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# Code of Practice for Non-Domestic Third-Party Intermediaries

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## INTRODUCTION

This Code of Practice applies to Third Party Intermediaries operating in the Non-Domestic gas and electricity supply market in Great Britain.

For the purposes of this Code of Practice, a Third Party Intermediary (TPI) is an organisation or individual that, either on its own or through arrangements with other organisations or individuals, provides information and/or advice to a Non-Domestic Consumer about an Energy Supplier's charges and/or other terms and conditions and whose payment or other consideration for doing so is made or processed by that Energy Supplier.

This Code of Practice currently applies on a voluntary basis. TPIs are not compelled by law to comply with this Code of Practice, but it is hoped that TPIs will choose to comply with this Code of Practice. Consumers and Suppliers who deal with TPIs may also choose to deal only with TPIs who agree to comply with this Code of Practice.

This Code of Practice has been produced and is administered by RECCo. RECCo is the independent body which administers the Retail Energy Code – the Ofgem regulated energy code which governs the retail aspects of the gas and electricity markets in Great Britain. If you have any queries concerning this Code of Practice, please contact us at [recco\\_strategy@retailenergycode.co.uk](mailto:recco_strategy@retailenergycode.co.uk).

## 1 PRINCIPLE 1: TRANSPARENCY & ACCURACY

The purpose of this principle is to empower Consumers to make informed purchasing decisions.

- The TPI must provide clarity from the outset of its dealings with the Consumer that the TPI is an intermediary, and must not misrepresent itself as anything other than a TPI in its communications.
- The TPI must provide clarity to the Consumer regarding how the TPI is remunerated - making sure the Consumer is aware how the TPI is being paid for the work it does. This must be prior to the Consumer entering into a contract with the TPI, and must be clearly laid out in the TPI's terms and conditions. This clarity must include:
  - Clarity that a commission is included in the cost
  - Clarity that it is the consumer who will be paying that commission
  - Clarity on how the commission is determined.
- The TPI must ensure the maintenance of accurate Consumer data and provide such data as required by the Energy Supplier.
- The TPI must take all reasonable steps to establish accurate energy consumption data (known in the industry as EAC, AC and/or AQ data), and must maintain records of how EAC, AC and/or AQ data was calculated.
- The TPI must ensure that the Consumer is aware of the annual energy consumption figures used by the TPI when tendering for energy supply prices.

- The TPI must ensure that it does not misrepresent the Energy Supplier contract type and/or contract price that is presented to the Consumer.
- The TPI must ensure that where reference is made to information relating to Energy Suppliers, legislation and/or industry news/events, that these are relevant to the contract being proposed to the Consumer, and that they are accurate and traceable to trusted sources.
- When the Consumer enters into an energy supply contract, the TPI must ensure that the Consumer is aware that it is entering into a legally binding contract.

## 2 PRINCIPLE 2: TRANSPARENT TPI PRICING & PRODUCT INFORMATION

The purpose of this principle is to enable Consumer to effectively compare TPIs, to facilitate competition in the TPI market, and to ensure that Consumer have full visibility of the TPI's commission.

- In order for the Consumer to understand the likely amount of commission which the TPI will receive, the TPI must include in its Consumer -facing documentation the calculation which will be used to determine the TPI's commission and clarity where it is the TPI who is responsible for determining the level of commission.
- Prior to the Consumer entering into a contract with the Energy Supplier, the TPI must clearly state to the Consumer the commission which the TPI will receive in respect of the contract, and how that commission will be calculated (for example, whether it is a pence per kWh uplift and/or an uplift to the standing charge). This commission figure must include any commission payable by the Consumer. An illustrative example is set out in Appendix 1 of this Code of Practice.
- The TPI must provide the Consumer with clarity and visibility of the Energy Suppliers which the TPI approached for quotes, and the prices quoted by those who met the Consumer's requirements.
- The TPI must clearly state - in writing, in plain English, and as part of the TPI's contract with the Consumer - the products and services which the TPI will provide to the Consumer.

## 3 PRINCIPLE 3: TREATING CONSUMERS FAIRLY

The purpose of this principle is to ensure that TPIs treat Consumers fairly, so as to increase Consumer engagement and trust in the market.

- The TPI must ensure that the energy supply contract which it recommends to a Consumer is suitable for that Consumer based on the information the Consumer has provided.
- The TPI must ensure that the material terms of energy supply contracts are clearly and fairly explained to the Consumer, including an accurate description of the charges (including of separate commodity and non-commodity charges, if applicable).

- The TPI must only represent to an Energy Supplier that there has been a change of occupier (known in the industry as a Change of Tenancy) if there is reasonable evidence that the Consumer is a new occupier of the premises.
- The TPI must take all steps to ensure that Consumers are treated fairly by the TPI's staff and subcontractors, and that they are not subject to unreasonable pressure when making decisions.
- The TPI must obtain from the Consumer, and provide to the Energy Supplier, a letter of authority which is consistent with the principles set out in Appendix 2 of this Code of Practice. An example letter of authority is also included in Appendix 2 of this Code of Practice.
- Where a letter of authority is revoked by a Consumer, the TPI must promptly inform all the Energy Suppliers with which they had registered the letter of authority.
- The TPI must bring to the Consumer's notice, any contract termination fee that may be applicable under any energy supply contracts.

#### **4 PRINCIPLE 4: CLEAR ROUTE FOR DISPUTE RESOLUTION**

The purpose of this principle is to ensure that Consumers have a clear route to address TPI complaints.

- The TPI must ensure that there is a robust complaints procedure in place, which is available via the TPI's website and in hardcopy if requested.
- The TPI must ensure that the complaints procedure is maintained and kept up to date, using a version controlled published document. Copies of previous versions must be made available if requested.
- For Consumers who qualify as Small or Micro Business Consumers (as defined in Ofgem's energy supply licences), the TPI must ensure that they are signed-up to a qualifying Alternative Dispute Resolution scheme, and that details of the scheme and the TPI's membership number are included in the TPI's contract with the Consumer and other key communications from the TPI to the Consumer.
- The TPI must ensure that Consumers are able to register complaints by phone, by post, and via email or other electronic format.
- The TPI must ensure complaints are logged electronically with the pertinent information captured regarding complaint date and reason, and then updated at regular intervals with action taken / outcome. The log for each complaint must be held for at least 6 years following the date on which it was raised.
- The TPI must clearly signpost the Consumer to the services of an Alternate Dispute Resolution scheme, as well as provide clear signposts to other sources of independent help that is available to Consumers.

## **5 PRINCIPLE 5: APPROPRIATE DATA PROTECTION ARRANGEMENTS**

The purpose of this principle is to provide assurance to the Consumer that the regulatory requirements for data protection are met, and to promote trust in the market.

- The TPI must ensure that it handles Consumer data in accordance with the relevant data protection regulations, including the Data Protection Act 2018 (sometimes referred to as GDPR) and the marketing requirements of the Privacy and Electronic Communications Regulations (PECR).
- The TPI must register with the Information Commissioner's Office (ICO) and pay the data protection fee.
- The TPI must have an up-to-date data protection policy which governs its processing of personal data.
- The TPI must have access controls which provide for appropriate user access security and control procedures to guard against unauthorised access to personal data and other data.

## **6 PRINCIPLE 6: AWARENESS TRAINING IN RELATION TO THIS CODE OF PRACTICE**

The purpose of this principle is to ensure that TPIs and their representatives understand the requirements of this Code of Practice.

- The TPI must ensure that its representatives regularly undertake training in relation to these Code of Practice principles. This training must be provided to all relevant staff, third parties, agents or representatives, so that they understand and can follow the relevant requirements of this Code of Practice.
- The TPI must maintain a detailed training log to track staff and partners trained, including the date of the next refresher training which the individual is due to undertake. An illustrative example is set out in Appendix 3 of this Code of Practice.
- The TPI is responsible for ensuring that all relevant staff, third parties, agents or representatives adhere to these principles and compliance requirements.

## **7 PRINCIPLE 7: COMPLIANCE PROCESSES**

The TPI must retain evidence of compliance with the requirements of this Code of Practice, which may include telephone recordings (in which case the Consumer must be made aware that recordings are made for compliance purposes).

The TPI must have appropriate compliance processes in place to check its sales and other activities against the requirements of this Code of Practice.

## APPENDIX 1 - EXAMPLE COMMISSION CALCULATION

Electricity Supplier Contract Offers			
<b>Supplier Name</b>	Supplier One	Supplier Two	Supplier Three
<b>Contract Start Date</b>	01/03/2023	01/03/2023	01/03/2023
<b>Contract End Date</b>	30/04/2024	30/04/2024	30/04/2024
<b>MPAN</b>	123456789101	123456789101	123456789101
<b>(Estimated) Annual Consumption (kWh)</b>	126,723	126,723	126,723
<b>Contract Type</b>	Fixed Contract	Fixed Contract	Fixed Contract
<b>Daily Standing Charge (Pence per day)</b>	67p	72p	122p
<b>Day Unit Rate (Pence per kWh)</b>	32.7p		34.7p
<b>Night Unit Rate (Pence per kWh)</b>	21.6p		22.3p
<b>24 Hour Unit Rate (pence per kWh)</b>		33.1P	
<b>KVA Charge</b>			
<b>Commission Included in Unit Rate or Standing Charge</b>	Unit Rate	Unit Rate	Unit Rate
<b>Commission per kWh (included in rates above)</b>	1.1p	1.1p	1.1p

Gas Supplier Contract Offers			
<b>Supplier Name</b>	Supplier One	Supplier Two	Supplier Three
<b>Contract Start Date</b>	01/03/2023	01/03/2023	01/03/2023
<b>Contract End Date</b>	30/04/2024	30/04/2024	30/04/2024
<b>MPRN</b>	2345678901	2345678901	23456789101
<b>Annual Quantity (kWh)</b>	45,999	45,999	45,999
<b>Contract Type</b>	Fixed Contract	Fixed Contract	Fixed Contract
<b>Daily Standing Charge (Pence per day)</b>	50p	39p	62p
<b>Unit Rate (pence per kWh)</b>	9.1p	9.7p	8.3p
<b>Commission Included in Unit Rate or Standing Charge</b>	Unit Rate	Unit Rate	Unit Rate
<b>Commission per kWh (included in rates above)</b>	0.8p	0.8p	0.8p

## APPENDIX 2 - MINIMUM REQUIREMENTS FOR A LETTER OF AUTHORITY

The Letter of Authority must include the minimum information requirements, as set out below, to meet the standards of this Code of Practice.

1. You must provide a list of actions that you will undertake on behalf of the Consumer ensuring that the Consumer is aware they can delete any requirement they deem unsuitable.
2. Where you delegate part of the switching responsibility to a third party, such as an aggregator or sub-broker, you must include relevant details.
3. You must state the duration of the letter of authority, and that the Consumer is able to end that authority at any time.
4. Where the Consumer has been introduced via a Sub Broker or partner, you must make clear there has been an introduction and add the name of that Sub-broker.
5. You must point the Consumer to your terms and conditions and complaints policy
6. You must include a statement that the Consumer understands that a commission may be payable and how that commission will be recovered.

### EXAMPLE LETTER OF AUTHORITY

Customer's name:	
Customer's registration number:	
Customer's registered address:	
Customer's contact email address	
Customer's contact telephone number:	

Dear Energy Supplier

We, the above named Customer, hereby confirm that we have appointed [TPI NAME] (the **TPI**) to act on our behalf in relation to our gas and/or electricity supply contracts. We hereby authorise the TPI to undertake the following actions on our behalf: *[Delete those which are not applicable. Note in particular the final bullet which authorises the TPI to enter into supply contracts on a Consumer's behalf.]*

- obtain confirmation of energy supply contract end dates;
- obtain confirmation of annual energy consumption (EAC/AQ), and provide updated values;
- obtain half-hourly or daily metering data;
- obtain meter details;
- obtain tariff details;
- obtain copy invoices;
- serve termination notices under gas and/or electricity supply contracts;
- request quotes for new gas and/or electricity supply contracts;
- notify a change of occupier at our premises;
- receive and respond to supply transfer objections (including account balance information where relevant);



- sign and enter into new gas and/or electricity supply contracts or add premises to existing supply contracts.

[TO BE INCLUDED IF THERE IS A SUB-BROKER OR AGGREGATOR: We accept that the TPI may delegate some or all of its responsibilities to [SUB-TPI or AGGREGATOR NAME], who shall also be authorised to undertake the above activities on our behalf.]

This letter of authority will automatically end, and will need to be refreshed, after 12 months; unless we enter into a gas and/or electricity supply contract with you via the TPI during such 12-month period, in which case this letter of authority will automatically apply until the end of that supply contract (unless we notify you in writing that it has been revoked). We can revoke this letter of authority at any time by giving you written notice of revocation.

**Commission:** We acknowledge that the Broker may be paid a commission by you, and we understand that you will recover the cost of any such commission via the charges we pay under our gas and/or electricity supply contract (as further described in our contract with the TPI).

Customer's authorised signatory:	
Print name:	
Position in company:	
Date:	

**APPENDIX 3 - EXAMPLE TRAINING LOG**

**(COMPANY NAME)**

Matrix key	
Today's date:	03/07/2023
	Not assigned
	Complete and in-date
	Due soon (less than 3 months away)
	Overdue

Staff member	Induct ion	Transparency and Accuracy Renewal Date	Price and Product Renewal Date	Treating Consumers Fairly Renewal Date	Dispute Resolution Renewal Date	Data Protection Renewal Date	Secret Key Protection Renewal Date	Other Renewal Date	Other Renewal Date
<b>Colleague 1</b> Manager	Yes	01/01/2024	01/01/2024	01/01/2024	04/01/2024	01/01/2024	01/01/2024	01/01/2024 4	01/01/2024 4
<b>Colleague 2</b> Administrator	Yes	01/01/2024	01/01/2024	01/01/2024	04/01/2024	01/01/2024	01/01/2024	01/01/2024 4	01/01/2024 4
<b>Colleague 3</b> Sales Consultant	Yes	03/09/2023	03/09/2023	03/09/2023	03/09/2023	03/09/2023	03/09/2023	03/09/2023 3	03/09/2023 3
<b>Broker Partner 1</b> Sub Broker	Yes	29/07/2022	01/08/2021	01/09/2021	01/10/2021	01/11/2021	01/12/2021	01/01/2022 2	01/02/2022 2
<b>Employee name</b> <Insert employee role>	Yes								