



**Consumer
Focus**
Campaigning for a fair deal

The Confidence Code

A voluntary code of practice for online
domestic price comparison services

Consumer Focus is the statutory consumer champion for England, Wales, Scotland and (for postal consumers) Northern Ireland. We were formed by the The Consumers, Estate Agents and Redress (CEAR) Act 2007.

We operate across the whole of the economy, persuading businesses, public services and policy makers to put consumers at the heart of what they do.

Consumer Focus tackles the issues that matter to consumers, and aims to give people a stronger voice. We don't just draw attention to problems – we work with consumers and with a range of organisations to champion creative solutions that make a difference to consumers' lives.

Consumer Focus has strong legislative powers. These include the right to investigate **any** consumer complaint if they are of wider interest, the right to open up information from providers, the power to conduct research and the ability to make an official super-complaint about failing services.

We receive about a third of our funding from BIS. Funding also comes from licenses paid by energy suppliers and the postal industry. We are also able to raise our own funds – for example, through externally funded projects.

The Confidence Code

The Consumer Focus Confidence Code sets out the minimum requirements that a provider of an internet domestic gas and electricity price comparison service (service provider) must meet in order to be, and remain, accredited by Consumer Focus.

The Consumer Focus Confidence Code guidance notes accompany the Consumer Focus Confidence Code and state clearly what is expected of each service provider under each requirement of the Consumer Focus Confidence Code.

Requirement one – Independence and impartiality

- (A) The service provider must be independent of any gas or electricity supplier. It can take commission from suppliers but this must not influence the consistency of the provision of any information or data.
- (B) The service provider must clearly identify on its website each supplier with whom the service provider has a commission agreement or from whom it receives any payment, either directly or indirectly.
- (C) Advertisements from energy suppliers, their agents, affiliates, or brands operating under the licence of a supplier must not be displayed on the home/main page or on the energy price comparison pages of the service provider's website.

Guidance notes requirement one

1. A service provider will be considered as being independent from any gas or electricity supplier where it is not an affiliate or related undertaking of any supplier or of a company that is an affiliate of any energy supplier.
2. Where a consumer chooses to search by price, results must be presented strictly in terms of best price.
3. A service provider must provide impartial advice, not advice that is biased in favour of any particular gas or electricity supplier. Subject to guidance point 2 above, the service provider must not present any information or data in such a way as (in the absolute discretion of Consumer Focus) is deemed to be, or potentially to be, misleading or confusing to consumers.
4. An impartial service shall be regarded as one which neither favours nor is biased against any particular supplier. A service will be treated as completely impartial only if it is not intended to operate, and does not have the effect of operating in practice, in a way that either favours or is biased against any particular supplier.
5. A service provider must clearly identify each supplier from whom it receives a commission/payment, regardless of whether that payment is made either directly or indirectly by a supplier, third party or agent. The requirement for clear identification shall be met where the name of the supplier is listed as part of a single list which identifies all suppliers from whom the service provider receives a commission. This single list must be displayed prominently on, or be accessible from, the price comparison results pages.
6. Where a consumer cannot automatically switch to his chosen supplier through the service provider's website, the service provider must not recommend an alternative supplier.

Requirement two – Tariffs and price comparisons

- (A) The service provider must use all reasonable endeavours to include price comparisons in respect of all available domestic tariffs and where applicable for all available payment types, for licensed suppliers (including for any agents, affiliates, and brands operating under the licence of a supplier), for gas, electricity and dual fuel, except that the service provider is not required to show:
- social tariffs (ie tariffs where consumer eligibility is based upon social or financial circumstances, eg receipt of benefits); or
 - tariffs which the supplier has requested the service provider to remove from its website; or
 - tariffs which are available only to consumers in a specified region, to consumers that are not within that specified region
- (B) Historic tariffs may be included at the discretion of a service provider, but where historic tariffs are not included then this should be stated clearly on the service provider's website.
- (C) A service provider must notify Consumer Focus in the event of being asked by an energy supplier, to remove a tariff for its website, which to the best of that service provider's knowledge is still available to consumers.

Tariffs with limited timescales

- (D) Where the end date of a supplier's tariff is less than the length of the comparison period, the service provider must not include that tariff on its comparison website.
- (E) Where the end date of a supplier's tariff is within two months of the length of the comparison period, the service provider's reference to that tariff shall be accompanied by a 'warning message'.
- (F) Wherever possible the 'warning message' should be displayed on the results page showing that tariff, but if this is not possible it must be displayed within the details of the tariff.
- (G) The 'warning message' shall, as a minimum, inform the customer:
- that the tariff or the key feature/benefit of the tariff is due to end on [relevant end date]
 - but that the total cost provided in the comparison assumes that the tariff and key feature/benefit will remain the same after [relevant end date] but that this may not be the case
 - that the customer may therefore be transferred to a different and possibly more expensive tariff or lose the benefits/discounts of the tariff from [relevant end date]

Guidance notes requirement two

1. Green tariffs should be included.

2. A green tariff is one that is certified by the Green Energy Supply Certification Scheme¹. For these tariffs the relevant badge must be shown and / or it should be clearly stated on the results table that these tariffs are certified by the scheme.
3. It must be clear on the service provider's website the methodology used to list green tariffs.
4. If a service provider wishes to provide a filter for tariffs that are not defined as green, they can do so, however, these other tariffs should be defined as 'environmental'. Alternatively if service providers want to show all tariffs the filters should be labelled 'green and environmental' with the green tariffs carrying the certification badge.
5. Historic (or preserved) tariffs are those tariffs that have legacy customers on them but are no longer available to new customers.
6. Where gas and electricity tariffs are bundled with the supply of other services (eg telephony), the gas and electricity base prices must be shown separately, with details provided on the additional components of the tariff. Consumer Focus may review new bundled type products entering the market, and provide appropriate guidance for displaying them on the service provider's website.
7. Details of non-cash offers (such as supermarket points) should be listed separately to the gas and electricity base prices.
8. A service provider may include price comparisons for non-standard meters (eg Economy 9) at its discretion.
9. A service provider has responsibility for obtaining, updating and ensuring the accuracy of all data displayed on its website covering all licensed supplier tariffs (including those of their agents, affiliates and any associated brands).
10. If a service provider has difficulty obtaining either historical or new tariff information directly from a supplier, it should contact Consumer Focus for advice.
11. Service providers must ensure that the length of the comparison period defaults to 12 months; however filters can be created for other comparison periods.
12. The end date of a tariff is considered to be: when the major feature of the tariff ends, this includes the ending of a (1) fixed price; (2) discount; (3) tracking price; (4) capped price.
13. If a service provider is unsure of the end date of a product, it should contact Consumer Focus for clarification.

Recommended best practice:

- Green results are displayed by order of fuel mix then price

¹ The Green Supply Guidelines from Ofgem outline their definition of what constitutes a green tariff <http://bit.ly/i5iHhAn> p3

Requirement three – Control and management

- (A) The service provider must manage and control its price comparison website and use its own tariff database and calculator.

Guidance notes requirement three

1. A service provider will be treated as managing its website only where it has full control over the information content of the website and over the presentation of that content.
2. A service provider will be treated as managing the website if it has that degree of control, even where the website is maintained by a third party on behalf of the service provider.
3. However, where:
 - a website is maintained by a third party, and
 - that third party also maintains an energy price comparison service website on behalf of any other price comparison provider (whether accredited by Consumer Focus or not),

the service provider will be treated as managing the website only where that third party maintains the website entirely independently of the website of the other provider.

4. But, in any event, the website may not be maintained by a third party that also manages another Consumer Focus accredited energy price comparison website.
5. A service provider may make its calculator available to third parties but where it does so, the third party may state that it uses the service provider's calculator or database and state that the service provider is accredited to the Consumer Focus Confidence Code; however the third party must not use the Confidence Code logo.
6. The service provider's arrangements with the third party shall provide that the third party may only make such statements if it has followed the same rules as the service provider for making the comparisons and meets the requirements of the Confidence Code.
7. The service provider is responsible for ensuring that the third party complies with the arrangements. Any failure by the third party to meet the requirements of the Confidence Code can be determined as a breach of the Confidence Code by the service provider.

Requirement four – Payment methods

- (A) A service provider must provide consumers with an explanation of the following payment methods:
- Standard credit by cash/cheque
 - Monthly and quarterly Direct Debit
 - Prepayment meter

Guidance notes requirement four

There is no accompanying guidance.

Requirement five – Results and filters

- (A) Taking into account any relevant filters, a price comparison provided to a consumer must list (on a single page) no less than 10 of the cheapest tariffs available in the region where the consumer requires to be supplied. The prices must include VAT (and state that they do so).
- (B) A service provider may provide filters so that consumers may search results based on the different types of tariff available or an energy supplier's service rating etc, but these must be opt-in options only.
- (C) A service provider must provide a facility or follow-through page(s) so that consumers have the ability to view a list of all of their price comparison results.
- (D) Subject to the provisions below, a service provider may if it wishes configure the results page to display (as a default position) only those tariffs to which the customer can switch by using the online links on the service provider's comparison website.
- (E) A service provider may adopt the above position (outlined in D) only if:
 - there is a clear statement in a prominent position at the top of the results page explaining that only those tariffs to which the customer can switch online through the service provider's site are displayed on the results page, and
 - the customer is able, from the default results page, to quickly and easily access the page that shows all of the results

Guidance notes requirement five

1. A service provider must clearly explain the potential impact to consumers who select an opt-in filter, so that consumers are fully aware of the bearing and limitations this may have on the results.
2. If a service provider wishes to adopt the default position of only displaying results of tariffs that consumers can switch to on that site, it shall not do so until and unless Consumer Focus has reviewed and approved in writing the location and wording (to ensure that it is objective and impartial) of the statement referred to in (E).
3. A service provider may choose to provide a search filter for 'prompt pay' as a distinct payment method. Where the customer opts to use that filter the results should include comparisons which show the relevant discount. Where a customer does not choose the 'prompt pay' filter or the service provider does not offer prompt pay as a search filter the discount should not be shown in the results.
4. The requirement that a customer must be able to quickly and easily access the full results page will not be met if he can only do so by re-entering his relevant details or if he has to go back to a previous page or link.

Recommended best practice:

- Service providers should show all tariffs on the results page
- Service providers should include details on their site of what happens at the end of the product life (if applicable), along with details on how long discounts, fixes or capped prices apply for, and termination fee
- Service Providers should calculate prices excluding VAT and then add VAT at the end.

Requirement six – Quality of service and energy efficiency

- (A) The service provider may assign ratings to a supplier's performance and invite the consumer to consider quality of service issues, including any such supplier service ratings.
- (B) Service providers must give energy efficiency advice or signpost consumers to other relevant energy efficiency information or programmes.

Guidance notes requirement six

1. Where a service provider wishes to assign supplier service ratings it shall not do so until and unless Consumer Focus has reviewed and approved in writing the methodology (to ensure that the methodology is objective and impartial) being used by the service provider to assign the supplier service ratings. The approved methodology as used by the service provider must be stated clearly to consumers on the website.
2. A service provider must as a minimum provide contact details for the Energy Saving Trust, as well as informing consumers of the availability of grant schemes such as Warm Front, The Energy Assistance Package (Scotland), the Home Energy Efficiency Scheme (Wales) and the Carbon Emissions Reductions Target.

Requirement seven – Accuracy and updating tariffs

- (A) Prices and price comparisons must be accurate and state when they were last updated.
- (B) A service provider must state the date that its website and database has been updated.

7.1 Calculation assumptions

- 7.1.1 The factors that a service provider uses to base its calculations on should not include:
- introductory sign up offers, one-time discounts/special offers or other promotional discounts that last for less than the duration of the tariff
 - discounts that depend on the consumer behaving in a certain way ie those discounts which are not paid automatically
 - discounts that apply to other services (eg telephony) that a supplier may add to a product offering
 - non-price offers
 - discounts that may be offered by the service provider for new applications
 - for a comparison period of 12 months: any discount paid after the first 12 months of a customer's supply start date or after any subsequent 12 month period
- 7.1.2 After taking 7.1.1 into account, the factors that a service provider uses to base its calculations on should include:
- recurring discounts that are paid automatically: for paying by a certain method (eg monthly Direct Debit); dual fuel discounts; online discount; compulsory paperless billing discounts
 - fixed charges (eg a fixed monthly membership fee)

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- 7.1.3 Consumer Focus may review any new form of discount and issue service providers a formal direction as to how such discounts should be treated in relation to compliance with the Confidence Code. The formal direction shall have effect as if it were part of this guidance.

7.2 Updating tariffs

- 7.2.1 A service provider must use all reasonable endeavours to:
- update tariffs
 - add tariffs for a new supplier
 - correct any errors/issues highlighted by Consumer Focus
 - add new tariff information in a manner compliant with the Confidence Code
- 7.2.2 As soon as possible, but no later than two working days of the details and confirmation of the effective date being provided by the relevant energy supplier (or Consumer Focus), or of the tariff being made available to consumers, whichever is the latter.
- 7.2.3 A new tariff should not be included on a service provider's website that has a lead time in excess of six weeks of it being available to consumers.

7.3 Displaying current tariff and spend details

- 7.3.1 A service provider must display the details of a consumer's current tariff, based on the information the consumer has entered, that is accessible either within or from its main results page. These details should include:
- current supplier's name
 - current tariff name
 - unit rates and consumption thresholds
 - current payment method
 - all discounts that are included in the calculation of the consumer's current tariff
 - estimated current spend (£) per annum
 - estimated current usage in kWh for gas and / or electricity per annum

Guidance notes requirement seven

1. Service providers can estimate current spend if consumers are unable to provide certain information. For example, consumption could be estimated through asking questions such as size of property, number of bedrooms etc. In these cases it should be clear that the above information is estimated/assumed.
2. For the purposes of 7.2.3 where the tariff is new because of changes in price of an existing tariff, the date it is 'available to consumers' is to be determined as the date that the price change takes effect.
3. A service provider must inform Consumer Focus immediately of any unforeseen circumstance that prevents it from complying with requirement 7.2. Consumer Focus will consider each individual case on its own merits and determine whether the service provider has used all reasonable endeavours to comply with the requirement or is in breach of the Confidence Code.

4. Consumer Focus may review any new form of tariff and issue service providers a formal direction as to how such tariff should be treated in relation to compliance with the Confidence Code. The formal direction shall have effect as if it were part of this guidance.
5. Requirement 7.1.1 takes priority over requirement 7.1.2. For example, for a comparison period of 12 months, an automatic monthly direct debit discount paid after the first 12 months of a customer's supply start date would **not** be included in the calculation.

Recommended best practice:

- Service providers should indicate to customers if they are likely to incur a termination fee by transferring to a new product
- Service providers should emphasise to consumers the importance of entering accurate information in order to get the best comparison and should encourage consumers to input their annual consumption figures in order to do this

Requirement eight – Annual audit

- (A) The service provider must comply with an annual audit undertaken by an auditor appointed by Consumer Focus. The cost of each audit will be borne by the service provider.
- (B) The service provider must comply with quarterly and ad-hoc audits undertaken internally by Consumer Focus.

Guidance notes requirement eight

1. The service provider must provide the auditor with the access to its premises and to its systems, and all other assistance, that they reasonably request.

Requirement nine – Complaint handling

- (A) The service provider must establish and operate an effective consumer complaint and enquiry handling procedure and respond to any complaint or enquiry within seven working days of receipt.

Guidance notes requirement nine

1. A service provider must provide Consumer Focus with a contact name and number for complaint referrals that Consumer Focus receives in respect of the service provider.
2. A service provider must acknowledge a complaint referred by Consumer Focus within two working days and the service provider must make all reasonable endeavours to resolve this complaint within seven working days. Consumer Focus should be copied into any response to the consumer.

Annex A

Change process

Any future changes to the Code will involve the following process:

- Consumer Focus to outline issue with recommendations
- Send recommendations to service providers to attain views
- Ask for supplier views and Ofgem if required (dependent on issue)
- Response to be returned to Consumer Focus in agreed timeframe
- Consumer Focus to make definitive ruling and alert all interested parties



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