

Code of practice for the installation process

Follow-up workshop
12 November 2010

Agenda

14.00 – 14.15 Introduction and Context – Ofgem

14.15 – 16.45 Discussion on the following questions:

- What should be the objectives and scope of a code of practice?
- How might a code of practice for the installation process be governed?
- If an installation code of practice were to be mandated, what key aspects should be covered?

16.45 – 17.00 Wrap up and review – Ofgem

Follow-up workshop: Aims

- Review of outputs from September workshop and consultation on objectives and scope of a code of practice
- Discuss and seek views on the appropriate governance framework
- Discuss and seek views on the key aspects of the installation visit that should be covered by a code of practice

Code of practice proposals

- Prospectus proposes that suppliers be required to develop a code of practice for the installation process
- Also recommends a code of practice is developed for the non-domestic sector
- Development of these codes of practice should take into account the views of consumer and business groups
- Codes would be underpinned by licence obligations and subject to approval by the Authority

Focus today is on a code for domestic customers

Follow-up workshop: Context (1/2)

- Consultation responses:

28 September - responses received to Rollout Strategy supporting document and priority questions in the Prospectus

28 October – responses received to all other consultation questions

- 30 September - Workshop on the code of practice for the installation process

Today's workshop forms part of the consultation on the installation code of practice and follows on from the event of 30 September

Follow-up workshop: Context (2/2)

Sales and marketing during the installation visit

- Prospectus proposed to ensure that the installation visit is not used for unwelcome sales activities
- Separate workshop on addressing sales and marketing during the installation visit will be held on 25 November

Consumer engagement strategy

- Installation code of practice forms part of a wider strategy to promote positive consumer engagement with smart metering
- Workshop on consumer engagement will be held on 23 November

Further information about these workshops can be found on the Ofgem website

SCOPE AND OBJECTIVES

Overview: Consultation responses & September workshop

Objectives

- Preference for the code to provide minimum standards
- Support for code to deliver a positive experience of installation and ensure that all customers receive good service
- Suggested that code could also aim to facilitate changes to energy use behaviour

Scope and form

- Agreement at September workshop that the code did not need to be consumer facing
- Suggested that code should complement not duplicate existing industry codes and consumer protections

Are the scope and objectives identified above appropriate?

DEVELOPMENT AND GOVERNANCE

Overview: Consultation responses & September workshop

- Strong support for industry to develop a code of practice
- Stakeholders have identified a range of parties that could be involved in the development of the code
- Some suppliers favoured a more self-regulatory framework, while other stakeholders believe that there should be a licence obligation to comply with the code
- General support for a process to be put in place that allows the code to be modified during rollout

Aspects of governance

Nature of the
obligation

Drafting and
consultation process

Approval
process

Compliance

Review and update

Timing of application

Potential governance principles

OFT Consumer Codes Approval Scheme suggests a number of principles that could be relevant for an installation code of practice

- 2a: Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services have been adequately consulted throughout the preparation of the code.
- 5a: The code sponsor shall develop performance indicators
- 5e: The code sponsor shall regularly review the code and update its provisions in the light of changing circumstances and expectations
- 6a: Code sponsors shall establish a procedure for handling non-compliance by members with the code.

Key questions

- What should be the nature of the obligation on suppliers to develop a code of practice
- What should be the approval process for a code of practice developed by industry?
- How might compliance with a code of practice be monitored and enforced?
- What arrangements should govern modifications to a code of practice?
- From when might the code be applied and over what time period?

KEY CONTENT

Code of practice proposal: Content

Rollout Strategy supporting document identifies a number of topics that could be included in a code of practice

Before the visit

Information that customers can expect to receive about installation
Advanced notification of an installation visit
A commitment to make an appointment

During the visit

Information provided at the point of installation
Sales and marketing activities
Hygiene factors
Validation that the correct meter has been installed at correct property
Additional protection for vulnerable consumers
Accessibility requirements for particular consumer groups

After the visit

Options for further information and contact details
Processes for dealing with meter and billing errors

Overview: Consultation responses & September workshop

- Support for code to cover all stages of the installation visit
- Support for suppliers to schedule appointments
- Range of views on type of information that should be provided to consumers and the method for doing so
- Agreement that 'hygiene' measures should be part of the code
- Majority support a ban on upfront charging for basic smart meters and IHDs
- Range of views on potential aspects of post-installation customer care

Key outstanding questions

- To what extent should a code include requirements around scheduling of appointments?
- What level and quality of information should be provided to consumers about the visit, smart metering equipment and energy efficiency?
- Is a code of practice an appropriate mechanism for implementing the proposal to ban upfront charging?
- Are there other aspects that could be included in a code of practice as a minimum?

Next steps

- Intention is for response to consultation to cover scope, objectives, governance and content of a code
- There will be further consultations on the content of the code and any licence obligations underpinning it
- Upcoming workshops:
 - 23 November: Consumer engagement
 - 25 November: Addressing sales and marketing activities during the installation visit



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