

Q3. Do respondents agree that TPI commissions being published on customer bills would increase levels of transparency for customers? If not please provide a clear rationale why 4.4. We are aware of some of the potential for difficulties in implementing such a remedy, such as:

- Structure of commissions – With TPI commissions being a largely unregulated facet of the NI energy market, some respondents to the call for evidence highlighted the commissions can be structured in a number of different ways. Primarily TPI commissions will be charged as pence per KWh, but can also take the form of a contract fee or staged payments. This could complicate the uniform reporting of TPI commissions.

Not necessarily. If only 8% of customers use agents or TPI's then it would suggest that TPI penetration in the market is very low. The issue is maybe more about TPI's not being welcomed into the market by suppliers? Declaring commission as a pence per KWh is fine so long as supplier margins are also declared. Some TPI's charge fees especially in the LEU market so how do this get addressed?

Q4. Of those customers acquired via the TPI channel, can suppliers indicate what proportion have their commission paid on pence per KWh basis? Can suppliers clarify and provide data on other common models of commission used in NI? 14

Q5. Do respondents agree that standardising the reporting of TPI commissions on customer's bills would increase levels of transparency for customers? If not please provide a clear rationale why; and if yes, how best would this be achieved.

- Source of commissions – Typically TPIs operate a supplier-pays model, rather than the customer. However, one respondent to the call for evidence suggested some customers are paying TPIs directly. Whilst this would prevent suppliers from knowing—and therefore publishing—commissions, we would also expect that in this scenario customers would be aware of what they are paying for commissions.

See Q1 answer

Q6. Of those customers acquired via the TPI channel, can suppliers indicate for what proportion they would have data on the level of commission being paid?

We work with suppliers on commission and accept caps and other conditions that are deemed appropriate at the time. We also consider fixed fees per meter so we look at what is sensible and pragmatic.

Q7. Do respondents believe if a supplier is not aware of the TPI commission, the customer bill should include a general statement advising / reminding the customer that they may be paying commission and they should ask their broker for information on this? If not please provide a clear rationale why

- Supplier Billing – If suppliers were to publish TPI commissions on customer bills, they would be likely to require some amendments to the billing processes for those customers obtained through the TPI channel. There may also be additional changes required to wider supplier systems and processes.

If a code of conduct is developed then via it terms of business can be developed and these terms will set out how everyone in the supply chain gets paid (same as financial services). We tell customers that our commission is included in their unit rate.

Q8. What changes to billing systems—or wider systems and processes— would be required in order to enable the publication of TPI commissions on a customer's bill? Do respondents have any view of the difficulty and cost of these changes?

Q9. What other difficulties should be considered when publishing TPI commissions? 15

Q10. To what extent do respondents believe all the difficulties highlighted with this proposal can or cannot be mitigated? Are the difficulties outweighed by the potential customer benefit? 4.5. Should any such intervention be deemed necessary, it would need to be determined how best to implement it. A requirement on suppliers to publish TPI commissions could be a voluntary arrangement or more formally implemented through a licence requirement.

Q11. Do respondents think that a requirement on suppliers to include TPI commissions on customer bills should be voluntary, or mandated through a new licence obligation? What would respondents see as the issues with each approach?