section 7 of this Code and respect the appropriate regulations applicable in Northern Ireland for all marketing communications, including the Mailing Preference Service³.

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9.3 Consumers may continue to receive general marketing information (e.g. flyers) from the Supplier delivered with their mail.

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Glossary of Terms

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Supplier: A Supplier refers to an electricity or natural gas company providing a supply of electricity or natural gas in Northern Ireland

“Code”: or “Marketing Code of Practice” means this Code of Practice for the Marketing of Energy Supply.

‘Written Information’ is information supplied to a consumer/customer after a sale has been made. It can be sent via post or via e mail.

Doorstep Selling: Doorstep selling is when someone sells services in someone's home or on their doorstep.

Face-to-Face Selling/Contact: Face-to-face selling and contact with customers is taken to mean any situation whereby a sales representative of the energy supplier comes into contact with a potential customer (e.g. shopping centre stands)

Cooling off period: refers to the Period of time after a purchase during which the purchaser has the right to return goods for a refund, or to cancel a contract without penalty

Annexe A – Sales checklist format

Suppliers are free to brand the checklist, however the checklist should state the following as is:

Energy Sales Checklist

The Utility Regulator requires all suppliers to give potential customers a copy of this checklist before signing them up for an account.

Please go through each question and make sure that the sales agent has covered each step.

Did the agent:

- a)** In the case of face-to-face or doorstep, show you his/her identification card and tell you which company they are working for?
- b)** Go through the products on offer and explain the charges to you?
- c)** Explain how any discounts will be applied to your account?
- d)** Explain the key terms and conditions of supply?
- e)** Explain how long the contract applies for?
- f)** Explain how you will be billed?
- g)** Explain how to make payments on your account and any budgeting options available? By direct debit, in cash
- h)** Explain any deposit that may apply to your account?
- i)** Explain any penalties that apply if you do not meet the terms of the contract?
- j)** Explain how to cancel your contract if you change your mind? (Applies to Domestic Customers only)
- k)** Explain how your existing account will be closed and your new account will be opened
- l)** Give you a copy of your terms and conditions and the rates that apply to your account or explain how these will be sent to you?
- m)** Confirm that you understand that you are switching to a specified product with a specified payment method and explain any fixed term conditions you are agreeing to as part of the contract. This should include duration and any applicable exit fees and any other specific conditions of the fixed term.
- n)** Provide you with details of the cooling off period (Applies to Domestic Customers only) that applies and how to go about cancelling their request to switch supplier within that cooling off period (in line with existing legislation).
- o)** Confirm that you have read and understood this checklist?

If you believe our agent has acted inappropriately or you would like to confirm any aspect of your new account you can contact our customer services team: INSERT SUPPLIER CONTACT DETAILS WHICH WILL, AS A MINIMUM, INCLUDE A SUPPLIER (not Agent) TELEPHONE NUMBER.

Appendix II

Marketing Code of Practice for Domestic Customers – Tracked Changed Version

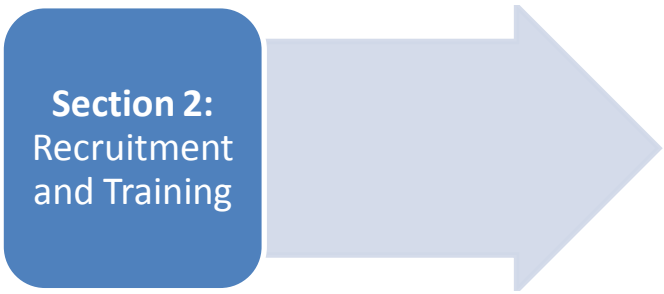
The UR Marketing Code of Practice for Domestic Customers

Nothing in this Code of Practice is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligation to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.



Section 1: Third Parties

1.1 For clarity, where a Supplier contracts with a third party for the provision of Sales Agents, the Supplier must ensure that the third party complies with all components of this Code. Any breaches of this Code by a third party will be deemed to be a breach by the Supplier.



Section 2: Recruitment and Training

Recruitment

- 2.1 A Supplier must put in place and follow procedures which are appropriate for the selection of those who are employed or engaged in roles which might involve or will involve communication with Customers for the purpose of its Marketing Activities. These procedures must be fully compliant with all current employment legislation.
- 2.2 If a Sales Agent ceases to represent the Supplier, the Supplier should ensure retrieval of the agent's ID card.

Training

- 2.3 A Supplier must provide or procure appropriate training for all staff or other Representatives who communicate with Customers for the purposes of the licensee's Marketing Activities. This training should include, but not be limited to, training about the Supplier's obligations insofar as they affect Customers, including its obligations under this Code.
- 2.4 Suppliers will ensure that as a minimum the training will:
 - 2.4.1 take into account the knowledge and skills necessary to fulfil the role.
 - 2.4.2 take into account changes in the market and to products/services, legislation and regulation.
 - 2.4.3 Insofar as possible be reflective of consumer ethnicity and diversity.
 - 2.4.4 provide training on the recognition and treatment of vulnerable consumers.
 - 2.4.5 be linked to a verifiable standard of competence measurement.
 - 2.4.6 include defined monitoring procedures to ensure consistency of training delivery.
 - 2.4.7 be effective and up to date.
Should contain details such as:
 - 2.4.8 relevant customer terms and conditions.
 - 2.4.9 relevant principles of consumer protection law.
 - 2.4.10 customer cancellation process.
 - 2.4.11 the procedure for handling customer complaints.
 - 2.4.12 the consequences of mis-selling or deliberately giving false information to a customer or any other such breach of this Code.

A blue rounded square containing the text 'Section 3: Doorstep Selling' is positioned to the left of a large, light blue arrow pointing to the right.

Section 3: Doorstep Selling

3.1 If a Supplier engages in marketing calls at a consumer's premises or place of residence, upon arrival, the Supplier must immediately:

- 3.1.1 Produce/Display an identity card, and if appropriate, a business card, which clearly displays their full name and photograph and the name, business address, contact number of the Supplier and an expiry date for validity of the card. Thereafter, the Supplier must always show the card to the consumer if asked. Sales Agents must not misrepresent themselves or the purpose of their visit.
- 3.1.2 Give the consumer the reason for the visit and clarify if the consumer wishes to proceed with a presentation about the product(s) being sold. If they do not, the Supplier must leave the premises immediately and inform the consumer they can be removed from the contact list. The Supplier must tell the consumer that this option is available and action such removal if requested. A Supplier must be able to demonstrate that they are complying with this by keeping a 'not for contact' database.
- 3.1.3 Provide the customer with a copy of the sales checklist (for the customer to keep) prior to the commencement of the sales pitch; this is to help the customer ensure that the agent has followed the correct procedure (See Annex A).

3.2 The salesperson must obtain permission from the consumer before entering their place of residence. A consumer has the right to refuse to let the salesperson enter their residence, and may wish to either end the conversation or continue with it at their doorstep. If a customer indicates that the contact is unwelcome the salesperson must cease immediately and leave the premises.

3.3 Unless otherwise requested, a Supplier must only contact a domestic consumer at home for marketing purposes between:

- i. 9am to 8pm on weekdays; and
- ii. 9am to 7pm on Saturdays.

And not during:

- iii. Christmas Eve;

- iv. Any Public or Bank Holiday; or
- v. Sundays.

Domestic consumers should not be contacted outside of these times.

3.4 Where there is sheltered housing, approval must be gained from the warden or other person in authority before making any approach to the residents

3.5 Sales Agents will:

- 3.5.1 not call on any premises where there is a message prominently displayed in the form of a visible, clearly worded and unambiguous notice indicating that a consumer does not wish to receive uninvited doorstep sales callers.
- 3.5.2 Sales Agents must not exploit a person’s inexperience, vulnerability, credulity, loyalties or intimidate a consumer in an attempt to restrict their ability to make an informed choice.

3.6 Sales Agents must at all times:

- 3.6.1 be courteous and professional.
- 3.6.2 not give any misleading information or make false assumptions, in particular over potential savings, or act to mislead or make omissions designed to mislead.
- 3.6.3 not use high pressure tactics and be fully compliant with all current relevant consumer protection and sales legislation.

3.7 Sales Agents must provide the consumer in writing or by means of an electronic display, the unit rate which the customer will be charged for all products discussed.

3.7.1 Tariffs with standard unit rates must be shown in the following formats:

Display tariffs inclusive and exclusive of VAT on a per unit basis. Rates should be shown side by side inclusive and exclusive of VAT.

Tariff Name	Pence per unit (ex. VAT)	Pence per unit (inc. VAT)

Any annual or quarterly standing charges (included in any Tariffs with which include standing charges) (if applicable) must be shown as an annual or quarterly amount (or such other period e.g. monthly/quarter as is applicable) inclusive and exclusive of VAT that applies to the tariff.
To avoid any confusion caused by varying consumption levels agents will be prohibited from offering any quotes for the supply of energy

to customers on an annual bill or annual amount basis. All quotations must be on the basis of unit rates only or standing/fixed charges by period with unit rates shown separately.

This approach (to standing or fixed charges) should be applied to any other fixed charge applied by the Supplier. All associated fixed costs should be presented alongside unit rates and any discounts on unit rates in the same text and font size.

Tariff Name	Pence per unit (ex. VAT)	Pence per unit (inc. VAT)	Standing Charge for Year/Period (ex. VAT)	Standing Charge for Year/Period (inc. VAT)

Furthermore tariffs with any discounts being offered off the standard rate tariff of that Supplier (e.g. for Direct Debit or a discounted period) should be shown in the following format.

Each discount must be set out clearly in pence per unit (or such other discount applicable e.g. quarterly discount amount, fixed amount discount) alongside the standard unit rate to demonstrate the actual unit rate the customer will be charged (including any discounts) and the duration of any discount.

Note that the discounts used in the table below are for illustrative purposes:

	Standard Unit Rate	Dual Fuel Discount	Dual Fuel/DD Discount	Dual Fuel/DD/E-billing Discount
Pence per Unit (ex. VAT)	10.00	9.00	8.00	7.00

3.7.2 Where a Supplier is offering a dual fuel bundle, the gas and electricity tariffs should be shown separately with details provided on additional components of the tariff.

3.7.3 For differently composed or more complex tariffs where additional tariff rate elements are included in the proposal, such as tiered unit charges, Time of Day charges, fuel price pass through, wholesale price pass through, seasonal tariffs etc, all the relevant required information should be clearly displayed.

3.8 For all consumers where the Sales Agent had stated they can save money on Energy Supply if they switch from their current supplier to the agent's supplier, the Sales Agent must provide a comparison with the consumers current unit rates (i.e. those being charged by the consumers existing Supplier including any current discounts given) in writing or by means of an electronic display. The format for the comparison of these unit rates must be the same as that laid out in Section 3.7. To avoid any confusion caused by varying consumption levels agents will not be permitted to provide comparisons on an annual bill basis. All comparisons must be on the basis of unit rates only or standing/fixed charges by period with unit rates shown separately. For more complex tariff offerings agents must provide clear and transparent information that illustrates the offering adequately and any savings quoted.

The unit rate comparison must:

3.8.1 be based on the best information available to the Sales Agent. This must be information that is accurate and relevant to proving to the (specific) consumer that switching will save them money as stated by the sales agent. If no information or inadequate information is available e.g. if the sales agent cannot ascertain what the consumer's current unit rate is, then the sales agent will not state that he/she can save the consumer money or they will retract any previous statement made indicating that they could save the consumer money.

3.8.2 include any relevant differences.

3.9 In the event a sale/sign-up is made, Suppliers will maintain records for not less than 2 years including the date of contact with the consumer and sufficient information to allow the positive identification of the Sales Agent involved. Any material shown to the customer such as price comparison information should also be maintained (including electronic displays). This will assist in dealing with any complaint or query. In the event of no sale being made Suppliers must retain sufficient information to allow the identification of the Sales Agent involved for a minimum of 1 year six months.

3.10 Where the customer enters into an Energy Supply contract the Sales Agent must provide the customer with a copy of the written unit rate(s) in one of the formats specified in Section 3.7 and obtain a signature from the consumer to confirm this. If it has been claimed savings can be

made the “written information” must also include the relevant comparative information presented to the customer, as detailed Section 3.8 or a copy of the comparative information is left with the customer to keep.

3.11 The sales agent must:

- 3.11.1 not abuse the trust of vulnerable or inexperienced customers, for example those who are elderly or those who have special needs. Sales agents should not complete an energy supply contract with customers who are not capable, at the time of the contact, of making an informed decision as to whether or not to enter into the contract.
- 3.11.2 ensure that details of how a customer’s account information may be used with respect to debt flagging is clearly set out on the sign up form and within the sign up process. Explain how a debt flag may be raised against the customer’s account by their existing Supplier.
- 3.11.3 provide the customer with details of the “cooling off” period that applies and how to go about cancelling their request to switch Supplier within that cooling off period (in line with existing legislation).
- 3.11.4 confirm that the customer has read and understood the doorstep/face-to-face sales checklist (where the customer is being signed up in person).
- 3.11.5 provide their ID name/number in writing.

3.12 Suppliers must design application literature such that the nature of the literature or forms is clear to the consumer. It must be made clear on the literature itself that the consumer is entering into a legal and binding contract and a statement of this nature should be immediately adjacent to where the consumer signs, so that the word CONTRACT or AGREEMENT cannot be obscured or concealed.

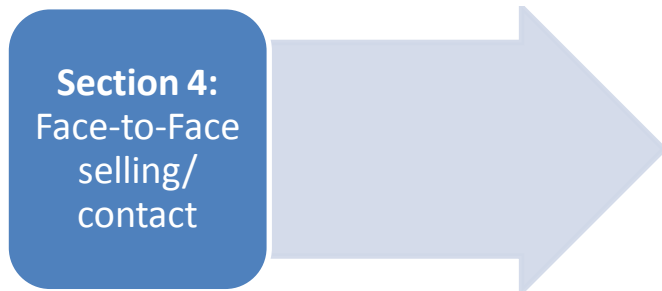
3.13 Suppliers must within 7 days of entering into the Energy Supply contract, take all reasonable steps to ensure the consumer receives ‘written information’. This information can be sent via e mail or post and will clearly:

- 3.13.1 state that they have entered into a contract.
- 3.13.2 State the customers right to cancel within the 10 day ‘cooling-off’ period.
- 3.13.3 state the principal terms and conditions of the contract including any fixed term conditions, duration any applicable exit fees and any other specific conditions of the contract.
- 3.13.4 state the proposed unit rates and any comparison given by a sales agent.
- 3.13.5 state the expected date of commencement of supply.

3.14 Where the consumer indicates (within the 10 day ‘cooling-off’ period) that they are not content to have entered into an Energy Supply contract the company must take all reasonable steps to ensure that:

3.14.1 the contract is ended.

3.14.2 the company does not begin to supply the consumer.



4.1 In relation to Face to Face selling, as well as the stipulations laid out here in 4, the following elements of Section 3 (Doorstep Selling) should also be adhered to:

- 3.1.1, 3.1.3
- 3.5.2
- 3.6
- 3.7
- 3.8
- 3.9
- 3.10

- 3.11
- 3.12
- 3.13
- 3.14

4.2 In the case of marketing at events or on third party retail premises Sales Agents may make sales in accordance with the event times or the opening hours of the venue they are marketing in.



5.1 In any telephone call made by or on behalf of a Supplier to a customer for the purposes of marketing, the caller must, as soon as practicable, clearly identify:

- i. his or her name;
- ii. contact number (if requested by the customer);
- iii. the name of the Supplier on whose behalf the call is being made; and
- iv. the purpose of the call.

5.2 If told by a customer, at any time during a telephone conversation between the customer and the caller that the customer does not wish to continue, the caller must cease the phone call **immediately without attempting to change the customers mind. Furthermore the caller must not continue the conversation in any other way save to explain the terms of 5.3.**

5.3 The Supplier must also inform the customer they can be permanently removed from the contact list and remove the consumer from their contact list if asked.

5.4 Suppliers will also use the Telephone Preference Services¹

5.5 Unless otherwise requested, a Supplier must only contact a domestic consumer at home for marketing purposes between:

- i. 9am to 8pm on weekdays; and
- ii. 9am to 7pm on Saturdays.

And not during:

- iii. Christmas Eve;
- iv. Any Public or Bank Holiday; or
- v. Sundays.

Domestic consumers should not be contacted outside of these times.

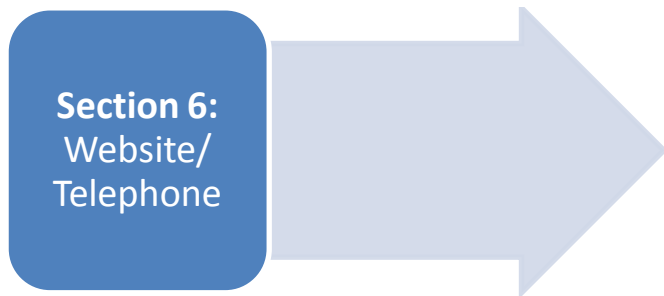
5.6 Similarly to Section 4 (Face-to-Face selling/contact) the following elements of Section 3 (Doorstep selling) will also apply:

- 3.1.3 (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.5.2
- 3.6
- 3.7 (this would be a follow up to the telephone call as part of the 'written information')
- 3.8 (this would be a follow up to the telephone call as part of the 'written information')
- 3.9 (as well as all telesales being recorded (regardless of whether a sign up occurs) and held for a minimum of 6 months)
- 3.10 (this would be a follow up to the telephone call as part of the 'written information')
- 3.11

¹www.tpsonline.org.uk/tps/whatistps.html or contact 0845 070 0707.

- 3.12
- 3.13
- 3.14

5.7 In the event of a customer signing up, the agent must inform the customer that there is a standard sales checklist and that this will be sent out to them as part of their 'written information'.



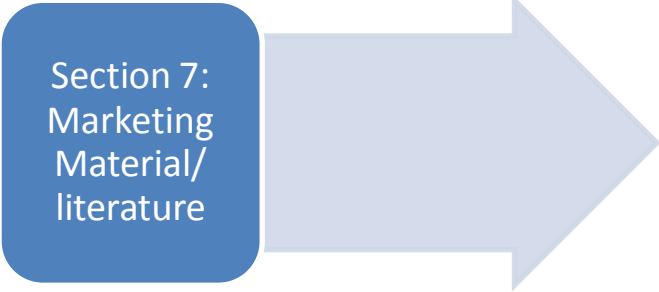
This Section applies when a customer proceeds with an application to switch online or via the telephone i.e. where the customer has proactively engaged with the Supplier.

6.1 If a customer is 'signed up' via the website/internet or telephone then the Supplier must also comply with the following sections of this Code:

- 3.1.3 (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.5.2 – telephone only
- 3.6 – telephone only
- 3.7 – (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.8 – (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.9 (as well as all telesales being recorded (regardless of whether a sign up occurs) and held for a minimum of 6 months)

- 3.10 - (follow up to website or telephone contact by the customer sent to customer as part of their 'written information', except for the requirement for a physical signature on the rate sheet)
- 3.11 of this Code except for 3.11.5 for online sign up
- 3.12
- 3.13
- 3.14

6.2 Records of sales pages on the website and updates to these should be retained for a period of 2 years.



Section 7: Marketing Material/ literature

Marketing Materials will be all materials and information related to potential offerings including printed materials, information and information on websites

- 7.1 Suppliers, or those acting on behalf of the Suppliers, must ensure that any of their marketing material is legal, decent, honest, easily understandable and truthful.
- 7.2 Information contained in marketing literature should be as accurate and up to date as possible.
- 7.3 All marketing communications should respect the principles of fair competition.
- 7.4 Marketing communications must be in line, and fully compliant, with all current relevant advertising and marketing legislation.

7.5 Where marketing literature contains prices or price comparisons it must comply with those conditions set out in 3.7 and 3.8.

Section 8:
Marketing
by email /
via text
message or
Social Media



8.1 Suppliers may send electronic mail or SMS for direct marketing purposes in line with appropriate regulations.

8.2 Where a Supplier engages in marketing via e-mail to customers, the Supplier must provide the following information to customers:

8.2.1 the Supplier's name and address; and

8.2.2 the Supplier's e-mail address or other means of electronic contact; or

8.2.3 the Supplier's contact telephone number; and

8.2.4 an easy method of unsubscribing/ removing their email address from future messages at no cost to the customer. This should be clearly shown on the e-mail.

8.3 Where a Supplier engages in marketing via SMS to customers, the Supplier must provide the following information to customers:

8.3.1 the Supplier's name and contact number; and

8.3.2 an easy method of unsubscribing/removing their mobile phone number from future messages at no cost to the customer.

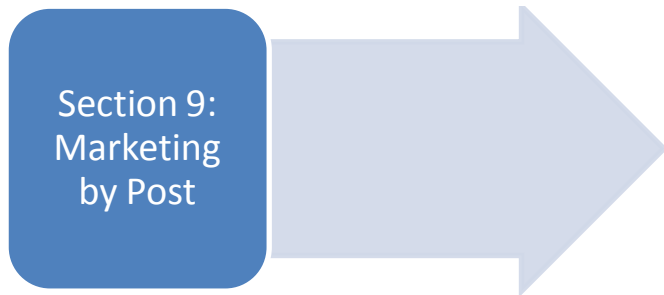
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9.3 Consumers may continue to receive general marketing information (e.g. flyers) from the Supplier delivered with their mail.

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- e) Explain how long the contract applies for?
- f) Explain how you will be billed?
- g) Explain how to make payments on your account and any budgeting options available? By direct debit, in cash
- h) Explain any deposit that may apply to your account?
- i) Explain any penalties that apply if you do not meet the terms of the contract?
- j) Explain how to cancel your contract if you change your mind? (Applies to Domestic Customers only)
- k) Explain how your existing account will be closed and your new account will be opened
- l) Give you a copy of your terms and conditions and the rates that apply to your account or explain how these will be sent to you?
- m) Confirm that you understand that you are switching to a specified product with a specified payment method and explain any fixed term conditions you are agreeing to as part of the contract. This should include duration and any applicable exit fees and any other specific conditions of the fixed term.
- n) Provide you with details of the cooling off period (Applies to Domestic Customers only) that applies and how to go about cancelling their request to switch supplier within that cooling off period (in line with existing legislation).
- o) Confirm that you have read and understood this checklist?

If you believe our agent has acted inappropriately or you would like to confirm any aspect of your new account you can contact our customer services team: INSERT SUPPLIER CONTACT DETAILS WHICH WILL, AS A MINIMUM, INCLUDE A SUPPLIER (not Agent) TELEPHONE NUMBER.

Appendix III
Marketing Code of Practice for Business
Customers

The UR Marketing Code of Practice for Business Consumers

This Code does not apply to electricity business consumers with an MIC \geq 70kVA.; or with annual consumption \geq 150MWh (per site, or in aggregate for customers with multiple sites). This Code also does not apply to natural gas business consumers with annual consumption \geq 732,000 KWh.

Nothing in this Code of Practice is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligation to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.



- 1.1** For clarity, where a Supplier contracts with a third party for the provision of Sales Agents, the Supplier must ensure that the third party complies with all components of this Code. Any breaches of this Code by a third party will be deemed to be a breach by the Supplier.

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Section 2: Recruitment and Training

Recruitment

- 2.1 A Supplier must put in place and follow procedures which are appropriate for the selection of those who are employed or engaged in roles which might involve or will involve communication with Customers for the purpose of its Marketing Activities. These procedures must be fully compliant with all current employment legislation.
- 2.2 If a Sales Agent ceases to represent the Supplier, the Supplier should ensure retrieval of the agent's ID card.
- 2.3 A Supplier must provide or procure appropriate training for all staff or other Representatives who communicate with Customers for the purposes of the licensee's Marketing Activities. This training should include, but not be limited to, training about the Supplier's obligations insofar as they affect Customers, including its obligations under this Code.

Training

- 2.4 Suppliers will ensure that as a minimum the training will:
 - 2.4.1 take into account the knowledge and skills necessary to fulfil the role.
 - 2.4.2 take into account changes in the market and to products/services, legislation and regulation.
 - 2.4.3 Insofar as possible be reflective of consumer ethnicity and diversity.
 - 2.4.4 be linked to a verifiable standard of competence measurement.
 - 2.4.5 include defined monitoring procedures to ensure consistency of training delivery.
 - 2.4.6 be effective and up to date.
Should contain details such as:
 - 2.4.7 relevant customer terms and conditions.
 - 2.4.8 relevant principles of consumer protection law.
 - 2.4.9 customer cancellation process.
 - 2.4.10 the procedure for handling customer complaints.
 - 2.4.11 the consequences of mis-selling or deliberately giving false information to a customer or any other such breach of this Code.

A blue rounded square containing the text 'Section 3: Doorstep Selling' is positioned to the left of a large, light blue arrow pointing to the right.

Section 3: Doorstep Selling

- 3.1** If a Supplier engages in marketing calls at a consumer's premises, upon arrival, the Supplier must immediately:
- 3.1.1** Produce/Display an identity card, and if appropriate, a business card, which clearly displays their full name and photograph and the name, business address, contact number of the Supplier and an expiry date for validity of the card. Thereafter, the Supplier must always show the card to the consumer if asked. Sales Agents must not misrepresent themselves or the purpose of their visit.
 - 3.1.2** Give the consumer the reason for the visit and clarify if the consumer wishes to proceed with a presentation about the product(s) being sold. If they do not, the Supplier must leave the premises immediately and inform the consumer they can be removed from the contact list. The Supplier must tell the consumer that this option is available and action such removal if requested. A Supplier must be able to demonstrate that they are complying with this by keeping a 'not for contact' database.
 - 3.1.3** Provide the customer with a copy of the sales checklist (for the customer to keep) prior to the commencement of the sales pitch; this is to help the customer ensure that the agent has followed the correct procedure (See Annex A).
- 3.2** A consumer has the right to refuse to let the salesperson enter their premises, and may wish to end the conversation. If a customer indicates that the contact is unwelcome the salesperson must cease immediately and leave the premises.
- 3.3** Contacting business customers -there are no specific time constraints on when business consumers can be contacted. However Suppliers are asked to exercise reasonable judgment outside the consumer's normal business hours. Suppliers should be aware that business opening hours vary before contacting the business consumer.
- 3.4** Sales Agents will:
- 3.4.1** not call on any premises where there is a message prominently displayed in the form of a visible, clearly worded and unambiguous notice indicating that a consumer does not wish to receive uninvited doorstep sales callers.
- 3.5** Sales Agents must at all times:
- 3.5.1** be courteous and professional.

3.5.2 not give any misleading information or make false assumptions, in particular over potential savings, or act to mislead or make omissions designed to mislead.

3.5.3 not use high pressure tactics and be fully compliant with all current relevant consumer protection and sales legislation.

3.6 Sales Agents must provide the consumer in writing or by means of an electronic display, the unit rate which the customer will be charged for all products discussed.

3.6.1 Tariffs with standard unit rates should be shown in the following formats:

Display tariffs exclusive of VAT on a per unit basis.

Tariff Name	Pence per unit (ex. VAT)

Any annual or quarterly standing charges (included in any tariffs which include standing charges) must be shown as an annual or quarterly amount (or such other period e.g. monthly as is applicable) exclusive of VAT that applies to the tariff. **To avoid any confusion caused by varying consumption levels agents will be prohibited from offering any quotes for the supply of energy to customers on an annual bill or annual amount basis. All quotations must be on the basis of unit rates only or standing/fixed charges by period with unit rates shown separately.**

This approach (to standing or fixed charges) should be applied to any other fixed charge applied by the Supplier. All associated fixed costs should be presented alongside unit rates and any discounts on unit rates in the same text and font size.

Tariff Name	Pence per unit (ex. VAT)	Standing Charge for Year/Period (ex. VAT)

Furthermore tariffs with any discounts being offered off the standard rate tariff of that Supplier should be clearly shown.

Each discount must be set out clearly in pence per unit alongside the standard unit rate to demonstrate the actual unit rate the customer will be charged (including any discounts) and the duration of any discount.

Note that the discounts used in the table below are for illustrative purposes:

	Standard Unit Rate	Discount A	Discount A/Discount B	Discount A/Discount B/Discount C
Pence per Unit (ex. VAT)	10.00	9.00	8.00	7.00

- 3.6.2 Where a Supplier is offering a dual fuel bundle, the gas and electricity tariffs should be shown separately with details provided on additional components of the tariff.
- 3.6.3 For differently composed or more complex tariffs where additional tariff rate elements are included in the proposal, such as tiered unit charges, Time of Day charges, fuel price pass through, wholesale price pass through, seasonal tariffs etc, all the relevant required information should be clearly displayed.
- 3.7 For all consumers where the Sales Agent had **stated they can save money on Energy Supply if they switch from their current supplier to the agents’s supplier**, the Sales Agent must provide a comparison with the consumers current unit rates (i.e. those being charged by the consumers existing Supplier including any current discounts given) in writing or by means of an electronic display. The format for the comparison of these unit rates must be the same as that laid out in Section 3.6. To avoid any confusion caused by varying consumption levels agents will not be permitted to provide comparisons on an annual bill basis. All comparisons must be on the basis of unit rates only or standing/fixed charges by period with unit rates shown separately. For more complex tariff offerings agents must provide clear and transparent information that illustrates the offering adequately and any savings quoted.**

If applicable, unit rate, comparisons must:

- 3.7.1 be based on the best information available to the Sales Agent. This must be information that is accurate and relevant to proving to the (specific) consumer that switching will save them money as stated by the sales agent. If no information or inadequate information is available

e.g. if the sales agent cannot ascertain what the consumer's current unit rate is, then the sales agent will not state that he/she can save the consumer money or they will retract any previous statement made indicating that they could save the consumer money.

3.7.2 include any relevant differences.

3.8 In the event a sale/sign-up is made, Suppliers will maintain records for not less than 2 years including the date of contact with the consumer and sufficient information to allow the positive identification of the Sales Agent involved. Any material shown to the customer such as price comparison information should also be maintained (including electronic displays). This will assist in dealing with any complaint or query. In the event of no sale being made Suppliers must retain sufficient information to allow the identification of the Sales Agent involved for a minimum of six months.

3.9 Where the customer enters into an Energy Supply contract the Sales Agent must provide the customer with a copy of the written unit rate(s) in one of the formats specified in Section 3.6 and obtain a signature from the consumer to confirm this. If it has been claimed savings can be made the "written information" must also include the relevant comparative information presented to the customer, as detailed Section 3.7 or a copy of the comparative information is left with the customer to keep.

3.10 The sales agent must:

3.10.1 ensure that details of how a customer's account information may be used with respect to debt flagging is clearly set out on the sign up form and within the sign up process. Explain how a debt flag may be raised against the customer's account by their existing Supplier.

3.10.2 confirm that the customer has read and understood the doorstep/face-to-face sales checklist (where the customer is being signed up in person).

3.10.3 provide their ID name/number in writing.

3.11 Suppliers must design application literature such that the nature of the literature or forms is clear to the consumer. It must be made clear on the literature itself that the consumer is entering into a legal and binding contract and a statement of this nature should be immediately adjacent to where the consumer signs, so that the word CONTRACT or AGREEMENT cannot be obscured or concealed.

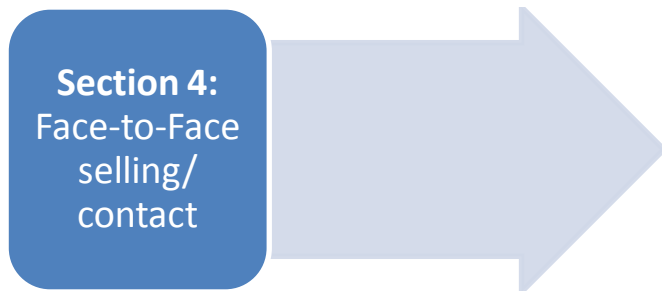
3.12 Suppliers must within 7 days of entering into the Energy Supply contract, take all reasonable steps to ensure the consumer receives 'written information'. This information can be sent via e mail or post and will clearly:

3.12.1 state that they have entered into a contract.

3.12.2 state the principal terms and conditions of the contract including any fixed term conditions, duration any applicable exit fees and any other specific conditions of the contract.

3.12.3 state the proposed unit rates and any comparison given by a sales agent .

3.12.4 state the expected date of commencement of supply.



4.1 In relation to Face to Face selling, as well as the stipulations laid out here in 4, the following elements of Section 3 (Doorstep Selling) should also be adhered to:

- 3.1.1, 3.1.3
- 3.5
- 3.6
- 3.7
- 3.8
- 3.9
- 3.10
- 3.11
- 3.12

4.2 In the case of marketing at events or on third party retail premises Sales Agents may make sales in accordance with the event times or the opening hours of the venue they are marketing in.



5.1 In any telephone call made by or on behalf of a Supplier to a customer for the purposes of marketing, the caller must, as soon as practicable, clearly identify:

- i. his or her name;
- ii. contact number (if requested by the customer);
- iii. the name of the Supplier on whose behalf the call is being made; and
- iv. the purpose of the call.

5.2 If told by a customer, at any time during a telephone conversation between the customer and the caller that the customer does not wish to continue, the caller must cease the phone call **immediately without attempting to change the customers mind.**

5.3 If told that they do not wish to be contacted again by the Supplier for telesales, the Supplier should adhere to this wish and place the customer on their 'not for contact list'.

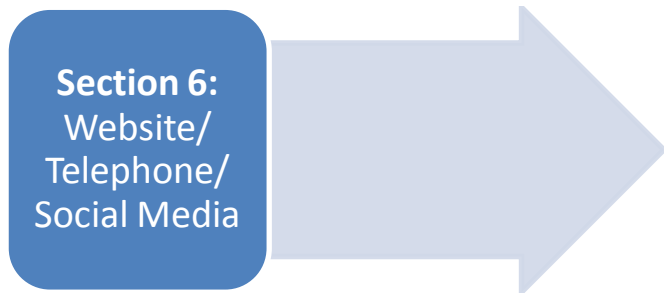
5.4 Suppliers will also use the Telephone Preference Service¹ which applies to Sole Traders and the Corporate Telephone Preference Service².

¹ <http://www.tpsonline.org.uk/tps/whatistps.html>

5.5 Contacting Customers - there are no specific time constraints on when business Consumers can be contacted. However Suppliers are asked to exercise reasonable judgment outside the Consumer's normal business hours. Suppliers should be aware that business opening hours vary before contacting the business consumer.

5.6 Similarly to Section 4 (Face-to-Face selling/contact) the following elements of Section 3 (Doorstep selling) will also apply:

- 3.1.3 (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.5
- 3.6 (this would be a follow up to the telephone call sent to customer as part of their 'written information')
- 3.7 (this would be a follow up to the telephone call sent to customer as part of their 'written information')
- 3.8 (as well as all telesales being recorded (regardless of whether a sign up occurs) and held for a minimum of 6 months)
- 3.9 (this would be a follow up to the telephone call sent to customer as part of their 'written information')
- 3.10
- 3.11
- 3.12



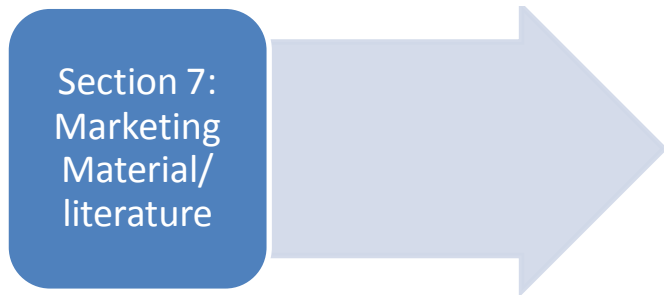
This Section applies when a customer proceeds with an application to switch online or via the telephone i.e. where the customer has proactively engaged with the Supplier.

² <http://www.tpsonline.org.uk/tps/whatiscorporatetps.html>

6.1 If a customer is 'signed up' via the website/internet then the Supplier must also comply with the following sections of this Code:

- 3.1.3 (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.5 – telephone only
- 3.6 – (follow up to website or telephone contact by the customer sent to customer as part of their 'written information' pack)
- 3.7 – (follow up to website or telephone contact by the customer sent to customer as part of their 'written information' pack)
- 3.8 (as well as all telesales being recorded (regardless of whether a sign up occurs) and held for a minimum of 6 months)
- 3.9 - (follow up to website or telephone contact by the customer sent to customer as part of their 'written information' pack except for the requirement for a physical signature on the rate sheet)
- 3.10 of this Code except for 3.10.3 for online sign up
- 3.11
- 3.12

6.2 Records of sales pages on the website, and updates to these, should be retained for a period of 2 years.



Marketing Materials will be all materials and information related to potential offerings including printed materials, information and information on websites

7.1 Suppliers, or those acting on behalf of the Suppliers, must ensure that any of their marketing material is legal, decent, honest, easily understandable and truthful.

7.2 Information contained in marketing literature should be as accurate and up to date as possible.

7.3 All marketing communications should respect the principles of fair competition.

7.4 Marketing communications must be in line, and fully compliant, with all current relevant advertising and marketing legislation.

7.5 Where marketing literature contains prices or price comparisons it must comply with those conditions set out in 3.6 and 3.7.



Section 8:
Marketing
by email /
via text
message or
Social Media

8.1 Suppliers may send electronic mail or SMS for direct marketing purposes in line with appropriate regulations.

8.2 Where a Supplier engages in marketing via e-mail to customers, the Supplier must provide the following information to customers:

8.2.1 the Supplier's name and address; and

8.2.2 the Supplier's e-mail address or other means of electronic contact; or

8.2.3 the Supplier's contact telephone number; and

8.2.4 an easy method of unsubscribing/ removing their email address from future messages at no cost to the customer. This should be clearly shown on the e-mail.

8.3 Where a Supplier engages in marketing via SMS to customers, the Supplier must provide the following information to customers:

8.3.1 the Supplier's name, and contact number; and

8.3.2 an easy method of unsubscribing/removing their mobile phone number from future messages at no cost to the customer

8.4 If the consumer chooses to opt out of future marketing the Supplier must not contact that consumer in any way for marketing purposes, unless the consumer has agreed or asked for further contact. The Supplier must suppress their details or move their details to a 'not for contact' file or database within 28 days. After that time, the consumer should not be contacted without their consent. A consumer may ask for written confirmation from the Supplier that they will not be contacted and this should be provided within 40 days of the request.

8.5 Where a Supplier employs agents to conduct direct marketing on its behalf, any requests from consumers to be removed from the database should be forwarded to that agent who must follow the same procedure.

8.6 A Supplier must be able to show that it is complying by keeping a 'not for contact' database.

8.7 Suppliers will also use the Telephone Preference Services³ which applies to Sole Traders and the Corporate Telephone Preference Service⁴.

8.8 In relation to Marketing by email/via text message or Social Media a Supplier must also adhere to the conditions laid out in Section 7 of this Code.



Section 9: Marketing by Post

9.1 If a Supplier or someone acting on their behalf carries out marketing by post they must also comply with Section 7 of this Code and respect the appropriate regulations applicable in Northern Ireland for all marketing communications.

9.2 Consumers are entitled to request that they no longer receive marketing material (i.e. marketing material which is addressed to them) from a Supplier.

³ www.tpsonline.org.uk/tps/whatistps.html or contact 0845 070 0707.

⁴ <http://www.tpsonline.org.uk/tps/whatiscorporatetps.html>



Glossary of Terms

Agent: An agent refers to a person or organisation which conducts marketing activities on behalf of electricity and natural gas Suppliers.

Consumer/customer: A consumer/customer can be either an existing or potential consumer/customer of an electricity and / or natural gas Supplier. In this document, consumer refers to business consumers only.

Marketing / Marketing Activities: Marketing activities refers to the practices of an electricity and / or natural gas Supplier when selling their services to a consumer.

Supplier: A Supplier refers to an electricity or natural gas company providing a supply of electricity or natural gas in Northern Ireland

Banned Practices: are any practice banned under the Consumer Protection from Unfair Trading Regulations 2008.

“Code”: or “Marketing Code of Practice” means this Code of Practice for the Marketing of Energy Supply.

‘Written Information’ is information supplied to a consumer/customer after a sale has been made. It can be sent via post or via e mail.

Doorstep Selling: Doorstep selling is when someone sells services in someone's home or on their doorstep.

Face-to-Face Selling/Contact: Face-to-face selling and contact with customers is taken to mean any situation whereby a sales representative of the energy supplier comes into contact with a potential customer (e.g. trade shows)

Cooling off period: refers to the Period of time after a purchase during which the purchaser has the right to return goods for a refund, or to cancel a contract without penalty

Annexe A – Sales checklist format

Suppliers are free to brand the checklist, however the checklist should state the following as is:

Energy Sales Checklist

The Utility Regulator requires all suppliers to give potential customers a copy of this checklist before signing them up for an account.

Please go through each question and make sure that the sales agent has covered each step.

Did the agent:

- a) In the case of face-to-face or doorstep, show you his/her identification card and tell you which company they are working for?
- b) Go through the products on offer and explain the charges to you?
- c) Explain how any discounts will be applied to your account?
- d) Explain the key terms and conditions of supply?
- e) Explain how long the contract applies for?
- f) Explain how you will be billed?
- g) Explain how to make payments on your account and any budgeting options available? By direct debit, in cash
- h) Explain any deposit that may apply to your account?
- i) Explain any penalties that apply if you do not meet the terms of the contract?
- j) Explain how to cancel your contract if you change your mind? (Applies to Domestic Customers only)
- k) Explain how your existing account will be closed and your new account will be opened
- l) Give you a copy of your terms and conditions and the rates that apply to your account or explain how these will be sent to you?
- m) Confirm that you understand that you are switching to a specified product with a specified payment method and explain any fixed term conditions you are agreeing to as part of the contract. This should include duration and any applicable exit fees and any other specific conditions of the fixed term.
- n) Provide you with details of the cooling off period (Applies to Domestic Customers only) that applies and how to go about cancelling their request to switch supplier within that cooling off period (in line with existing legislation).
- o) Confirm that you have read and understood this checklist?

If you believe our agent has acted inappropriately or you would like to confirm any aspect of your new account you can contact our customer services team: INSERT SUPPLIER CONTACT DETAILS WHICH WILL, AS A MINIMUM, INCLUDE A SUPPLIER (not Agent) TELEPHONE NUMBER.

Appendix IV

Marketing Code of Practice for Business Customers – Tracked Changed Version

The UR Marketing Code of Practice for Business Consumers

This Code does not apply to electricity business consumers with an MIC \geq 70kVA.; or with annual consumption \geq 150MWh (per site, or in aggregate for customers with multiple sites). This Code also does not apply to natural gas business consumers with annual consumption \geq 732,000 KWh.

Nothing in this Code of Practice is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligation to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.



1.1 For clarity, where a Supplier contracts with a third party for the provision of Sales Agents, the Supplier must ensure that the third party complies with all components of this Code. Any breaches of this Code by a third party will be deemed to be a breach by the Supplier.

A graphic consisting of a blue rounded square on the left containing the text 'Section 2: Recruitment and Training', followed by a large, light blue arrow pointing to the right.

Section 2: Recruitment and Training

Recruitment

- 2.1 A Supplier must put in place and follow procedures which are appropriate for the selection of those who are employed or engaged in roles which might involve or will involve communication with Customers for the purpose of its Marketing Activities. These procedures must be fully compliant with all current employment legislation.
- 2.2 If a Sales Agent ceases to represent the Supplier, the Supplier should ensure retrieval of the agent's ID card.
- 2.3 A Supplier must provide or procure appropriate training for all staff or other Representatives who communicate with Customers for the purposes of the licensee's Marketing Activities. This training should include, but not be limited to, training about the Supplier's obligations insofar as they affect Customers, including its obligations under this Code.

Training

- 2.4 Suppliers will ensure that as a minimum the training will:
 - 2.4.1 take into account the knowledge and skills necessary to fulfil the role.
 - 2.4.2 take into account changes in the market and to products/services, legislation and regulation.
 - 2.4.3 Insofar as possible be reflective of consumer ethnicity and diversity.
 - 2.4.4 be linked to a verifiable standard of competence measurement.
 - 2.4.5 include defined monitoring procedures to ensure consistency of training delivery.
 - 2.4.6 be effective and up to date.
Should contain details such as:
 - 2.4.7 relevant customer terms and conditions.
 - 2.4.8 relevant principles of consumer protection law.
 - 2.4.9 customer cancellation process.
 - 2.4.10 the procedure for handling customer complaints.
 - 2.4.11 the consequences of mis-selling or deliberately giving false information to a customer or any other such breach of this Code.

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Section 3: Doorstep Selling

- 3.1** If a Supplier engages in marketing calls at a consumer's premises, upon arrival, the Supplier must immediately:
- 3.1.1** Produce/Display an identity card, and if appropriate, a business card, which clearly displays their full name and photograph and the name, business address, contact number of the Supplier and an expiry date for validity of the card. Thereafter, the Supplier must always show the card to the consumer if asked. Sales Agents must not misrepresent themselves or the purpose of their visit.
 - 3.1.2** Give the consumer the reason for the visit and clarify if the consumer wishes to proceed with a presentation about the product(s) being sold. If they do not, the Supplier must leave the premises immediately and inform the consumer they can be removed from the contact list. The Supplier must tell the consumer that this option is available and action such removal if requested. A Supplier must be able to demonstrate that they are complying with this by keeping a 'not for contact' database.
 - 3.1.3** Provide the customer with a copy of the sales checklist (for the customer to keep) prior to the commencement of the sales pitch; this is to help the customer ensure that the agent has followed the correct procedure (See Annex A).
- 3.2** A consumer has the right to refuse to let the salesperson enter their premises, and may wish to end the conversation. If a customer indicates that the contact is unwelcome the salesperson must cease immediately and leave the premises.
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- 3.4** Sales Agents will:
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3.6 Sales Agents must provide the consumer in writing or by means of an electronic display, the unit rate which the customer will be charged for all products discussed.

3.6.1 Tariffs with standard unit rates should be shown in the following formats:

Display tariffs exclusive of VAT on a per unit basis.

Tariff Name	Pence per unit (ex. VAT)

Any annual or quarterly standing charges (included in any Tariffs with which include standing charges) (if applicable) must be shown as an annual or quarterly amount (or such other period e.g. ~~quartermonthly~~ as is applicable) exclusive of VAT that applies to the tariff. **To avoid any confusion caused by varying consumption levels agents will be prohibited from offering any quotes for the supply of energy to customers on an annual bill or annual amount basis. All quotations must be on the basis of unit rates only or standing/fixed charges by period with unit rates shown separately.**

This approach (to standing or fixed charges) should be applied to any other fixed charge applied by the Supplier. All associated fixed costs should be presented alongside unit rates and any discounts on unit rates in the same text and font size.

Tariff Name	Pence per unit (ex. VAT)	Standing Charge for Year/Period (ex. VAT)

Furthermore tariffs with any discounts being offered off the standard rate tariff of that Supplier should be clearly shown.

Each discount must be set out clearly in pence per unit alongside the standard unit rate to demonstrate the actual unit rate the customer will be charged (including any discounts) and the duration of any discount.

Note that the discounts used in the table below are for illustrative purposes:

	Standard Unit Rate	Discount A	Discount A/Discount B	Discount A/Discount B/Discount C
Pence per Unit (ex. VAT)	10.00	9.00	8.00	7.00

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- 3.6.3 For differently composed or more complex tariffs where additional tariff rate elements are included in the proposal, such as tiered unit charges, Time of Day charges, fuel price pass through, wholesale price pass through, seasonal tariffs etc, all the relevant required information should be clearly displayed.
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3.9 Where the customer enters into an Energy Supply contract the Sales Agent must provide the customer with a copy of the written unit rate(s) in one of the formats specified in Section 3.6 and obtain a signature from the consumer to confirm this. If it has been claimed savings can be made the "written information" must also include the relevant comparative information presented to the customer, as detailed Section 3.7 or a copy of the comparative information is left with the customer to keep.

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3.10.2 confirm that the customer has read and understood the doorstep/face-to-face sales checklist (where the customer is being signed up in person).

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3.11 Suppliers must design application literature such that the nature of the literature or forms is clear to the consumer. It must be made clear on the literature itself that the consumer is entering into a legal and binding contract and a statement of this nature should be immediately adjacent to where the consumer signs, so that the word CONTRACT or AGREEMENT cannot be obscured or concealed.

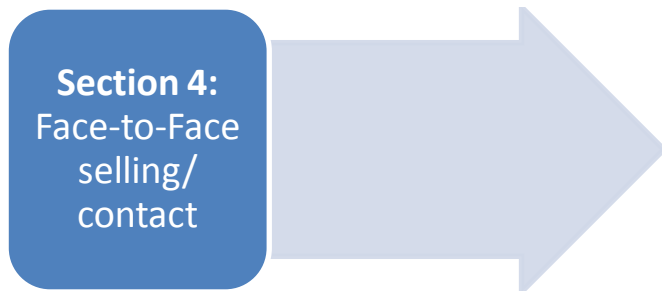
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3.12.3 state the proposed unit rates and any comparison given by a sales agent .

3.12.4 state the expected date of commencement of supply.



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- 3.10
- 3.11
- 3.12

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5.1 In any telephone call made by or on behalf of a Supplier to a customer for the purposes of marketing, the caller must, as soon as practicable, clearly identify:

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- ii. contact number (if requested by the customer);
- iii. the name of the Supplier on whose behalf the call is being made; and
- iv. the purpose of the call.

5.2 If told by a customer, at any time during a telephone conversation between the customer and the caller that the customer does not wish to continue, the caller must cease the phone call **immediately without attempting to change the customers mind.**

5.3 If told that they do not wish to be contacted again by the Supplier for telesales, the Supplier should adhere to this wish and place the customer on their 'not for contact list'.

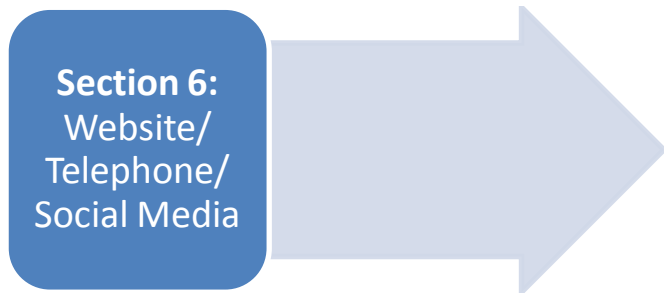
5.4 Suppliers will also use the Telephone Preference Service¹ which applies to Sole Traders and the Corporate Telephone Preference Service².

¹ <http://www.tpsonline.org.uk/tps/whatistps.html>

5.5 Contacting Customers - there are no specific time constraints on when business Consumers can be contacted. However Suppliers are asked to exercise reasonable judgment outside the Consumer's normal business hours. Suppliers should be aware that business opening hours vary before contacting the business consumer.

5.6 Similarly to Section 4 (Face-to-Face selling/contact) the following elements of Section 3 (Doorstep selling) will also apply:

- 3.1.3 (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.5
- 3.6 (this would be a follow up to the telephone call sent to customer as part of their 'written information')
- 3.7 (this would be a follow up to the telephone call sent to customer as part of their 'written information')
- 3.8 (as well as all telesales being recorded (regardless of whether a sign up occurs) and held for a minimum of 6 months)
- 3.9 (this would be a follow up to the telephone call sent to customer as part of their 'written information')
- 3.10
- 3.11
- 3.12



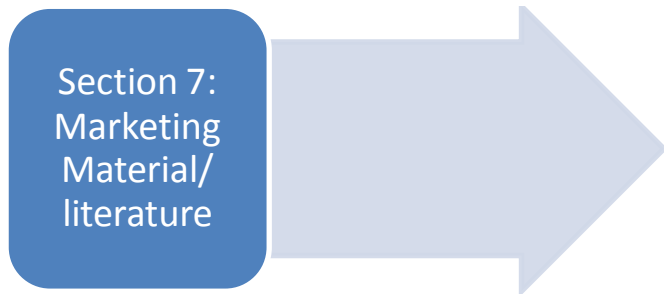
This Section applies when a customer proceeds with an application to switch online or via the telephone i.e. where the customer has proactively engaged with the Supplier.

² <http://www.tpsonline.org.uk/tps/whatiscorporatetps.html>

6.1 If a customer is 'signed up' via the website/internet then the Supplier must also comply with the following sections of this Code:

- 3.1.3 (follow up to website or telephone contact by the customer sent to customer as part of their 'written information')
- 3.5 – telephone only
- 3.6 – (follow up to website or telephone contact by the customer sent to customer as part of their 'written information' pack)
- 3.7 – (follow up to website or telephone contact by the customer sent to customer as part of their 'written information' pack)
- 3.8 (as well as all telesales being recorded (regardless of whether a sign up occurs) and held for a minimum of 6 months)
- 3.9 - (follow up to website or telephone contact by the customer sent to customer as part of their 'written information' pack except for the requirement for a physical signature on the rate sheet)
- 3.10 of this Code except for 3.10.3 for online sign up
- 3.11
- 3.12

6.2 Records of sales pages on the website, and updates to these, should be retained for a period of 2 years.



Marketing Materials will be all materials and information related to potential offerings including printed materials, information and information on websites

7.1 Suppliers, or those acting on behalf of the Suppliers, must ensure that any of their marketing material is legal, decent, honest, easily understandable and truthful.

7.2 Information contained in marketing literature should be as accurate and up to date as possible.

7.3 All marketing communications should respect the principles of fair competition.

7.4 Marketing communications must be in line, and fully compliant, with all current relevant advertising and marketing legislation.

7.5 Where marketing literature contains prices or price comparisons it must comply with those conditions set out in 3.6 and 3.7.



Section 8:
Marketing
by email /
via text
message or
Social Media

8.1 Suppliers may send electronic mail or SMS for direct marketing purposes in line with appropriate regulations.

8.2 Where a Supplier engages in marketing via e-mail to customers, the Supplier must provide the following information to customers:

8.2.1 the Supplier's name and address; and

8.2.2 the Supplier's e-mail address or other means of electronic contact; or

8.2.3 the Supplier's contact telephone number; and

8.2.4 an easy method of unsubscribing/ removing their email address from future messages at no cost to the customer. This should be clearly shown on the e-mail.

8.3 Where a Supplier engages in marketing via SMS to customers, the Supplier must provide the following information to customers:

8.3.1 the Supplier's name, and contact number; and

8.3.2 an easy method of unsubscribing/removing their mobile phone number from future messages at no cost to the customer

8.4 If the consumer chooses to opt out of future marketing the Supplier must not contact that consumer in any way for marketing purposes, unless the consumer has agreed or asked for further contact. The Supplier must suppress their details or move their details to a 'not for contact' file or database within 28 days. After that time, the consumer should not be contacted without their consent. A consumer may ask for written confirmation from the Supplier that they will not be contacted and this should be provided within 40 days of the request.

8.5 Where a Supplier employs agents to conduct direct marketing on its behalf, any requests from consumers to be removed from the database should be forwarded to that agent who must follow the same procedure.

8.6 A Supplier must be able to show that it is complying by keeping a 'not for contact' database.

8.7 Suppliers will also use the Telephone Preference Services³ which applies to Sole Traders and the Corporate Telephone Preference Service⁴.

8.8 In relation to Marketing by email/via text message or Social Media a Supplier must also adhere to the conditions laid out in Section 7 of this Code.



Section 9: Marketing by Post

9.1 If a Supplier or someone acting on their behalf carries out marketing by post they must also comply with Section 7 of this Code and respect the appropriate regulations applicable in Northern Ireland for all marketing communications.

9.2 Consumers are entitled to request that they no longer receive marketing material (i.e. marketing material which is addressed to them) from a Supplier.

³ www.tpsonline.org.uk/tps/whatistps.html or contact 0845 070 0707.

⁴ <http://www.tpsonline.org.uk/tps/whatiscorporatetps.html>



Glossary of Terms

Agent: An agent refers to a person or organisation which conducts marketing activities on behalf of electricity and natural gas Suppliers.

Consumer/customer: A consumer/customer can be either an existing or potential consumer/customer of an electricity and / or natural gas Supplier. In this document, consumer refers to business consumers only.

Marketing / Marketing Activities: Marketing activities refers to the practices of an electricity and / or natural gas Supplier when selling their services to a consumer.

Supplier: A Supplier refers to an electricity or natural gas company providing a supply of electricity or natural gas in Northern Ireland

Banned Practices: are any practice banned under the Consumer Protection from Unfair Trading Regulations 2008.

“Code”: or “Marketing Code of Practice” means this Code of Practice for the Marketing of Energy Supply.

‘Written Information’ is information supplied to a consumer/customer after a sale has been made. It can be sent via post or via e mail.

Doorstep Selling: Doorstep selling is when someone sells services in someone's home or on their doorstep.

Face-to-Face Selling/Contact: Face-to-face selling and contact with customers is taken to mean any situation whereby a sales representative of the energy supplier comes into contact with a potential customer (e.g. trade shows)

Cooling off period: refers to the Period of time after a purchase during which the purchaser has the right to return goods for a refund, or to cancel a contract without penalty

Annexe A – Sales checklist format

Suppliers are free to brand the checklist, however the checklist should state the following as is:

Energy Sales Checklist

The Utility Regulator requires all suppliers to give potential customers a copy of this checklist before signing them up for an account.

Please go through each question and make sure that the sales agent has covered each step.

Did the agent:

- a) In the case of face-to-face or doorstep, show you his/her identification card and tell you which company they are working for?
- b) Go through the products on offer and explain the charges to you?
- c) Explain how any discounts will be applied to your account?
- d) Explain the key terms and conditions of supply?
- e) Explain how long the contract applies for?
- f) Explain how you will be billed?
- g) Explain how to make payments on your account and any budgeting options available? By direct debit, in cash
- h) Explain any deposit that may apply to your account?
- i) Explain any penalties that apply if you do not meet the terms of the contract?
- j) Explain how to cancel your contract if you change your mind? (Applies to Domestic Customers only)
- k) Explain how your existing account will be closed and your new account will be opened
- l) Give you a copy of your terms and conditions and the rates that apply to your account or explain how these will be sent to you?
- m) Confirm that you understand that you are switching to a specified product with a specified payment method and explain any fixed term conditions you are agreeing to as part of the contract. This should include duration and any applicable exit fees and any other specific conditions of the fixed term.
- n) Provide you with details of the cooling off period (Applies to Domestic Customers only) that applies and how to go about cancelling their request to switch supplier within that cooling off period (in line with existing legislation).
- o) Confirm that you have read and understood this checklist?

If you believe our agent has acted inappropriately or you would like to confirm any aspect of your new account you can contact our customer services team: INSERT SUPPLIER CONTACT DETAILS WHICH WILL, AS A MINIMUM, INCLUDE A SUPPLIER (not Agent) TELEPHONE NUMBER.

Appendix V
Consultation Responses



127 Baggot Street Lower,
Dublin 2,
Ireland.

20th December 2013

Nicola Sweeney,
The Utility Regulator,
Queens House,
14 Queen Street,
Belfast.
BT1 6ED
By email

RE: ENERGY SUPPLIER MARKETING CODE OF PRACTICE

Dear Nicola,

The Retail WG of the EAI has discussed the second consultation paper on the implementation of an Energy Supplier Marketing Code of Practice in Northern Ireland. The EAI believes that the proposals in the consultation paper include a number of important and welcome amendments to the proposals outlined in the initial consultation paper published earlier in 2013. While individual member suppliers of EAI may have some prescriptive comments on the consultation the EAI can confirm that it has no further substantive comments on this paper.

The EAI Retail WG would like to extend its appreciation of all the work undertaken by the UR in 2013 and we look forward to working closely with you in 2014.

Yours sincerely,

A handwritten signature in black ink that reads 'Owen Wilson'.

Owen Wilson
Chief Executive,
Electricity Association of Ireland



THE UTILITY REGULATOR'S CONSULTATION ON CODE OF
PRACTICE ON MARKETING

AIRTRICITY RESPONSE TO
THE UTILITY REGULATOR

DECEMBER 2013

INTRODUCTION

Airtricity welcomes the opportunity to comment on the second consultation on a marketing code of practice.

Airtricity is the largest independent supplier operating in Ireland with over 800,000 customers served across both electricity and natural gas markets. Airtricity is committed to the development of competition in energy markets in Northern Ireland and to presenting its customers with choice and quality customers services.

GENERAL COMMENTS

Airtricity welcomes the UR's second consultation in relation to the marketing code of practice. The revised code provides suppliers with the opportunity to implement the UR's measures to protect customers from inappropriate sales activities while retaining their ability to determine practices and the best way of doing this for their business. The revised code also gives appropriate recognition to the differences between domestic and commercial customers. It is essential that the UR considers how best to implement requirements for different customer categories appropriately and this is reflected in the amendments made in this second consultation.

Airtricity welcomes the changes and believes further clarification on a small number of points would enhance the paper further.

3.7.1 Clarification is required in relation to the clause setting out that tariffs with standing charges must be shown as annual amounts. Airtricity believes the intention of this clause is that the standing charges or fixed charges would be shown as annual amounts rather than the unit rates, but it could be interpreted differently.

3.8 The UR has indicated that comparisons may not be given on an annual basis to avoid different consumptions being used. While we recognise the intention of this clause, we believe it would be useful for the UR to issue industry standard annual consumptions for this purpose. Average consumptions are regularly quoted in media and marketing material and this would allow comparison for an average customer to be used in this type of material.

3.10 There is a requirement within this clause to obtain a signature from the customer to confirm they have been presented with a copy of the unit rate in writing in line with clause 3.7. Clause 3.7 allows for the unit rate to be presented electronically. As such the customer is presented with the unit rate but is provided with a copy of the rate again by follow up written communication. Separately, clause 3.10 is a requirement under additional sections of the marketing code of practice where it would not be possible to obtain a signature of confirmation e.g. the information is issued in writing following a telephone or web based sign up. This needs to be appropriately worded to reflect the type of sale.

5.6 & 6.1 both require suppliers to record and retain telesales calls regardless of sign up for six months. Airtricity is concerned that there are data protection implications associated with retaining calls containing personal customer data where the customer has decided not to proceed with a sale. Our understanding is that a supplier is not entitled to retain this information. Airtricity seeks confirmation that the UR has confirmed that this is legally acceptable under data protection legislation.

9.2 This section states Suppliers may not pass on any information they hold on a customer to any third party. This requires clarification, as suppliers may legitimately be entitled to pass on information under limited circumstances. For example, a customer may have signed up to third party offers through their supplier and therefore agreed to having their information passed on. Airtricity believes the

intention of this clause is to prevent Suppliers from passing on customer information without consent and this could be clarified further.



The Consumer Council

Elizabeth House
116 Hollywood Road
Belfast
BT4 1NY

**Nicola Sweeney
The Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ER**

20 December 2013

Dear Nicola

Re: Second Consultation on the implementation of an Energy Supplier Marketing Code of Practice in Northern Ireland (Pursuant to September 2013 IME3 Licence Modifications)

The Consumer Council (CCNI) welcomes the opportunity to respond to this consultation. We also thank the Regulator for the opportunity to inform the development of this Code from a consumer perspective, including our presentation at the workshop on 21 March 2013.

Overall comments

The major change from the first consultation from is the Utility Regulator (UR) decision to create two separate Marketing Code of Practice for domestic gas and electricity users and for businesses. These would not apply to I&C businesses with electricity capacity

over 70KV_a or gas consumption exceeding 723,000kWh. CCNI recognises the different characteristics of those three market segments, particularly around consumer vulnerability, contact hours, applicability of cooling off period etc. Therefore we support UR's decision.

Also, having examined the proposed changes in detail, we remain of the opinion presented in our response to the first consultation in February 2013 that the amended Codes should deliver strong consumer protection in the area of sales and marketing. We would ask UR to take every reasonable step to ensure that the final codes are in place as soon as possible, particularly given that the IME3 licence changes came into effect in September 2012.

As a word of caution, and particularly looking at the experience in the electricity/gas markets in GB, CCNI believes that the success of the final Marketing Code will ultimately depend on the timely development and implementation of an effective monitoring and enforcement regime. CCNI would like to reiterate our commitment to working with UR in developing this framework during 2014.

Following on from that last point, CCNI is concerned with UR's repeated references throughout this second consultation paper to liaising with "consumer representatives". CCNI recognises the value that engagement with the third sector can provide in ensuring a strong representation of consumers' views and interests within the existing regulatory processes. However, we would like to remind UR that CCNI remains the statutory consumer

representative in Northern Ireland, particularly in the areas of energy transport, sewerage and water. Therefore this should be unequivocally and consistently reflected in the final decision paper and the marketing codes of practice.

CCNI would like to raise an issue in relation to Section 1 of the Code, Third Parties. Since the closing of the first Marketing Code consultation, CCNI has gathered anecdotal evidence highlighting activities from so called “energy brokering” companies offering domestic and business consumer independent switching advice.

Our understanding is that in reality those companies have agreements in place with individual suppliers and receive a commission for every switch that they complete. As a result consumers might not be switching to the more favourable of suitable supplier/payment method. We ask UR to consider this information and review Section to ensure that such “hidden” sales practices are covered by the Code.

Consultation questions

CCNI would like to make more specific comments on some of the proposed changes. I have outlined below CCNI’s comments on the proposed changes as per questions one to 15. Where we haven’t made a comment, this indicates CCNI’s full support for UR’s proposals.

Q1. Do respondents agree that there should be a separate Marketing Code of Practice for domestic customers and business customers?

CCNI acknowledges the feedback provided by industry around this issue and support UR's decision to create separate Marketing Code of Practice. However, the creation of two separate codes should not result in diluted provisions. We are satisfied based on the proposed changes by UR that this will not be the case.

Q2. Do respondents agree that the scope of coverage of the Code for business should cover all businesses under 70KVA for electricity and 72,300 for gas?

CCNI is of the opinion that medium and small size businesses require strong protection in this area of marketing and sales. The threshold proposed by UR should ensure relevant protection to those business that are most likely to need it.

Q3. Do respondents agree that compliance with the Code will not have a significant cost impact? If not, please provide robust quantifiable analysis and rationale as to the likely cost impact.

CCNI stated in our response to the February 2013 consultation that we believe that suppliers' current marketing and sales activities are to some degree compliant with the proposed Code. Therefore we

cannot foresee that the implementation of the Code will have a significant cost impact.

We are disappointed that suppliers have described the proposed Code as “onerous” despite failing to provide any evidence supporting the claim at any stage of the consultation process. CCNI supports UR’s view that suppliers are responsible for providing “robust rational and quantifiable analysis”, particularly in relation to cost impact.

Q4. Do respondents agree with the removal of references to specific legislation and codes which the UR or Suppliers have no input into from the Code? If not please provide robust rationale as to why.

CCNI notes the proposal. However, the legislation and codes as referred to in question 4 above did not appear to be sufficiently effective in preventing the occurrence of the issues around marketing and sales activities in Northern Ireland that we highlighted in our presentation on 21 March 2013 and our response to the first consultation. Therefore CCNI believes that the removal of those references places a greater onus on the Regulator to deliver a strong Code with a robust monitoring and enforcement regime to support it.

Q5. Do respondents agree that the Marketing Code of Practice should have sufficient detail to ensure that it is clear what is

expected from energy suppliers and that a uniform approach is taken by all?

CCNI believes strongly that every section of the Code must be sufficiently prescriptive, and expand on the legal requirements set out in the licence. Otherwise we would be simply reiterating the same provisions that are already covered in the licence. By setting a prescriptive code we will achieve two objectives that are fundamental to the effectiveness of the Code:

- Ensuring that compliance with the Code can be monitored and enforced effectively; and
- Helping achieve high consistent standards across all suppliers.

In our opinion the proposed Code strikes a fine balance between being prescriptive and allowing suppliers the scope to innovate. Moreover, from speaking to suppliers, the majority of them do already meet the proposed requirements.

Q6. Do respondents agree with the URs' proposal to remove Sections 2.2.1 -2.4.4?

In our response to the February 2013 consultation, CCNI sought assurances from UR that under the final Code suppliers will be at least obliged to meet existing employment legislation.

CCNI recognises that despite the removal of sections 2.2.1 to 2.4.4, UR amended wording of section two of the Code requires that suppliers' procedures "must be fully compliant with all current employment legislation." We view this as be the absolute minimum required to ensure the safety and wellbeing of consumers. Particularly given that sales agents are likely to have access to the inside of consumers' homes as part of their doorstep selling activities.

Q7. Do respondents agree with the URs' proposal for Section 2.5 and 2.6 to remain in the Code?

CCNI welcomes and support fully UR's proposal to maintain the provisions in training set out in Section 2.5 and 2.6 in the Code. We view these as essential minimum safeguards that help ensure the consistent operation of fair, honest and transparent marketing and sales activities across all suppliers.

Q8. Do respondents agree with the current & revised proposals made to Section 3 of the marketing Code of Practice

CCNI shares UR's view that if doorstep selling is practised, "it should be carried out under clear guidelines for the protection of consumers". In this context we are broadly satisfied and supportive of the proposals under Section 3 of the Code; in particular around unit rate detail and maintenance of records.

However, given the experience with energy suppliers in GB, we would welcome the inclusion of a provision in the final Code enabling UR to put a stop to doorstep selling. This might prove necessary as the energy markets here reach maturity.

We note the proposals in relation to contact hours. However, CCNI will monitor any complaints received about this provision and will raise any issues with UR if/where appropriate.

CCNI is surprised with UR's proposal to remove the requirement on suppliers to register with the "Quick Check" scheme stating that "it is no longer viable". Our understanding is that some local suppliers are already using the Quick Check successfully. Therefore we would ask UR to reconsider the decision or to provide robust evidence supporting their decision.

Q9. Do respondents agree with the current revised proposals made to Section 4 of the marketing Code of Practice

Yes.

Q10. Do respondents agree with the current revised proposals made to Section 5 of the marketing Code of Practice

Yes.

Q11. Do respondents agree with the current & revised proposals made to Section 6 of the marketing Code of Practice

CCNI support UR's proposals under Section 6 of the amended Code. In particular we welcome the requirement to provide a copy of the checklist as a follow up and to record and store sales calls.

With regards to the later, we ask UR to consider adding a requirement on suppliers to keep details of all marketing and sales calls for two years. This could be restricted to the time and date of the call and consumer name. CCNI has experience from complaints where suppliers have claimed not having a record of a consumer's calls. However, in most cases the consumer was able to provide proof from the telephone service provider. The requirement could help prevent similar issues with regards to sales calls.

Q12. Do respondents agree with the current revised proposals made to Section 7 of the marketing Code of Practice

CCNI support UR's proposals. CCNI has a strong record of working with gas and electricity companies as well as UR itself to help develop consumer focused information materials, bills and more. CCNI remains committed to continue liaising with all the companies in this area of activity to ensure that any future marketing materials are consumer focused and compliant with the requirements set out in the Code. We ask UR to reflect this in the final decision paper.

Q13. Do respondents agree with the current revised proposals made to Section 8 of the marketing Code of Practice

Yes.

Q14. Do respondents agree with the current & revised proposals made to Section 9 of the marketing Code of Practice

Yes.

Q15. Do respondents agree with the proposals for monitoring and enforcement of the Code?

CCNI agrees with the Regulator that it is essential that effective monitoring and reporting systems are introduced. This the best way to ensure that suppliers comply with the requirements set in the Code and also help identify emerging issues that need addressed. CCNI has successfully adopted the same approach to our complaints handling role and worked closely with electricity and gas suppliers.

CCNI supports the implementation of a regulatory monitoring regime to ascertain compliance with the IME3 codes, including the Marketing Code. UR had made the proposal in the February 2013 consultation. CCNI has already held discussions with the Regulator around this area and we remain committed to assist the Regulator develop and implement this regime during 2014 in our role as the statutory consumer representative.

CCNI acknowledges the Regulator's approach of enforcement through a "trigger" approach. CCNI welcomes the recognition of our complaints handling role as a monitoring tool and reiterate our commitment to continue working with the Regulator and suppliers to help identify and address potential breaches in relation to the Code.

Proactive and reactive monitoring. While Trading Standards Service and CCNI have a role to play, we welcome the Regulator's indication that Suppliers will be responsible for demonstrating their compliance with their Code.

If you wish to discuss the attached in more detail, please do not hesitate to contact me by e-mail at pgarcia@consumercouncil.org.uk or by phone on 028 9067 4839.

Yours sincerely

Paulino Garcia
Consumer Affairs Officer (energy)



**Response by Energia to the Utility
Regulator Consultation published October
2013**

***Second Consultation on the Marketing Code of
Practice (Pursuant to September 2012 IME3 Licence
Modifications)***

20 December 2013

1. General comments

Energia welcomes this opportunity to respond to the Utility Regulator's Second Consultation Paper on a new mandatory Code of Practice for electricity and gas suppliers in Northern Ireland pursuant to IME3 licence modifications implemented in September 2012.

We note that the proposed Marketing Code of Practice has been heavily revised since first published for consultation in February 2013. To a large extent the revised Code has taken into consideration our previous comments and concerns and this reflects well on the Utility Regulator's (UR) open and constructive engagement throughout this process.

We do have a small number of outstanding issues with the revised Code (for Business customers) and these are detailed below for the UR's consideration.

2. Comments relating to specific sections of the Code for Business Customers

Section 2 – Recruitment and Training

Section 2.4.4 refers:

“be linked to a verifiable standard of competence measurement”.

Section 2.4.5 refers:

“include defined monitoring procedures to ensure consistency of training delivery”.

It would be helpful to clarify the above and what might be expected of suppliers. Whilst we recognise that detailed and prescriptive clarification in the Code would be cumbersome and may not be appropriate we would welcome the opportunity to discuss further with the UR its understanding of these requirements and how they can be reasonably discharged.

Section 3 – Doorstep Selling

Section 3.6.1 refers:

“...Furthermore tariffs with any discounts being offered off the standard rate tariff of that Supplier should be clearly shown.

Each discount must be set out clearly in pence per unit alongside the standard unit rate to demonstrate the actual unit rate the customer will be charged (including any discounts) and the duration of any discount”.

We suggest that the above should be replaced by “The final unit rate the customer pays should be clearly communicated and displayed”. Reference to discounts in the Code should be qualified with the term ‘where applicable’ and the above requirement to clearly communicate and display the final rate the customer pays should be the overriding requirement. If this is clear, discounts (if applicable) are of second order importance.

Section 3.8 refers:

“...In the event of no sale being made Suppliers must retain sufficient information to allow the identification of the Sales Agent involved for a minimum of 1 year”.

It is not clear why this requirement is necessary for Business customers and from a logistical point of view it could present a problem. We would welcome the opportunity to discuss this point further with the UR.

Section 3.9 refers:

“Where the customer enters into an Energy Supply contract the Sales Agent must provide the customer with a copy of the written unit rate(s) in one of the formats specified in Section 3.6 and obtain a signature from the consumer to confirm this. If it has been claimed savings can be made the “written information” must also include the relevant comparative information presented to the customer, as detailed Section 3.7 or a copy of the comparative information is left with the customer to keep”.

We have some difficulties with this and would welcome the opportunity to discuss further and explain why with the UR.

Section 6 - Website/Telephone/Social Media

Section 6.2 refers:

“Records of sales pages on the website, and updates to these, should be retained for a period of 2 years.”

It would be important to understand with reference to the above more specifically is expected of suppliers. A discussion with the UR would be helpful to clarify and explain.

Annexe A – Sales checklist format

We are currently reviewing our existing customer checklist against the requirements proposed in the Code and will revert in January 2014.

20th December 2013

Nicola Sweeney
Utility Regulator
Queen's House
14 Queen Street
Belfast
BT1 6ER

Dear Nicola,

Re: SECOND CONSULTATION ON THE MARKETING CODE OF PRACTICE (Pursuant to September IME3 modifications)

Thank you for providing firmus energy with this opportunity to respond to the above consultation.

Since 2005, firmus energy has brought the benefits of natural gas to over 21,000 homes and businesses in our network area (which runs from Londonderry to Warrenpoint/Armagh via Antrim), and we also now supply over 45,000 customers in Greater Belfast and Larne with natural gas. We have done this by:

- Currently providing consumers with the lowest gas price¹ in the United Kingdom;
- Maintaining the highest level of customer service of any regulated energy company in Northern Ireland²;
- Developing a safe and robust gas distribution network. We have never received a road authority fine during the construction of our network which currently spans over 830 km; and
- Maximising the development of our network, whilst seeking additional regulatory permission to extend our network to areas and customers that were not included

¹ Utility Regulator's, Q3 2013 Quarterly Transparency Report, November 2013.

² Enquires and Complaints Report 2012-13, July 2013, Consumer Council.

within our original business plan assumptions. Therefore, in addition to our original licence area we have negotiated with the Utility Regulator eight additional extensions (Portstewart, Ballyclare, Warrenpoint, Craigdoo, Coleraine Quarries, Bushmills, Bessbrook, and the Glenavy and Crumlin area) over and above our original “Ten Towns” business plan.

firmus energy has always been committed to working with the Utility Regulator, DETI, the Consumer Council and other stakeholders in order to maximise the benefits of natural gas to as many consumers as possible and bring the benefits of cheaper energy to the local economy in Northern Ireland - in a socially responsible and consumer focused manner. To that end, we welcome the opportunity to respond to this consultation.

Our commitment to customers and doing the right thing has been shown as we were the first natural gas company to sign up to the Consumer Council’s voluntary *“Marketing Code of Conduct for Natural Gas and Electricity Suppliers in Northern Ireland”*.

Currently, firmus energy is unique in Northern Ireland by having both a distribution and supply business. We were therefore the first energy company to gain approval from the Utility Regulator and the Consumer Council for the following IME3 codes of practice:

Distribution:

- Marketing Code of Practice;
- Complaints Handling Code of Practice; and
- Information Code of Practice;

Supply:

- Efficient Use of Energy Code of Practice;
- Payment of Bills – Code of Practice (Gas);
- Payment of Bills – Code of Practice (Electricity);
- Services for Pay as You Go Customers – Code of Practice;
- Complaints Handling – Code of Practice; and
- Provision of Services for Persons who are of Pensionable Age of Disabled or Chronically Sick.

We have set out our comments below, tracking (for ease of reference) the numbering used in your consultation.

Q1. Do respondents agree that there should be a separate Marketing Code of Practice for domestic and business customers?

firmus energy is of the opinion that there should be separate Marketing Codes of Practice for Domestic and Business customers. We are conscious of the importance in protecting all consumers, both domestic and business, however agree that the practicalities and relevance of having a “*one code for all*” approach would not be as effective as two separate codes.

Q2. Do respondents agree that the scope of coverage of the Code for business should be to cover all businesses under 70 KVA for electricity and 72,300 kWh for gas?

firmus energy believes the scope of the proposals are appropriate in relation to meeting the requirements for domestic customers as well as small business customers. The proposals are in line with our opinion that the firmus energy large I&C contract customers do not require the same protection afforded to other customers. This is due to contract customers’ knowledge of the energy markets and the detailed, bespoke contracts that they individually negotiate.

Q.3 Do respondents agree that compliance with the Code will not have a significant cost impact? If not, please provide robust quantifiable analysis and rationale as to the likely cost impact?

firmus energy recognises that there are aspects of the original draft marketing code that have since been removed and, as a result, this has lessened to some extent, the potential financial burden on suppliers in relation to code compliance. These areas included recruitment of sales staff, customer information retention, and new customer additional contact within seven days.

However, firmus energy still anticipates significant costs being incurred through the need to put in place the remaining internal procedures, business processes and IT / database systems to ensure compliance with the Marketing Code of Practice. It is these internal processes that the Utility Regulator will be requiring to be demonstrated to ensure correct monitoring and enforcement. (see question 15)

firmus energy is of the opinion, as suggested by Power NI, EAI and Airtricity, that the Utility Regulator should carry out a detailed cost benefit analysis of the process for the aid of stakeholders and indeed the domestic and business customers. We believe the obligation to provide a cost benefit analysis lies with the Utility Regulator as it is their responsibility, as directed in the IME3 package, to produce the Code of Practice. By completing a detailed and fully researched Cost Benefit Analysis the Utility Regulator would then be in position to fully justify the items included in the Marketing Code of Practice.

As part of an initial analysis of the changes needed to implement the new internal processes, there are a number of areas where firmus energy would envisage increased costs.

1) Internal and External (parental recharge) Manpower

Any new internal processes resulting from the new marketing code are likely require an input from the Business Projects Manager, Business Process Officer, Regulatory Analyst, Systems Analyst, Database and Systems Analyst, External IT and Systems Contractors, Customer Operations Manager, Billing advisors, Sales Managers, Sales Advisors and relevant Senior Management. Each internal process is unique and will require varying levels of manpower, however even the most straightforward of processes may employ over 200 hours of manpower in its development and implementation.

2) External Mailing House Services

firmus energy uses the services of an external Mailing House and this would be required for the function of posting additional information to new doorstep sales customers signed up as currently there is insufficient resource within firmus energy to handle the volume of switches.

3) External Marketing Consultancy

To ensure all literature and printed documents are now produced in compliance with the marketing code of practice. This also applies to any marketing carried out using Social Media (Twitter, Facebook, etc), Television and Radio.

4) External and Internal Training

Sales Managers, Sales Advisors and our "Feet-on-the-Street" may require additional In-house training and/or external training to ensure all aspects of the Marketing Code in this area are adhered to.

5) ID Cards

Amended Identification cards including expiry dates would need to be manufactured.

Q4. Do respondents agree with the removal of references to specific legislation and codes which the UR or Suppliers have no input into from the Code? If not please provide robust rationale as to why.

firmus energy agrees that the removal of references to specific legislation is necessary to ensure that the areas of contention and confusion relevant to overlap, reference and conflict with other legislation or Codes is mitigated as far as possible. Furthermore, firmus energy supports EAI's concerns regarding overlap and the possibility that a supplier could face action from two bodies as described in Para 2.27.

Q5. Do respondents agree that the Marketing Code of Practice should have sufficient detail to ensure that it is clear what is expected from energy suppliers and that a uniform approach is taken by all?

firmus energy agrees that there should be sufficient detail within the code to ensure there is a clear understanding of what is expected from the energy suppliers. However, we would also reiterate that this detail should be provided with consideration of the principle that the Code should not be overly prescriptive or unduly onerous. firmus energy believes the focus of the Code should be on outcomes, to ensure negative, anti-consumer practices, do not occur.

Q6. Do respondents agree with the URs' proposal to remove Sections 2.2.1 - 2.4.4?

firmus energy is of the opinion that Sections 2.2.1 – 2.4.4 should be removed, as the recruitment process is adequately covered in existing employment legislation. In addition to this, we would also reiterate the possibility that the Code, prior to these amendments, was contravening employment law.

Q7. Do respondents agree with the UR's proposal for Section 2.5 and 2.6 to remain in the Code?

firmus energy has no issue with Sections 2.5 and 2.6 remaining within the Code, as proposed by the Utility Regulator. firmus energy has a comprehensive training programme

which currently adheres to these proposed conditions, and this is reflected by the previously mentioned absence of customer complaints

Q8. Do respondents agree with the current & revised proposals made to Section 3 of the marketing Code of Practice?

firmus energy supports the extension of the doorstep selling hours from 7 pm to 8 pm during weekdays.

With regard to the Unit Rate detail and format, we would restate our concern that making the code overly prescriptive could prevent suppliers differentiating themselves and also could prove confusing to the consumer. We suggest that the Utility Regulator considers the stakeholders' differing opinions and also engages in market research to establish the level of detail that a typical consumer feels comfortable to receive.

firmus energy is concerned that a fraudulent salesperson could confuse potential customers with excessive information regarding unit rates, VAT, seasonal tariffs, fuel price pass-through, tiered rates, consumption levels, comparison costs, dual fuel bundles, etc.

firmus energy supports the removal of the requirement that suppliers keep details of customers even where a sale was not made. Furthermore, we support the decision to remove the requirement that every customer should be contacted again post-sale within 7 days.

Q9. Do respondents agree with the current revised proposals made to Section 4 (Face to Face Selling / Contact) of the marketing Code of Practice?

firmus energy supports the decision that face to face selling at events or in retail and shopping centres can be carried out in accordance with the event times and opening times of the venue in question.

Q10. Do respondents agree with the current revised proposals made to Section 5 (Telesales) of the marketing Code of Practice?

firmus energy does not have any issue with Section 5 of the Code (Telesales), and supports the decision to remove the requirement for the checklist to be provided prior to commencement of the telesales pitch.

Q11. Do respondents agree with the current & revised proposals made to Section 6 (Website / Telephone) of the marketing Code of Practice?

Further to our previous concerns regarding the clarity of requirements in this section and the resulting confusion and possible annoyance that could occur from follow up calls to an online application, we are in support of the amendments made to the Code in this regard.

Q12. Do respondents agree with the current revised proposals made to Section 7 (marketing Material / Literature) of the marketing Code of Practice?

firmus energy supports the removal of references to other legislation from this section as suppliers will have to comply with these legal obligations regardless of whether it is specifically mentioned in the Code.

Q13. Do respondents agree with the current revised proposals made to Section 8 (Marketing by email/via text message or Social Media) of the marketing Code of Practice?

firmus energy supports the Utility Regulator's revised proposal reflecting the finite number of characters available in an SMS / text message and the resulting removal of the requirement to include a supplier address.

Q14. Do respondents agree with the current & revised proposals made to Section 9 (Marketing by Post) of the marketing Code of Practice?

As with our previous response to the first consultation, firmus energy has no specific comments to make on this section of the code.

Q15. Do respondents agree with the proposals for monitoring and enforcement of the Code?

firmus energy agrees with the logic behind the trigger mechanism in relation to customer complaints received by the Consumer Council etc.. We believe this already works well, is a process understood by consumers and the energy companies, and supports the promotion

of overall consumer protection and satisfaction. Furthermore, we support the notion that a trigger event would not occur as a result of a single complaint or isolated incident.

As stated in our previous marketing code consultation response, firmus energy awaits the outcome of the wider market monitoring framework currently being developed and to be consulted on in due course. This framework, which is analysing and recording the level of complaints and other indicators in relation to marketing, should give the Regulator and Stakeholders further insight into what is required for an effective monitoring and enforcement process.

Yours sincerely

A handwritten signature in black ink that reads "John". The script is cursive and elegant.

John French

Head of Regulation and Pricing



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Nicola Sweeney
Utility Regulator
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20 December 2013

Dear Nicola,

Utility Regulator's Second Consultation on the Marketing Code of Practice

Power NI welcomes the opportunity to respond to the above consultation published by the Utility Regulator (UR) and notes the request to avoid repeating comments made in earlier submissions.

The principles and goals of a Marketing Code of Practice have remained in place and Power NI continues to support the UR in the attempts to secure such customer outcomes. The main changes made by the UR in the updated consultation i.e. the removal of legislative conflicts and split of domestic and non-domestic have significantly improved the Code and will enhance the practical application of marketing activities. Power NI welcomes this development and the willingness shown by the UR to reflect on feedback provided.

Within the consultation the UR has asked specific questions, Power NI has provided answers as requested within Appendix 1. Should the UR have any queries regarding any aspect of this consultation response please do not hesitate to contact me.

Yours sincerely

William Steele
Power NI

Appendix 1

Q.1 Do respondents agree that there should be a separate Marketing Code of Practice for domestic customers and business customers?

Power NI agrees that a distinction should be made between large electricity users, other business users and domestic customers.

Q.2 Do respondents agree that the scope of coverage of the Code for business should be to cover all businesses under 70kVa for electricity and 72,300 kWh for gas?

Power NI agrees that the 70kVa threshold for electricity customers strikes a reasonable balance.

Q.3 Do respondents agree that compliance with the Code will not have a significant cost impact? If not, please provide robust quantifiable analysis and rationale as to the likely cost impact.

Power NI notes that the UR has considers that the implementation of the Marketing Code of Practice will not incur significant cost. While the removal of many of the legislative conflicts will ensure that suppliers avoid costly the resolution of such conflicts suggestions such as the provision of a physical copy of the Sales Checklist with 'written information' post telephone or website sales will increase printing and postage costs.

Q.4 Do respondents agree with the removal of references to specific legislation and codes which the UR or Suppliers have no input into from the Code? If not please provide robust rationale as to why.

Power NI welcomes this development.

Q.5 Do respondents agree that the Marketing Code of Practice should have sufficient detail to ensure that it is clear what is expected from energy suppliers and that a uniform approach is taken by all?

Power NI does believe that the Code should have a level of detail that ensures that the expectation on suppliers is clear, that the outcomes are transparent and that it equally applies to all. The earlier version of the Code was excessively prescriptive and created conflicts of requirement. Power NI welcomes the UR's steps to address this issue.

Q.6 Do respondents agree with the URs' proposal to remove Sections 2.2.1 – 2.4.4?

Power NI supports the removal of Sections 2.21 – 2.4.4

Q.7 Do respondents agree with the URs' proposal for Section 2.5 and 2.6 to remain in the Code?

Power NI believes that appropriate training is fundamental and that it is in a supplier's interest to ensure the training of its agents deliver the principles and goals of the Marketing Code of Practice as the agent is representing the company when interacting with the consumer. The training section does provide a reasonable high level framework however Power NI is unsure as to the meaning of a "verifiable standard of competence measurement" and would welcome the UR clarifying the revised Section 2.4.5

Q.8 Do respondents agree with the current & revised proposals made in Section 3 of the Marketing Code of Practice?

Power NI has no further comments on the current & revised Section 3 of the Marketing Code of Practice

Q.9 Do respondents agree with the current revised proposals made to Section 4 of the Marketing Code of Practice?

Power NI has no further comments on the current & revised Section 4 of the Marketing Code of Practice

Q.10 Do respondents agree with the current revised proposals made to Section 5 of the Marketing Code of Practice?

Power NI has no further comments on the current & revised Section 5 of the Marketing Code of Practice

Q.11 Do respondents agree with the current revised proposals made to Section 6 of the Marketing Code of Practice?

Power NI has no further comments on the current & revised Section 6 of the Marketing Code of Practice

Q.12 Do respondents agree with the current revised proposals made to Section 7 of the Marketing Code of Practice?

Power NI has no further comments on the current & revised Section 7 of the Marketing Code of Practice

Q.13 Do respondents agree with the current revised proposals made to Section 8 of the Marketing Code of Practice?

Power NI has no further comments on the current & revised Section 8 of the Marketing Code of Practice

Q.14 Do respondents agree with the current revised proposals made to Section 9 of the Marketing Code of Practice?

Power NI has no further comments on the current & revised Section 9 of the Marketing Code of Practice

Q.15 Do respondents agree with the proposals for monitoring and enforcement of the Code?

Power NI believes that the proposals for monitoring and enforcement represent a balanced approach.