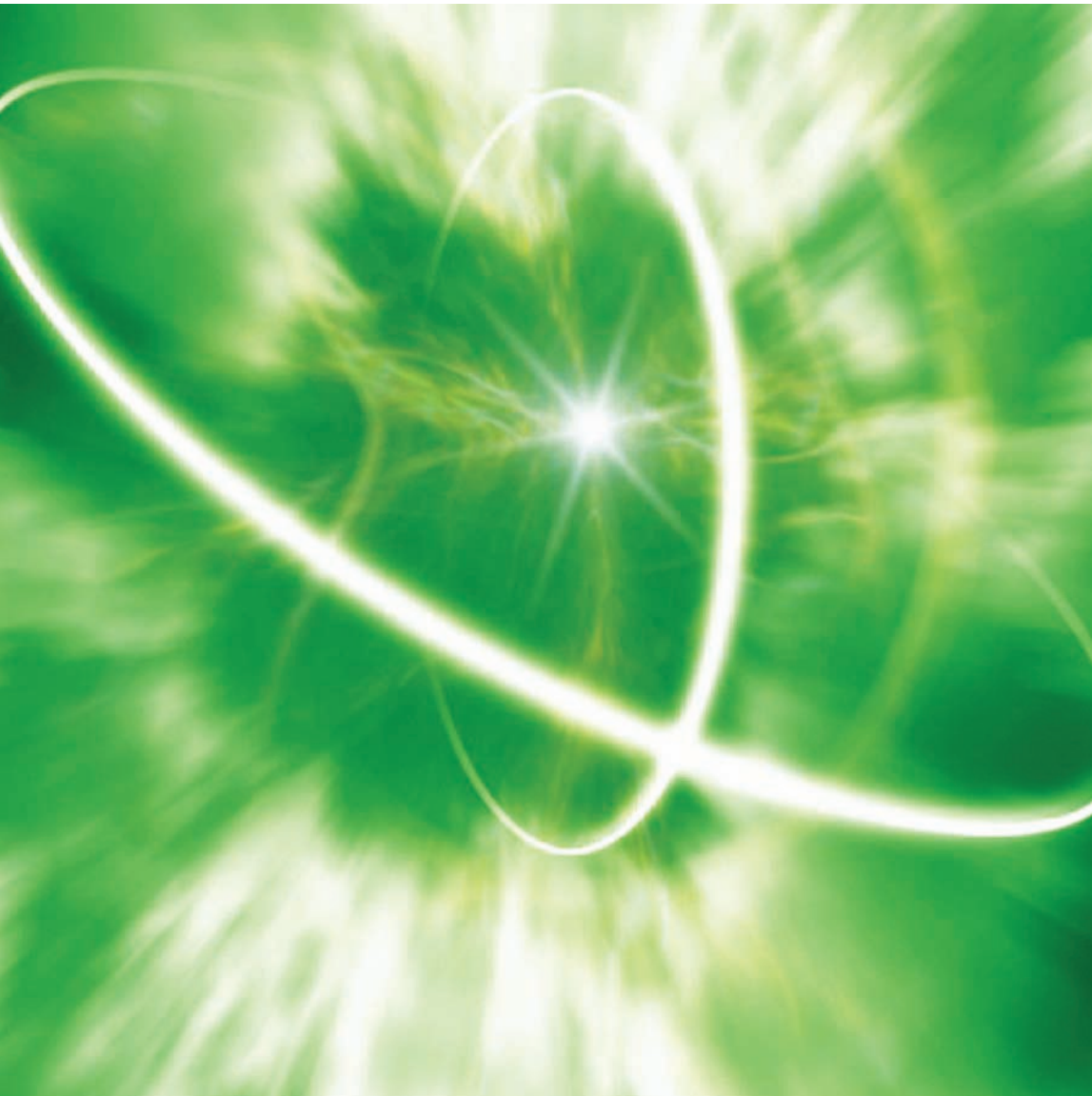


CODE OF PRACTICE

for the face-to-face
marketing of
energy supply



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In this issue:

New Clause 7.4.3b, confirming the requirement on Sales Agents when visiting properties with a notice indicating the consumer does not want uninvited doorstep callers.

1 DEFINITIONS, INTRODUCTION AND OVERVIEW

1.1 Definitions

The following definitions are used throughout this Code of Practice:

1.1.1 “the Association” means the Association of Energy Suppliers.

1.1.2 “Code” or “EnergySure Code of Practice” means this Code of Practice for the Face-to-Face Marketing of Energy Supply.

1.1.3 “Code Auditor” means the independent body (which will be a firm of registered auditors) which carries out an annual audit of individual Member’s compliance with the Code.

1.1.4 “Code Manager” means the individual appointed by the Association of Energy Suppliers Board of Directors to carry out the day to day administration and management of the Code.

1.1.5 “Code Membership Rules” mean the rules that Code Members must comply with in addition to the rules in this Code.

1.1.6 “Code Panel” means the Panel comprising a maximum of six people who are independent of the Association of Energy Suppliers and the Members whose role is to hear appeals from the Members.

1.1.7 “EnergySure” and “EnergySure Scheme” means the training and accreditation scheme for Sales Agents.

1.1.8 “EnergySure Register” means the register of Sales Agents accredited under the EnergySure Scheme.

1.1.9 “ERA” means the Energy Retail Association, the parent body of the Association of Energy Suppliers.

1.1.10 “Erroneous Transfer Procedure” means the procedure set out in the Ofgem Erroneous Transfer Customer Charter.

1.1.11 “Face to Face Verbal Contract” takes place when a customer verbally agrees (during the sale verification call) to the energy supplier’s terms and conditions for the supply of energy.

1.1.12 “Member” means an energy supplier within the Association of Energy Suppliers membership who has agreed to adhere to this Code.

1.1.13 “Sales Activities” means the face-to-face marketing of energy supply to domestic consumers. Face-to-face sales include those made at events or on third party retail premises.

1.1.14 “Sales Agent” means any individual authorised by a Member who solely represents a Member (and/or a Member’s associated companies) for the purposes of engaging in Sales Activities where the principal function of such individual is to market energy supply alone or energy supply and other domestic utility services to domestic consumers.

1.2 Scope

1.2.1 This Code sets out a clear framework within which Members will conduct Sales Activities. It is aimed at promoting consumer confidence in Sales Activities and providing consumers with standards of protection over and above those provided by law.

1.3 Benefits of the Code

1.3.1 Adherence to the Code will ensure that high standards are achieved in face to face sales to consumers. Specific benefits include:

1.3.1.1 Rigorous selection and training of Sales Agents.

1.3.1.2 Protection of all domestic consumers regardless of their circumstances.

1.3.1.3 Sales practices which place the onus on Sales Agents to conduct all sales in a fair, transparent, appropriate and professional manner.

1.3.1.4 Compensation where applicable caused by failure to meet these standards.

1.3.1.5 Action taken against the Member if standards are not met.

1.3.2 Members’ performance in meeting these standards will be audited by an independent Code Auditor, who will report to the Code Manager and/ or the Association of Energy Suppliers Board.

1.3.3 Members intend application of the Code to eliminate mis-selling in Sales Activities and deliver low complaint levels.

1.4 Promoting the Code

1.4.1 Members will ensure that their representatives are aware of the Code and its contents, and will make copies of the Code available to consumers on request.

1.4.2 Members should state in their marketing literature that they have adopted and will comply with the Code.

1.4.3 Failure to observe the Code may lead to a withdrawal of the right to claim membership of the Code.

1.5 Review of the Code

1.5.1 The Code will be reviewed periodically by the Association of Energy Suppliers in consultation with Members and Ofgem.

1.5.2 The Code is maintained by the Association of Energy Suppliers.

2 THIRD PARTIES

For clarity, where a Member contracts with a third party for the provision of Sales Agents, the Member must ensure that the third party complies with all components of the Code, in relation to Sales Activities. The Member will ensure that the Code Auditor has access to the third party for auditing compliance.

3 RECRUITMENT

3.1

Members will ensure that they only engage suitable individuals as Sales Agents. As an intrinsic part of the recruitment process, the Member must:

3.1.1 take into account the knowledge and skills of the individual in relation to the knowledge and skills required for the role and

3.1.2 take reasonable steps to obtain sufficient information about the individual's previous relevant activities and training.

3.2

Whilst operating within current employment legislation, Sales Agents will be recruited with due regard to:

3.2.1 Behaviour and appearance – the important role that the Sales Agent plays as the 'public face' of the industry must be recognised.

3.2.2 Security – due regard must be given to the checking of appropriate references in assessing the appropriateness of the individual to the role of the Sales Agent.

3.2.3 Sales Agent registration – reference must be made to the EnergySure Register.

3.3

The following are also explicit requirements in the selection of Sales Agents:

3.3.1 Sales Agents must provide proof of NI number (or temporary NI number), proof of address and two references. Where a temporary NI number is provided a valid passport must also be provided.

3.3.2 Referees must not be related to the applicant.

3.3.3 A primary reference must be a business reference and preferably their last employer with either a criminal record report or EnergySure register reference should they have been engaged by an EnergySure Code member previously. If a criminal record check or EnergySure register reference is not available, a secondary business or professional/character reference is required.

3.3.4 If a Sales Agent ceases to represent the Member, a copy of his or her records will be retained by the Member for a minimum period of three years.

4 TRAINING

4.1

Members must ensure that the Sales Agents acting on their behalf receive training to the standards laid out within EnergySure.

4.2

EnergySure standards will as a minimum:

4.2.1 take into account the knowledge and skills necessary to fulfil the role.

4.2.2 take into account changes in the market and to products/services, legislation and regulation.

4.2.3 be reflective of consumer ethnicity and diversity.

4.2.4 provide training on the recognition and treatment of vulnerable consumers.

4.2.5 be compliant with relevant equal opportunities employment legislation.

4.2.6 be linked to a verifiable standard of competence measurement.

4.2.7 include a probationary period for all new recruits.

4.2.8 include defined monitoring procedures to ensure consistency of training delivery.

4.2.9 be effective and up to date.

4.3

Members will only permit the Sales Agent to engage in Sales Activities if:

4.3.1 the Sales Agent has been assessed as competent in the Sales Activities or

4.3.2 the Member has taken steps to ensure that the Sales Agent has adequate knowledge and skills to act whilst under supervision. If the Sales Agent has not been assessed as competent, the Member must ensure that the Sales Agent is appropriately supervised until assessed as competent.

4.4

Members must adopt the standards as laid out within Energysure to:

4.4.1 maintain systems for monitoring Sales Agents' competence.

4.4.2 make and retain records of Sales Agents' levels of competence.

5 SALES AGENT REGISTRATION

5.1

All new Sales Agents must be registered on the EnergySure database.

6 SALES SUPPORT MATERIALS

6.1

Sales support materials used by Members must not give false or misleading information.

7 CONTACT WITH CONSUMERS

7.1

Sales Agents must only make sales calls between 9am and 8pm, unless it is at the consumer's request.

7.2

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

7.3

Sales Agents will, as soon as possible on making contact, identify themselves, the Member they represent and their purpose. The Sales Agent will produce an identity card, which clearly displays the Member's name, the Sales Agent's name and photograph, and an expiry date for validity of the card. Sales Agents must not misrepresent themselves or the purpose of their visit.

7.4

Sales Agents will:

7.4.1 take account of the consumer's personal circumstances.

7.4.2 voluntarily cease contact with a consumer who clearly indicates that contact is inconvenient, unwelcome or inappropriate

7.4.3 (a) not call on premises in recognised* no cold calling zones where there is a message prominently displayed from the consumer in the form of a written note or sticker.

7.4.3 (b) 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.

**Members will recognise Local Authority no cold calling zones as lawful where they meet the requirements of proportionality as set out by the Office of Fair Trading in their letter to the Association and Local Authorities dated February 2008.*

7.5

Sales Agents will end the discussion and leave the premises immediately at the consumer's request.

7.6

A contact number must be left with any consumer, on request.

7.7

Sales Agents must not exploit a person's inexperience, vulnerability, credulity or loyalties.

7.8

Sales Agents must at all times:

7.8.1 be courteous and professional.

7.8.2 seek to avoid the consumer misunderstanding any information given or making false assumptions, in particular over potential savings.

7.8.3 avoid the use of high pressure tactics.

7.9

Sales Agents must provide the consumer in writing or by means of an electronic display, an estimate of the total annual charges for energy before entering into a contract.

The estimate must:

7.9.1 be based on the best information available to the Sales Agent.

7.9.2 set out clearly the basis for the estimate.

7.9.3 for direct debit payments a clear explanation of how the payments have been calculated and how these amounts relate to the estimated total annual charges.

7.10

In addition to the information provided in 7.9, for all prepayment consumers and consumers where the Sales Agent had stated they can save money the Sales Agent must provide a comparison of charges for energy used, in writing or by means of an electronic display.

The comparison must:

7.10.1 be based on the best information available to the Sales Agent.

7.10.2 be for the same period (usually one year) and same consumption level.

7.10.3 include any relevant differences.

7.11

Where the consumer enters into a contract the member must provide the consumer with a copy of the written estimate (and if a prepayment consumer or savings have been claimed, a comparison) either at the time of the face to face contact or as soon as reasonably practicable thereafter.

7.12

Members will maintain records for not less than three months including the date of contact with the consumer to allow the positive identification of the Sales Agent involved. This will assist in dealing with any complaint or query.

7.13

The Sales Agent can only conduct Sales Activities on behalf of the Member with whom they are currently registered on the EnergySure Register.

8 CONSUMER PROTECTION AND OTHER LEGAL REQUIREMENTS

8.1

Members, their agencies/contractors and Sales Agents must comply with all applicable licence and legislative obligations.

9 ENTERING INTO A CONTRACT

9.1

Sales Agents will take appropriate steps to satisfy themselves that the consumer can take responsibility for the energy bills at the premises.

9.2

Members must design contract forms such that the nature of the form is clear to the consumer entering into a contract (and where the consumer signs a contract document, contains a statement of the nature of the document immediately adjacent to where the consumer signs, so that the word CONTRACT cannot be obscured or concealed).

9.3

Sales Agents must explain the nature and the essential provisions of the terms of supply, so as to ensure as far as possible that the consumer understands what they are committing themselves to.

9.4

Sales Agents must take all reasonable steps to ensure that the consumer has understood:

9.4.1 that they are entering into a contract to transfer their energy supply.

9.4.2 the appropriate tariff, relevant to their supply.

9.4.3 the existence of a right of cancellation and the actions necessary to cancel or terminate the contract, including any charges or benefits forgone.

9.5

The Member will either at the time the contract is entered into or as soon as reasonably practicable thereafter provide the consumer with confirmation of their terms of supply which shall include:

9.5.1 Details of the contract, consistent in all respects with the contract the consumer has entered into and any estimate, comparison or other supporting information provided to the consumer (except in the case of an electronic or verbal transaction where the copy of the terms will be provided within 5 days).

9.5.2 Confirmation of the tariff(s).

9.5.3 An explanation of what will happen next.

9.5.4 A reminder to the customer to check that the product they have signed up to is appropriate for them including where to find impartial advice.

9.5.5 An explanation of how the contract can be cancelled.

9.5.6 Information about what the consumer can do if they have any concerns including details of how Consumer Direct can be contacted.

9.5.7 The Sales Agent's name and Member ID number.

9.6

In the event of a face to face verbal contract, the supplier must ensure that the contract verification call confirming the requirements of 9.4 and 9.5 to the consumer is recorded. The contract can only be processed if these requirements are satisfied.

9.7

Members must within 14 days of entering into the contract, take all reasonable steps to contact the consumer to confirm that the consumer:

9.7.1 understands that they have entered into a contract.

9.7.2 understands the principal terms of the contract.

9.7.3 is content to have entered into that contract.

9.7.4 has received or been shown, by means of electronic display, the estimate or the comparison in writing.

9.7.5 is content with the information provided and is satisfied with the way in which the sale was conducted.

9.8

Members will, in confirming a contract for the supply of energy, advise the consumer of the expected date of commencement of supply.

9.9

Where a consumer has entered into a contract the member must maintain a record of the information provided to that consumer for a minimum of 2 years.

9.10

Where the consumer indicates in response to 9.7 that they are not content to have entered into a contract the member must take all reasonable steps to ensure that:

9.10.1 the contract is ended.

9.10.2 the member does not begin to supply the consumer.

10 CONSUMER COMPLAINTS

10.1

All representatives of the Member and all Sales Agents who deal directly with consumers must be made aware of the member's complaints and escalation process.

10.2

Members must investigate mis-selling reported through the Erroneous Transfer Procedure as if it were a complaint direct from a consumer.

10.3

Members' complaints procedure must set out how consumers may complain about Sales Activities.

10.4

Members must deal with complaints, including complaints passed on from external bodies in accordance with the members' code of practice.

10.5

A full and accurate record of each complaint must be retained and used for the purposes of managing Sales Agent performance and competence as well as for improving Members' procedures. This will include as a minimum:

10.5.1 the root cause of the consumer dissatisfaction.

10.5.2 a description of how the consumer complaint was resolved.

10.5.3 detail of any compensation made to the consumer.

10.6

Reasons for complaint will be categorised into three groupings, each grouping indicating the severity of the complaint. This will be used as a framework for identifying poor Sales Agent performance and the consequential action to be taken when/if the complaint is found to be proven after investigation.

10.6.1 **Category 1** – Gross misconduct refers to complaints of a magnitude that if substantiated will result in the dismissal of the Sales Agent and involvement, where appropriate, of the Police. The Member will be responsible for ensuring the EnergySure Register is updated for all cases of gross misconduct and this may result in the Sales Agent's accreditation being withdrawn even in the event that the Sales Agent no longer carries out Sales Activities for that Member. The Member has the right to inform any other Member of the withdrawal of the accreditation. The Member will review other sales made by the Sales Agent and consider whether action is required to correct any mis-selling to other consumers.

10.6.2 **Category 2** – Misconduct, refers to complaints about the behaviour of the Sales Agent which Members are not prepared to tolerate as it falls outside the norm of what is deemed acceptable. Complaints of this nature will normally result in a disciplinary sanction which if repeated may result in dismissal of the Sales Agent.

The Member will be responsible for ensuring the EnergySure Register is updated for all cases of dismissal and this may result in the Sales Agent's accreditation being withdrawn even in the event that that the Sales Agent no longer carries out Sales Activities for that Member. The Member has the right to inform any other Member of the withdrawal of the accreditation.

10.6.3 **Category 3** – Competence, refers to complaints about the general competence and behaviour of the Sales Agent or the consequence of poor procedures, where either coaching or retraining is the most appropriate measure.

11 COMPENSATION

11.1

Where a Category 1 complaint is proven as forgery ("proven forgery") by a Sales Agent a fixed compensation payment of £250 will be paid by the Member to the consumer. For the avoidance of doubt proven forgery shall be where it is proven that a Sales Agent or any person induced by the Sales Agent has deliberately forged the consumer's signature for the purposes of effecting a legally binding contract.

11.2

For the purposes of the compensation payment referred to in paragraph 11.1, and where the means of entering into a contract does not require a signature, proven forgery shall also occur where it is proven that a Sales Agent or any person induced by the Sales Agent has deliberately and falsely represented him/herself to be a consumer for the purposes of effecting a legally binding contract.

11.3

In the absence of a signature or the recording of the verification call a fixed compensation payment of £250 will be paid by the Member to the consumer.

11.4

For all other complaints, and where appropriate, the Member will apply its individual company compensation policy.

12 CODE MEMBERSHIP, MONITORING COMPLIANCE AND ENFORCEMENT

12.1 Conditions of Membership

12.1.1 Suppliers wishing to become Code Members will be required to satisfy the Association that they meet the necessary requirements, including those relating to the EnergySure Scheme. Retention of Code Membership will depend on continuing to meet these requirements.

12.1.2 The Rules of the Association require Code Members to comply with the Code and to be subject to the disciplinary procedures set out.

12.2 Monitoring Compliance

12.2.1 Members are responsible for ensuring that they have an adequate control framework in place and can evidence controls, processes and systems which enable compliance with the Code.

12.2.2 Members must make regular audits of systems, procedures and documentation to prove compliance with the Code.

12.2.3 The Code Manager will monitor Members' compliance with the Code on a regular basis through reviews of monitoring reports provided by the Members.

12.2.4 There will be a formalised annual audit conducted by the Code Auditor who will provide an independent assessment on individual Member's compliance with the Code.

12.2.5 Members will respond promptly to questions from the Code Manager to monitor compliance under 12.2.3.

12.2.6 Members will give the Code Auditor access to the information necessary for the purposes of auditing compliance under.

12.2.7 Reasonable notice of an audit will be given by the Code Auditor.

12.2.8 The Code Manager may publish standards of good practice from time to time, subject to commercial sensitivities.

12.3 Enforcement

12.3.1 The Code Manager will propose sanctions where:

12.3.1.1 The Member has materially infringed the Code and it is not possible to resolve the matter satisfactorily; or

12.3.1.2 There is evidence of a serious or persistent failure by the Member to observe the Code; or

12.3.1.3 The Code Manager has previously warned the Member of an infringement and has given sufficient notice that continued non-compliance will result in sanctions.

12.3.2 The Code Manager will minimise the costs of compliance for Members by ensuring that any action required is proportionate to the risks. As far as the law allows, the Code Manager will take account of the circumstances of the case and the attitude of the Member when considering action.

12.3.3 Advice from the Code Manager will be put clearly and simply and will be confirmed in writing, on request, explaining why any remedial work is necessary and over what time-scale and making sure that legal requirements are clearly distinguished from best practice advice.

Before enforcement action is taken, the Code Manager will provide an opportunity to discuss the circumstances of the case and, if possible resolve points of difference, unless immediate action is required. Where immediate action is considered necessary, an explanation of why such action was required will be given at the time and any sanction applied must be proportionate to the extent of non compliance.

12.3.4 Where sanctions have been proposed by the Code Manager the Member may appeal to the Code Panel. Where no appeal is made the Code Manager will confirm the sanctions at the end of the notice period as laid down in the Code Membership Rules and will inform the Panel.

12.4 Code Panel

12.4.1 Where an appeal is made the Code Panel will operate a formalised grievance procedure and will be entitled to:

12.4.1.1 confirm or vary the sanctions proposed by the Code Manager.

12.4.1.2 require the Member to refrain from claiming that they operate in accordance with the Code until they satisfy the Code Manager that they are now compliant.

12.4.1.3 require the Member to undertake remedial and corrective action within a defined timescale to reach an agreed level of compliance.

12.4.1.4 suspend the right of the Member to refer to the Code in their marketing.

12.4.2 The Code Panel may issue a public statement following suspension from the Code in accordance with 12.4.1.4.

APPENDIX 1 – CODE GOVERNANCE

Governance of the Code is being undertaken through the Association. The rules of the Association require Code Members to comply with the Code and to be subject to the disciplinary procedures set out. The Association has appointed a Code Manager to carry out the supervision, administration and day-to-day operation of the Code, as described in Section 11. The Code Manager will act independently of all Members in operating the Code, putting into place monitoring procedures regarding supplier performance, ensuring corrective action where agreed performance standards are not met and setting sanctions where necessary, consistent with the Code. In addition an annual audit of individual Member's compliance with the Code will be carried out by the Code Auditor, an independent body appointed by the Association who is a firm of registered auditors.

The Code Panel comprises a maximum of six people. The Panel Chairman and other members are independent and come from a variety of backgrounds, including consumer representation and the wider business field. The Panel is the means whereby appeals from Code Members against decisions of the Code Manager will be heard, and it will also take an overview of the operation of the Code and put forward recommendations.

EnergySure Code Manager
The Association of Energy Suppliers
1 Hobhouse Court,
Suffolk Street,
London
SW1Y 4HH

email: codemanager@energy-retail.org.uk

APPENDIX 2 – CONSUMER COMPLAINTS PROCEDURE

In the case of a complaint the consumer should in the first instance complain to the Member concerned, giving it a chance to put the matter right.

Members contact details are as follows:

British Gas

Tel: 0800 048 0707

Write to:

British Gas
PO Box 3055
Eastbourne
BN21 9FE
Text phone: 18001 0800 072 8626

EDF Energy

Tel: 0800 092 9292

Write to:

EDF Energy
Freepost RRYZ – BRTT - CBJS
Osprey House
Osprey Road
Exeter
EX2 7WN

Npower

Tel: 0845 070 4856

Write to:

Customer Relations,
PO Box 97, Peterlee, SR8 9AP
or visit
www.npower.com/customerservice

EON

Tel: 0800 0150987

Write to:

Residential Sales Quality Team
Newstead Court, Little Oak Drive
Annesley, Nottingham
NG15 0DR
Email: MBSalesLiaison@eonenergy.com

SSE

Tel: 0800 117 116

Including:

Atlantic Electric and Gas
Scottish Hydro Electric
Southern Electric and Gas
SWALEC Electric and Gas

Write to:

Head of Customer Service
Grampian House
200 Dunkeld Road, Perth,
PH1 3GH
Email: headofcustomerservice@sse.com

Scottish Power

Tel: 0141 568 4673

Fax: 0141 568 2189

Write to:

Quality & Compliance Section 24
Cathcart Business Park
Spean Street, Glasgow
G44 4BE
Email: energysurecompliance@scottishpower.com

If the complaint is not resolved by the supplier to your satisfaction, you may take your complaint to the energy supply ombudsman, details of how to do this can be found on the energy supply ombudsman website www.energy-ombudsman.org.uk



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