

E.ON Next SME Third Party Intermediary (TPI) Code of Practice.

Introduction

This Code of Practice (the Code) sets out a clear framework which TPIs must adhere to when working on behalf of us (E.ON Next). It is aimed at promoting confidence in the marketing of energy supplies and associated energy related goods and services to customers online, face to face or by telephone. TPIs signed up to our E.ON Next TPI Agreement (the Agreement) must be familiar with the Code and comply with all relevant sections throughout their partnership with us. The objective of this Code is to protect the interests of SME customers when purchasing energy products via a TPI. We have developed the '4Cs' guide to ensure TPIs conduct their business in a fair, honest and transparent manner. Non-compliance could result in changes to our relationship and impact your commission. By signing our Agreement you confirm your commitment to our standards.

Development of our TPI Code of Practice

In August 2012, E.ON developed a Code of Practice to be managed by an Independent Code Panel, covering the sales activities of non-domestic Third Party Intermediaries (TPIs). It was designed to improve sales processes for small to medium businesses and introduce minimum standards and a disciplinary framework for TPIs who operate in this market.

With the introduction of Ofgem's Principles-Based Regulation, the Code was evolved to focus on the delivery of fair customer outcomes and to extend to all non-domestic energy sales within E.ON. This new Code of Practice ('the Code') replaced E.ON's previous Codes and applies to all energy sales to non-domestic customers completed by E.ON employees and its representatives. Additionally, from 1 November 2016 the Independent Code Panel and its Chair ceased to manage the previous Code, and this Code reflected that governance would be managed internally moving forward.

From 2022 all E.ON SME customers transitioned to our new business and platform, E.ON Next. This latest version of the Code reflects these changes and brings our governance in line with our new operational model.

The 4Cs Guide:

- Credit Checks
- Contract submission
- Change of Tenancy (COTs)
- Complaints

Credit Checks

We complete a blended credit check (company and director) which means that if the limited company accounts are not up to date we will check against the director, if it's a sole trader we will complete an owner

and business credit check. Below are actions we expect from our TPIs when carrying out a credit check;

Credit Check Do's and Don'ts;

Do

- credit check the correct legal entity (the name that is on the lease/Companies House).
- credit check as partnership if the business is not a limited company and there is more than 1 owner.
- make sure all the correct details are entered, as details cannot be changed once submitted.
- submit as 'dual fuel' contract or multisite if you have multiple contracts for the same customer, to avoid creating a new credit check for each supply.

Don't

- change the legal entity from a limited company to sole trader or vice versa, if it is a limited company it must be credit checked as such.

Contract Submission

We strive to provide an excellent experience and service to all our customers, which goes hand in hand with complying with regulatory rules. We expect the same high standards from our TPIs and randomly audit a selection of contracts to satisfy ourselves that customers are being treated fairly. If issues are found, you will be contacted by your Account Manager and given advice and a timeframe to resolve the problem, or for you to challenge if appropriate. Consistent issues will result in an action plan being set for you by your Account Manager. Here's what we typically look for when checking contracts;

Accurate & Complete Contracts (verbal and written)

- Principal terms provided in full, using the latest version we have provided.
- Payment details collected and DD Guarantee offered if applicable.

- Good transfer practices (avoidance of Erroneous Transfers).
- Clear evidence that the contract has been understood and agreed.
- Contract is dated prior to date of submission, and submitted within tolerance.
- LOA submitted with each contract signed and dated, specifically clarifying what authority has been granted to who, by who and for how long.

Professional Manner

- Fair honest and transparent practices including;
 - how much of the market was searched to obtain the offers.
 - the services you provide and how the customer will pay (directly or indirectly) for those services.
 - commission value, including unit rate uplift and estimated value over length of contract (£ & p).
- Non misleading claims or advice. Factual, industry based advice only.
- Products being offered and sold are appropriate for the customer.

Data Protection

- Interactions have taken place with the correct responsible party.
- Customers are informed that calls are recorded where applicable.
- LOAs are clear how the collected data will be used and evidence of consent is obtained from the customer before the account is discussed with a third party.

This is not an exhaustive list and we may check further details whilst carrying out monitoring activity.

Change of Tenancy (COTs)

Where requested, you must provide evidence of a lease agreement or business rates addressed to the customer, at the supply site address to prove responsibility of the site. Failure to provide requested evidence will likely result in delays or rejection of the COT. COTs have a significant impact on our revenue and although they can't always be avoided, unfortunately we do see a high amount of fraudulent COTs. Your Account Manager will make you aware if your COT rate becomes a concern and will work with you to improve it. We have the right to withhold commission payments/have commission repaid back to us if a COT is found to be fraudulent.

Complaints

From 1st December 2022;

- Be a registered member of the Ombudsman Energy Qualifying Dispute Settlement Scheme at all times.
- Have a Complaints Handling Procedure in place at all times with copies published on websites and available to customers upon request.

Monitoring & Interventions

This section sets out the TPI monitoring arrangements against this Code, as well as the potential sanctions that we may impose should we identify risks or breaches of the Code.

We will carry out monitoring activity of TPI interactions when selling or servicing SME customers. Monitoring activity covers employees and representatives of the TPI, and can be carried out by internal employees or third parties appointed by us. Monitoring of a proportionate sample of TPI interactions against the 4C's guide set out within this Code ensures our TPIs are delivering the right outcomes for our customers and fulfilling our regulatory obligations.

Risk-based monitoring and assurance of the Code (based on a key set of measures in line with the Code) will be undertaken using the following approaches:

Activity Description

Site visit Site visit to the TPI's premises to review their sales processes and ways of working against the principles we have defined.

Remote audit Remote audit to collate the evidence submitted by the TPI and review this with them over the phone.

Targeted monitoring Additional monitoring of contracts, whether this be verbal or written, to monitor and assess compliance.

Evidence request Request for evidence sent directly to the TPI outlining the issue highlighted, complaint or potential Code breach, asking for a full investigation to be completed and submitted to us within a specified timescale.

Interventions:

One (or more) of the following may be imposed by us if non-compliance is found:

Sanction Description

Targeted actions - Specific actions set and completed within an agreed timeframe.

Suspension whilst investigations are completed during which time we will not accept new contracts.

Termination of our Agreement.

TPI Governance & Controls

We expect TPIs to have the following measures and controls in place to ensure compliance with our Code Governance and ownership Senior management oversight of the TPIs business, employees, policies and reporting to satisfy its regulatory responsibilities. Frequent and continued monitoring of employee performance to ensure that any shortfall in expected standards are promptly identified and rectified.

Policies and procedures

The establishment of written policies and procedures which address all legal and regulatory requirements in a clear and concise manner, which are to be reviewed and updated periodically.

Training

At your own cost, ensure that employees;

- receive training in respect of the products and services.
- have the knowledge and skills necessary to provide the services in accordance with this.

Code and the Agreement

- are kept up to date with changes in the market, such as changes to products, services, legislation, and industry regulation.
- respect and give due regard to customer ethnicity, diversity, and vulnerability, and make appropriate adjustments when dealing with customers in these circumstances as required.

Promotional material

The TPI shall ensure that all sales support material used by the TPI complies with the UK Code of Non-broadcast Advertising and Direct and Promotional Marketing (the CAP code) as currently in force and available at asa.org.uk/.