

CONSULTATION ON A NEW SUPPLIER CODE OF PRACTICE ON BILLS AND STATEMENTS

10 August 2016



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing the markets, networks and corporate affairs functional areas of the organisation. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

Our Mission:

Value and sustainability in energy and water

Our Vision:

We will make a difference for consumers by listening, innovating and leading

Our Values:

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted

Be a united team

Be collaborative and cooperative

Be professional

Listen and explain

Make a difference

Act with integrity

Abstract

This paper sets out the Utility Regulator's proposed code of practice on bills and statements as required under the Energy Efficiency Regulations (Northern Ireland) 2014. The proposed code of practice will set out the principles and rules that must be adopted by electricity and gas suppliers when producing bills and statements for domestic and non-domestic customers. This paper and the accompanying appendices present the proposed code of practice, including the principles and rules, and the timeframes for delivery.

Audience

This document is most likely to be of interest to regulated electricity and gas supply companies and consumer organisations. The Utility Regulator welcomes stakeholder views and comments on all the proposals set out in this consultation paper.

Consumer impact

This paper sets out the Utility Regulator's proposals for the implementation of the code of practice on bills and statements. When the code of practice on bills and statements is complete and in place, as required under the Energy Efficiency Regulations (Northern Ireland) 2014, it will promote best practice energy billing and facilitate customer engagement in energy markets in Northern Ireland. Any failure of suppliers to comply with the code of practice on bills and statements will be a failure to comply with their licence and therefore may result in a formal investigation and enforcement action in line with our enforcement procedure.

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Glossary

Name	Definition
BERR	The Department of Business Enterprise & Regulatory Reform
CCNI	Consumer Council for Northern Ireland
CER	Commission for Energy Regulation
CMA	Competition & Markets Authority
COPNI	Commissioner for Older People Northern Ireland
CPS	Consumer Protection Strategy
CTM	Cheapest Tariff Messaging
The Department	The Department for the Economy (formerly known as the Department of Enterprise, Trade and Investment)
The Directive	The Energy Efficiency Directive
DPA	Data Protection Act
EU	European Union
FOIA	Freedom of Information Act 2000
GB	Great Britain
GPRN	Gas point registration number (RoI)
IME3	EU Third Internal Energy Package (2009) concerning common rules for the internal markets in electricity (Directive 2009/72/EC) and gas (Directive 2009/73/EC)
MPRN	Meter Point Registration Number
NI	Northern Ireland
OFT	The Office of Fair Trading
The Regulations	The Energy Efficiency Regulations (Northern Ireland) 2014
REMM	Retail Energy Market Monitoring
RoI	Republic of Ireland
TCR	Tariff Comparison Rate
TIL	Tariff Information Label
UR	Utility Regulator

1. Purpose and consultation details

1.1 Introduction

In July 2014 the Department of Enterprise Trade and Investment (now known as the Department for the Economy) (the **Department**) made the Energy Efficiency Regulations (Northern Ireland) 2014 (the **Regulations**)¹ in order to transpose part of the Energy Efficiency Directive (the **Directive**)² which was issued by the European Union (EU) in 2012. These Regulations state that:

“Any bill or statement of account sent to a customer.....complies with the guidance issued and published by the Authority....”

The UR further transposed this requirement into the electricity and gas supply licences (Condition 38.2 and Condition 2.19.2 respectively). As required under the Regulations and the electricity and gas supply licences we will produce a mandatory billing code of practice with which all electricity and gas suppliers in Northern Ireland (NI) must comply. This code of practice will cover the requirements for all bills and statements received by electricity and gas customers, including:

- domestic credit bills;
- domestic direct debit statements;
- domestic prepayment statements;
- non-domestic credit bills; and
- non-domestic direct debit statements.

Please note that for the purpose of this paper, direct debit communications are referred to as statements as they do not provide explicit instructions for payment – they are a means of informing the customer about the status of the account. In addition, prepayment customers receive annual statements as they do not receive bills. This requirement was introduced under the EU Third Internal Energy Package (2009) (**IME3**)

¹ The Energy Efficiency Regulations (Northern Ireland) 2014: http://www.legislation.gov.uk/nisr/2014/198/pdfs/nisr_20140198_en.pdf

² The Energy Efficiency Directive 2012 (Directive 2012/27/EU): <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012L0027&from=EN>

in order to ensure that prepayment customers have access to information about their consumption and charges.

The main purpose of this code of practice is to bring together all the requirements relating to bills and statements that are currently in the licence, codes of practice and other areas of energy legislation. In addition it will provide clarity on what information is to be provided to the customer on the face of the bill and the format of the information (where appropriate). Suppliers must also be aware that nothing in the code of practice is intended to, or should be deemed to, constitute an exemption from their legal obligations to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation,

During the development of this consultation we have considered the naming of this code of practice. We have come to the conclusion that the name “billing code of practice” (as stated in the licence) is too broad for the intent of the code, which is to provide clarity on the content and format of bills and statements. For that reason we will call this code the code of practice on bills and statements³.

The purpose of this consultation document is to engage with stakeholders and seek their views relating to the code of practice on bills and statements. Through this consultation we seek to:

- collect and discuss stakeholders’ views in relation to the content and coverage of the proposed code of practice including the principles on which this code of practice is based;
- ensure that energy consumers receive bills that are clear and understandable; and
- ensure that energy suppliers, and other stakeholders, are aware of the importance we place on consumer protection via the code of practice on bills and statements and of suppliers’ responsibility to adhere to the code of practice under their licence conditions.

³ The UR will modify the name of the billing code of practice in the electricity and gas supply licences to reflect the new name of the code of practice

With regard to the content of the proposed code of practice on bills and statements, some elements are already required by licence conditions or by other pieces of legislation. These requirements will not be consulted on in this paper – the code of practice will bring these requirements into one place for ease of use by suppliers. We are consulting on the requirements in the proposed code that are not currently mandatory under licences or other legislation. The proposed codes of practice are included in Annexes 1-4. For ease of reference (for the purpose of consultation) we have used a black font for the mandatory parts of the proposed code of practice and blue font for those parts which are under this current consultation.

1.2 Next steps

We invite all stakeholders to respond to this consultation and we welcome your comments on our proposals (see section below on how to respond). When the consultation period has closed we will consider all responses in order to inform the development of our final code of practice on bills and statements and accompanying decision paper. We aim to publish the decision paper by the end of this year

1.3 How to Respond

The UR welcomes engagement from all industry and other stakeholders throughout the consultation process. We appreciate your views and comments on all the proposals set out in this consultation paper. When responding, we request that you answer the questions as set out in this consultation paper and organise any comments relating to the code of practice to match the structure of the proposed code. If your organisations have carried out any customer research regarding any aspect of customer billing, or have any other relevant evidence, we encourage you to present this information in your responses where appropriate.

In particular for suppliers and network companies: when you comment on the capability of your current systems to produce bills and statements in line with the proposed code of practice, please be specific about any potential limitations of your systems, and the modifications required in order to produce bills and statements in the requested format.

If there are costs associated with any required changes to your systems please provide detail of these costs in your response.

The consultation period will close on **07 October 2016**. We may decide to organise a few industry meetings with suppliers and other stakeholders in order to discuss the content of the proposed code of practice. We will inform stakeholders of these meetings during the consultation period. Responses to this consultation should be forwarded to reach us on or before **1230 on 07 October 2016** to:

Ursula O'Kane
The Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED
Email: ursula.okane@uregni.gov.uk

Your response to this consultation may be made public by the UR. If you do not wish your response or name to be made public, please state this clearly by marking the response as confidential. Any confidentiality disclaimer that is automatically produced by an organisation's IT system or is included as a general statement in your fax or coversheet will be taken to apply only to information in your response for which confidentiality has been specifically requested.

Information provided in response to this consultation, including personal information may be subject to publication or disclosure in accordance with the access to information regimes; these are primarily the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 1998 (DPA). If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory code of practice with which public authorities must comply and which deals with obligations of confidence, amongst other things.

In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an

assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Authority.

This document is available in accessible formats. Please contact: Samantha Young (samantha.young@uregni.gov.uk).

1.4 Section 75 of the Northern Ireland Act 1998

As a public authority, the UR has a number of obligations arising from Section 75 of the Northern Ireland Act 1998. These obligations concern the promotion of equality of opportunity between:

- persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- men and women generally;
- persons with disability and persons without; and
- persons with dependants and persons without.

We must also have regard to the promotion of good relations between persons of different religious belief, political opinion or racial groups. In the development of our policies we also have a statutory duty to have due regard to the needs of vulnerable consumers i.e. individuals who are disabled or chronically sick, individuals of pensionable age, individuals with low incomes and, for electricity only, individuals residing in rural areas.

In order to assist with equality screening of the proposals contained within this consultation paper, we request that respondents provide any information or evidence in relation to the needs, experiences, issues and priorities for different groups which they feel is relevant to the implementation of any of the proposals. We welcome any comments which respondents might have in relation to the overall equality impact of the proposals. In particular we would like to know our stakeholders' views on any areas of the consultation which may have an impact on the groups listed above, and if those impacts are likely to be positive in relation to equality of opportunity for energy

consumers. In addition we are interested in receiving information on why and how we may refine the proposals if stakeholders consider that they do not currently meet the equality provisions.

Q1. Do you agree that where this consultation has an impact on the groups listed, those impacts are likely to be positive in relation to equality of opportunity for energy consumers?

Q2. Do you consider that the proposals for the development of the code of practice on bills and statements need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence.

2. Background to the code of practice on bills and statements

2.1 Introduction

There are both legislative and consumer protection reasons for developing a code of practice on bills and statements. The relevant pieces of legislation are the EU Third Internal Energy Package (2009) (**IME3**), the Electricity and Gas (Billing) (No. 2) Regulations (Northern Ireland) 2010 (the **Billing Regulations**), and the Energy Efficiency Directive (2012) (the **Directive**).

The Billing Regulations introduced the requirement for domestic suppliers to provide customers with a comparison of their consumption in the period covered by the bill with the consumption for the corresponding period in the previous year.

The implementation of IME3 (completed in 2012) introduced extra requirements on suppliers in relation to customer billing. These additional requirements which were included in electricity and gas supply licence conditions, related to both bills and billing processes, for domestic and non-domestic customers, and included:

- providing consumption data to customers at least on an annual basis, and also when requested⁴ (Condition 38(5) in the electricity supply licence; Condition 2.19.5 in the gas supply licence);
- providing the customer with information on the Energy Consumer Checklist along with all bills/statements (Condition 38(14)(d) in the electricity supply licence; Condition 2.19.14(d) in the gas supply licence); and
- informing the customer on all bills/statements of their right to switch energy supplier (Condition 38(7)(h) in the electricity supply licence; Condition 2.19.7(h) in the gas supply licence).

⁴ Note: this requirement was updated via EED – consumption information must be provided to customers: once per quarter on customer request, or where the customer receives electronic bills; once every six months for credit customers that do not receive quarterly bills; or once every twelve months for prepayment customers.

The Energy Efficiency Directive was implemented in Northern Ireland (NI) in part through the Energy Efficiency Regulations (Northern Ireland) 2014 (the **Energy Efficiency Regulations**) and the electricity and gas supply licences. As previously stated, the regulations require that *“Any bill or statement of account sent to a customercomplies with the guidance issued and published by the Authority....”* Throughout the consultation and decision phases of the implementation of the Energy Efficiency Directive we informed suppliers and other stakeholders of our intentions regarding the development of a code of practice on bills and statements. The requirement for electricity and gas suppliers to comply with the code of practice is now included in Condition 38 of the electricity supply licence and Condition 2.19 of the gas supply licence.

In addition to legislative reasons for developing a code of practice on bills and statements, we consider bills and statements to be the most important means of communication, between a supplier and its customers, both domestic and non-domestic. As such we aim to ensure that bills and statements meet certain criteria, use easily understandable language, and are in a clear and concise format. Our main non-legislative reasons for developing a code of practice on bills and statements are as follows:

- To provide direction on how suppliers should interpret requirements detailed in the Directive, such as “understandable” and “clear”, and how they relate to billing. Direction will be provided by means of a set of principles which the suppliers will apply when designing or amending bills or statements (this is explained in more detail throughout the document).
- To bring together all billing related requirements into one document for ease of reference for suppliers. This will help current suppliers when amending or redesigning bills and statements and new suppliers when developing their bills and statements.
- To set minimum requirements for the elements of bill (and statement) format and content that are deemed to be necessary to ensure high levels of consumer

protection. These requirements are in addition to the legislative requirements, for example minimum font size for specific pieces of information.

- To fulfil our Forward Work Programme (FWP) objective to protect the long-term interests of consumers in line with our statutory duties. As part of the delivery of this objective we developed and consulted on a Consumer Protection Strategy⁵ (CPS). Stakeholders were very supportive of the development of a code of practice on bills and statements as part of the CPS and this has been included as a specific project to help customers with issues of affordability.

It is not our aim to produce a code of practice that is unduly prescriptive or that does not allow suppliers to be innovative in the way they communicate with their customers or how they respond to customer feedback. We intend to be proportionate and plan to follow a principles based approach in developing our code of practice on bills and statements. Principles based regulation enables regulators and regulated companies to create outcomes for customers that are in the customers' best interests but may be achieved by a number of different means. This means suppliers and other regulated companies can adopt innovative solutions to provide customers with the best service, so long as the customer outcome is achieved. At the same time the code of practice will set minimum requirements for all customer bills and statements so customers will remain protected.

With regard to the code of practice, our aim is to ensure that suppliers present the information on bills and statements to customers in an accessible and understandable way, and that the bills and statements are based on principles such as clarity and accuracy. However, alongside this principles based approach we must also ensure that all bills and statements continue to comply with all current legal requirements. This will require us to implement some specific rules which will work in partnership with the principles. The UR will retain the option of specifying more detailed "rules" in the code of practice if difficulties emerge in the future in relation to enforcing, interpreting or complying with these principles; but at this point we want to define high level principles where possible and let suppliers decide on how best to meet these principles.

⁵ Consumer Protection Strategy: http://www.uregni.gov.uk/uploads/publications/Consumer_Protection_Strategy_final.pdf

Q3. Do you support the development of a code of practice on bills and statements that is based on high level principles and includes specific rules where required? If not, what approach do you suggest the UR takes in order to develop a code of practice on bills and statements?

2.2 Compliance with the code of practice on bills and statements

As mentioned earlier, the code of practice on bills and statements (when finalised) will be mandatory and all suppliers must comply with the code as appropriate (i.e. domestic/non-domestic/both depending on customer base). As the code of practice on bills and statements is mandatory under the electricity and gas licences, a failure to comply with the code will be investigated as a potential breach of licence (Condition 38 of the electricity supply licence and Condition 2.19 of the gas supply licence). Compliance with the code of practice will include compliance with both the high level principles and the specific rules set out within the code.

Suppliers will be required to keep a record of their compliance with their obligations under the code and will provide information to the UR to enable it to monitor compliance. For example, each licensee must keep a record of any changes made to billing processes and bill/statement format. Suppliers may also be required to provide information on these changes and how these changes have maintained (or in some cases achieved) compliance with the code. Compliance with the code of practice on bills and statements will be monitored by the UR under the Retail Energy Market Monitoring (REMM) framework (which is discussed further below).

Q4. What is your view on the proposed arrangements for the monitoring of compliance with the code of practice on bills and statements?

As all suppliers are aware, we have begun a more proactive approach with regard to compliance monitoring and reporting through the REMM framework. As part of the annual licence compliance submission suppliers must submit a statement of licence compliance confirming compliance with all licence conditions (or providing explanations for non-compliance). This statement is accompanied by a letter of assurance, signed by the CEO or Managing Director of the supplier, confirming that the suppliers' compliance as recorded in the statement. We expect suppliers to inform us of any areas of non-compliance or potential non-compliance as soon as they become aware of them, and of the plan that is in place to become compliant. In addition, the annual REMM submission for each supplier must include a description of any areas of non-compliance that have been recorded during the previous year. As with any licence conditions, if we become aware of a supplier's non-compliance with the code of practice on bills and statements we will investigate the potential licence breach in line with our enforcement procedure⁶.

2.3 Research from other jurisdictions and industries

Prior to developing the code of practice on bills and statements we undertook some research into consumer engagement through energy billing in other jurisdictions (EU, Great Britain (GB) and the Republic of Ireland (RoI)) and in the water industry in NI (NI Water bills non-domestic customers). Our research in these areas is summarised below.

European Commission

In July 2015 the European Commission published a communication⁷ to the European Parliament detailing a three pillar strategy to deliver a new deal for energy consumers. It stated that transparent, accurate and up to date information on metering and consumption increases consumer trust and engagement. Conversely, obstacles including the lack of appropriate information on costs and consumption, or limited

⁶ UR Enforcement Procedure and Financial Penalties Policy:
http://www.uregni.gov.uk/uploads/publications/Enforcement_Procedure_2016.pdf

⁷ European Commission: Communication from the commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Delivering a new deal for energy consumers.
https://ec.europa.eu/energy/sites/ener/files/documents/1_EN_ACT_part1_v8.pdf

transparency in offers, make it difficult for consumers to assess the market situation and opportunities. In addition it proposed that switching needs to be based on easily accessible, transparent, trustworthy and readily available comparable information covering price as well as contractual quality – the price element being covered by information in bills.

Energy billing in GB

In August 2013 Ofgem published licence modifications to implement its Retail Market Review (RMR) proposals⁸ on Simpler Tariff Choices and Clearer Information for domestic consumers. The approach taken by Ofgem was the outcome of significant stakeholder engagement. The proposals were highly prescriptive with regard to content and formatting of customer communications, including bills.

These proposals included the creation of new standardised communication tools to help customers navigate in the energy market. The new tools included the Tariff Comparison Rate (TCR), Personal Projections, a Tariff Information Label (TIL) and regular prompts for the customer to be made aware of the supplier's cheapest tariff (Cheapest Tariff Messaging (CTM)). Ofgem proposed that this information would be presented on all routine communications (i.e. bills, annual statements, price change notifications etc.) and further proposed standardisation in the layout and presentation of some of this information.

The TCR is a rate (similar to the Annual Percentage Rate (APR) used in savings and credit cards etc.) that helps consumers to compare different supplier's energy costs. Personal projections are bespoke to the individual customer and establish a common means of calculating estimated annual energy costs which enable consumers to compare suppliers on a like-for-like basis. CTM is designed to prompt the consumer to consider options by providing information on how much they could save by switching to a different tariff with their current supplier. Finally, the TIL is a standard format

⁸ Ofgem Retail Market Review – Implementation of Simpler Tariff Choices and Clearer Information: https://www.ofgem.gov.uk/sites/default/files/docs/decisions/the_retail_market_review_-_implementation_of_simpler_tariff_choices_and_clearer_information.pdf

presentation of energy tariff features to help consumers understand the various parts of the tariff and enable them to compare across suppliers.

Ofgem proposed that the CTM and the personal projection should be on the first page of customer bills. With regard to annual statements, Ofgem proposed that information on customer's energy costs and consumption should be provided in a specified layout. This information includes CTM, sources of independent advice on switching, a version of the TIL and graphical representation of the customer's consumption over 12 or 24 months.

The research commissioned by Ofgem⁹ in order to develop these communication tools revealed a number of important general findings about domestic customer communications:

- Consumers want communications from suppliers to be short (or at least succinct), clear, easy to read/understand, personalised and free from jargon and technical language where possible.
- If the purpose of the communication is clear, consumers are more likely to react positively.
- For familiar communications (e.g. bills) consumers have particular information that they want to find and understand quickly (e.g. how much to pay). Therefore, any proposed changes to communications which makes this more difficult are not likely to have a positive consumer response.
- Communications that are long deter consumers from engaging with them (simple documents should be kept to one page e.g. price change notification letters; more complex documents should be kept to two pages e.g. annual statements).
- Communications must meet the needs of all consumers – this means they must be clear and simple enough for consumers with low engagement or limited literacy or numeracy; however, they must still take account of consumers who are more interested in the detail and engaged in the market.

⁹ Price Increase Notification Letters, Summary Box on Bills, Tariff Information Labels and Annual Statements: Report of consumer testing to support template development - https://www.ofgem.gov.uk/sites/default/files/docs/2011/10/price-increase-notification-letters%2C-summary-box-on-bills%2C-tariff-information-labels-and-annual-statements_0.pdf

- The use of colour makes documents more easy to read and visual devices such as clear, bold headings and simple tables and/or graphs help to convey key information e.g. consumption of energy and/or costs.
- Customers dislike the use of “jargon” in communications from suppliers and some tend to disengage when they see what they believe to be jargon (particularly customers with low engagement in the energy market).

With regards to bills specifically, the research found that:

- When a customer receives a bill the important points the customer wants to understand quickly are:
 - How much to pay (or the value of the direct debit);
 - When to pay it; and
 - If they are in credit or debit (mainly for direct debit customers who pay a fixed sum across the year).
- Some consumers do want to see other information behind the bill, for example, whether it is an estimated or actual bill,

Another of Ofgem’s RMR proposals was the introduction of a summary box on consumer bills. The purpose of the summary box is to provide consumers with key information needed for tariff comparison when investigating whether or not to switch to another supplier. Suppliers were provided with prescriptive guidelines¹⁰ on the content and format of the summary box (including actual wording, detail on text size, colour, positioning etc.). The RMR proposals relating to the TCR, TIL and summary box were implemented by suppliers in GB by 31 March 2014.

¹⁰ Ofgem Information Improvements: Implementation Guidelines - <https://www.ofgem.gov.uk/sites/default/files/docs/2013/03/ofgem-information-improvements-implementation-guidelines.pdf>

Since the introduction of the measures described above Ofgem has begun to move towards a form of regulation that relies more on principles than prescription. In December 2015 Ofgem consulted on its plans for the future of retail market regulation¹¹ and in June 2016 Ofgem published an open letter¹² with an update on these plans.

As part the development of these plans, Ofgem has begun reviewing consumer bills again. In November 2015 Ofgem held an effective billing workshop¹³, at which suppliers and other stakeholders such as consumer groups presented their views on the current billing format. It was acknowledged at this workshop that the current level of prescribed information on the customer bill is too high and may actually lead to customer confusion rather than helping customers. The stakeholders also stressed that the one size fits all level of prescription does not allow suppliers to tailor the information to an individual customer.

Ofgem has since published an open letter¹⁴ detailing the next steps to improve consumer communications, reduce the level of prescription where possible and support market innovation. As part of this new approach, Ofgem has encouraged suppliers to undertake trials to improve their communications with consumers; these include trials which involve bills or communications which are not compliant with current licence conditions.

One supplier in GB has already produced a new bill format following a year-long research period¹⁵. The design process was led by customers and supported by a number of leading consumer groups including Citizen's Advice, uSwitch and the money advice service. The bill was designed from a blank sheet of paper with the focus on what customers want to see on the bill. The result is a simplified version of the old bill

¹¹ Ofgem consultation on the future of retail market regulation:

https://www.ofgem.gov.uk/sites/default/files/docs/the_future_of_retail_market_regulation.pdf

¹² Ofgem open letter outlining plans for principle based regulation:

https://www.ofgem.gov.uk/system/files/docs/2016/06/the_future_of_retail_market_regulation_-_update_on_the_way_forward.pdf

¹³ Ofgem effective billing workshop notes:

https://www.ofgem.gov.uk/system/files/docs/2016/03/effective_billing_workshop_251115_.pdf

¹⁴ Ofgem open letter regarding the improvement of consumer communication and the value of trials:

https://www.ofgem.gov.uk/system/files/docs/2016/03/improving_consumer_communication_and_the_value_of_trials_.pdf

¹⁵ News article re supplier's new billing format: <http://sse.com/newsandviews/allarticles/2016/02/new-sse-bill-design-aims-to-end-energy-bill-confusion/>

which has been endorsed by the Design Council¹⁶. Customer testing has shown that three times as many customers find the design more appealing than the first original design, and seven times as many customers found it easier to find key pieces of information.

Ofgem referral of GB energy market to the Competition & Markets Authority

In June 2014 Ofgem referred the GB energy market to the Competition & Markets Authority (CMA). The CMA was required to determine whether any feature or combination of features of each relevant market prevents, restricts or distorts competition in connection with the supply or acquisition of Energy in GB.

In July 2015 the CMA published a Notice of Possible Remedies¹⁷. The CMA proposed that in order for liberalised energy markets to work effectively, customers need to be adequately engaged. In the Notice of Possible Remedies the CMA stated that the complex information provided in bills combined with the structure of tariffs inhibit value-for-money assessments of the available options to be made by customers (especially those customers who lack the capability to search and consider options fully).

The CMA published its final energy market reforms¹⁸ in June 2016. In this report the CMA stated that there is an argument for Ofgem to intervene directly to facilitate customer engagement (through influencing communications between suppliers and customers) and acknowledged the introduction of the 'clearer information' component of the RMR rules. However, the CMA concluded that there must be a much more evidence based approach to such interventions in the future through the use of rigorous testing and trialling.

Energy billing in RoI

Energy suppliers in RoI follow the guidance provided by the Commission for Energy Regulation (CER) in the electricity and natural gas supplier handbook¹⁹. The handbook

¹⁶ The Design Council is a charity recognised as the leading authority on the use of strategic design, and the UK government's adviser on design: <http://www.designcouncil.org.uk/>

¹⁷ CMA Notice of Possible Remedies: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/442489/EMI_Remedies_Notice_-_Final.pdf

¹⁸ CMA https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/531157/Energy-final-report-summary.pdf

¹⁹ CER electricity and natural gas supplier handbook 2012: <http://www.cer.ie/docs/000484/cer12081.pdf>

provides a list of information that is required to be presented on the bills for electricity and gas customers. Certain pieces of information are required to be placed on the front of the bill. These include:

- Electricity network operator/gas network operator's emergency fault reporting contact number;
- Meter/gas point registration number (MPRN/GPRN);
- Metering configuration code (electricity customers);
- Profile code (electricity customers);
- Meter number (NDM gas customers); and
- AC band.

The information listed above must be provided on bills in the industry approved format as presented in the supplier handbook. In addition to the information that must be included on the front of the bill, the suppliers must also include information such as (but not limited to):

- Historical consumption information;
- Period to which the bill relates and date of issue of the bill;
- Meter readings and calculations of consumption for the amount of electricity/gas supplied;
- VAT;
- Total amount payable; and
- A list of payment options.

There are also further requirements for suppliers that have dual fuel customers.

In 2015 CER carried out research on attitudes and experiences in the domestic and SME electricity and gas markets in Ireland²⁰. This research included customers' opinions on how easy their bills are to understand. It found that in the domestic sector:

²⁰ CER findings from 2015 research on attitudes and experiences in the domestic and SME electricity and gas markets in Ireland: <http://www.cer.ie/docs/001036/CER15122%20CER%20Consumer%20Report.pdf>

- 22% of electricity customers and 29% of gas customers “never” or “sometimes” look at their bill.
- Almost 40% of electricity and gas customers open their bill every time, but only look at the amount that is due.
- 39% of electricity and 33% of gas customers read their bills in detail and, for these customers, the most commonly looked for items on the bills are the amount, the payment date and if it is an actual read or an estimated read.

These results suggest that domestic customers are not as engaged as they could be with their electricity and gas bills, with more than one fifth of all energy consumers “never” or “sometimes” looking at their bills. However, this research is very useful as it gives helpful information on what customers want to see when they do look at their bills.

In the SME sector:

- 73% of electricity customers and 66% of gas customers think the bill is easy to understand.
- 73% of electricity customers and 70% of gas customers think that the bill makes it easy to understand the amount of electricity or gas charged for.

CER has reported that these results show an increase in understanding of energy bills since 2014 for the SME sector.

NI Water customer billing

In 2013 Northern Ireland Water (NI Water) reviewed consumer bills and developed a new bill format for metered and non-metered customers (please note that billing is only applicable for non-domestic water customers in Northern Ireland). The new bills have a very clear format with customer friendly features such as:

- All customer details are in one box at the top left corner of the front of the bill – this enables the customer to have important information handy when contacting NI Water.

- The summary of charges presents details on the previous bill, the new charges, the total to be paid, and when it is to be paid. There is also a clear statement of the action to be taken by the customer e.g. “Please pay £552.13 immediately”.
- NI Water contact details are in large font, including the website address and the contact number.
- The back of the bill shows a breakdown of charges based on meter readings (where available/applicable).
- Other useful information is also on the back of the bill e.g. complaints process details – this is less important for the customer than the information on the front of the bill but the information is still clearly presented with bold headings.

NI Water has also developed advice sheets^{21&22} which help customers to understand the information presented on their bills. We consider the NI Water bills to be good examples of clear and understandable utility bills and we think the advice sheets are an excellent addition to facilitate consumer engagement with bills.

²¹ NI Water advice sheet for metered customers: http://www.niwater.com/sitefiles/resources/pdf/15249_niwme_apsb_p1-4.pdf

²² NI Water advice sheet for unmetered customers:
http://www.niwater.com/sitefiles/resources/pdf/15249_niwum_aps_p1-4.pdf

3. Stakeholder engagement and pre-consultation

3.1 Introduction to stakeholder engagement and pre-consultation

Customer billing is one of the most essential functions that a supplier carries out for its customers. However, billing is also a very complex issue for suppliers and in some cases (particularly for larger suppliers that operate in NI and RoI) it involves more than one IT system and many complicated internal processes. On the other hand, bills and statements contain information that customers must be able to understand in order to make informed and sensible choices about their energy use and choice of supplier. In order to try and understand some of the issues both suppliers and consumers face with regard to bills and statements we undertook a comprehensive pre-consultation phase involving suppliers and third party organisations.

We met with representatives from eight gas and electricity supply companies and the following third sector organisations:

- Commissioner for Older People Northern Ireland (COPNI);
- Advice NI; and
- Consumer Council for Northern Ireland (CCNI).

The suppliers provided valuable information on the feedback they have received from customers on the format and content of their bills and statements, and also gave us some insight into the limitations of their billing systems and the scope for change. Some of the suppliers also proposed that bills and statements provide opportunities for them to differentiate themselves from the competition. The third party organisations gave us insight into how accessible customers find their bills and statements and the type of difficulties encountered by customers in understanding these communications.

The issues raised at the bilateral meetings are summarised below and apply to both bills and statements (although for simplicity only bills are mentioned in the following section).

3.2 Customer & stakeholder research

Most of the suppliers that we met with conduct their own customer research with regard to the content and format of their bills, and make changes based on what the customers want to see. They are concerned that mandatory formatting through the code of practice may reverse some of the positive changes they have made following consultation with their own customers.

The customer research undertaken by the UR is limited to our biennial omnibus survey in which we ask a number of customers about their experiences relating to electricity and gas. The latest of these surveys was carried out in March 2016. When asked “how easy or difficult is it to understand your electricity (or gas) bill or statement?” 48% of electricity customers responded that their bills were “very easy” or “fairly easy” to understand. 46% answered “don’t know” or “never looked at/received bill”, leaving only 6% that answered “fairly difficult” or “very difficult”. 31% of gas customers responded that their bills are “very easy” or “fairly easy” to understand (this has dropped from 39% in 2014). 65% answered “don’t know” or “never looked at/received bill” with only 4% that answered “fairly difficult” or “very difficult”.

We have not carried out detailed research on customers’ opinions of bills and statements but the high level of both gas and electricity customers that answered “don’t know” or “never looked at/received bill” suggests that customers are not as engaged with their energy bills as they could be. However, this could only be confirmed with further research into customer attitudes.

In the next few years we plan to undertake extensive research into customer attitudes on a number of key areas, one of which will be attitudes to billing and the way in which information is presented on bills and statements. The research will cover gas and electricity; and domestic and non-domestic customers over a range of billing related issues. The results of this research will be one of the ways that we will use to review how the code of practice on bills and statements is working for customers’ understanding of their bills. If we find that customer feedback on bills is negative we will

review the code of practice on bills and statements with a view to making amendments to improve the code.

In 2015 the UR consulted on the consumer protection strategy²³. As part of the consultation stakeholders were made aware that the UR was planning to develop a code of practice on bills and statements in response to requirements in the Directive. Many respondents agreed that there is a need for such a code of practice. A number of respondents reported that some consumers struggle to understand energy bills with a few respondents even stating that there should be consistency of layout between suppliers to allow comparison and ease of understanding on switching. However, other respondents requested that the UR takes a non-prescriptive approach to the code of practice as the suppliers, being commercial organisations, wish to maintain uniqueness in a competitive market.

3.3 Billing complaints

Both the suppliers and the third sector organisations stated that customer complaints relating to bills tend to relate more to the amount of the bill rather than the format of the bills themselves. For example, suppliers, CCNI and Advice NI receive complaints from customers that consider their bills to be too high as a result of faulty meters, incorrect meter reads or incorrectly calculated Direct Debits. The electricity and gas supply licences place requirements on suppliers regarding the accuracy and timeliness of meter readings. As there are a number of process related requirements on suppliers, we have decided to include the process related aspects of billing in the code of practice on bills and statements.

3.4 Standardised formatting

As mentioned above, Ofgem has previously introduced standardised formatting for certain elements of customer bills. During the bilateral meetings we debated the possibility of standardising certain elements of the bills. On the whole, domestic suppliers were not against the idea of considering how they might standardise certain

²³ Utility Regulator Consumer Protection Strategy 2016/17 – 2020/21:
http://www.uregni.gov.uk/uploads/publications/Consumer_Protection_Strategy_final.pdf

elements of customer bills. However, suppliers that only operate in the non-domestic market expressed concern that mandated formatting is not suitable for non-domestic bills, and that trying to determine a portion of standardised formatting will hinder rather than help non-domestic customers understand their bills.

The third sector organisations were of the opinion that some level of standardisation may help customers to understand bills and statements even if they move supplier, and may make it easier for them to engage with the markets to find a better energy deal. CCNI noted that even if all suppliers' bills are deemed to be clear and understandable that a level of standardisation between suppliers will help the market as a whole. It would also help third sector organisations assist customers when they have billing queries and complaints as the advisers would have a better understanding of the format of all suppliers' bills.

We are in agreement that the concept of standardised formatting may be more helpful for domestic than non-domestic customers but we are not convinced that the benefit of mandating format would outweigh the cost to suppliers to alter their systems to deliver it. It may also result in suppliers making changes to their bills which effectively reverse changes they have previously made on customer recommendations.

In addition, as mentioned above, Ofgem has tried the idea of standardised formatting and is now exploring other options. However, we suggest that there may be value in considering the idea of presenting certain key pieces of information on the face of the bill and other (more detailed) information on the back of the bill. The proposed code of practice details our suggestions on the information to be included on the front and back of bills. We consider a light touch approach to standardisation will be more beneficial.

Another aspect of formatting that we spoke to stakeholders about was the font size on the bills. It was generally accepted that there is a large amount of information to be presented on the bills and as such it is not pragmatic to propose a minimum font size for all information without detrimentally impacting the length of the bill. However, if we are taking the view that some information on bills is more important than other information,

then the most important information should be presented in a font that is of a minimum size. We have included details of this in the proposed code of practice.

3.5 Language used on bills and statements

The suppliers and the third sector organisations were agreed that the language used on bills needs to be as simple as possible in order for customers to understand their bills. However, many suppliers commented that there are particular terms and phrases that they must use on bills and statements that may be deemed to be difficult to understand, for example 'kilowatt hours' or 'standing charge'. Information on gas bills in particular can be difficult to present in an easily understandable way, simply due to the nature of how gas quantities and hence charges are calculated.

We acknowledge that there is a natural level of complexity in energy billing and we aim to help to address this through the principles set out in the code of practice on bills and statements. We also urge suppliers to work with third sector organisations (particularly those that deal with customers' and energy bills) when developing and/or amending bills, in order to ensure that the language is appropriate and understandable. This is particularly important for customers that have low engagement with the energy markets.

4. Coverage and content of code of practice on bills and statements

4.1 Coverage of the code of practice on bills and statements

As mentioned in Section 1 the code of practice on bills and statements will cover all bills and statements received by domestic and non-domestic electricity and gas customers (including direct debit statements and prepayment statements), as well as the billing processes related to producing these bills and statements (as stated in the electricity and gas supply licences) . We have decided to align the code of practice on bills and statements for gas and electricity so that the bills are as consistent as possible. We understand that there are a few distinct requirements for gas and electricity suppliers, but we do not think that there are enough to merit separate codes of practice. We have decided to separate the domestic code of practice on bills and statements from the non-domestic (industrial and commercial) code of practice on bills and statements.

During the development of the code of practice on bills and statements it became apparent that having one code of practice that covers all bills and statements for both domestic and non-domestic customers is not practical. As a result we have decided to produce four codes of practice as follows:

- Code of practice on domestic bills;
- Code of practice on non-domestic bills;
- Code of practice on domestic statements; and
- Code of practice on non-domestic statements.

Q5. Do you support the breakdown of the code of practice on bills and statements into the categories as detailed above? If not, please explain why and provide an alternative breakdown.

For ease of reference in the following sections any reference to the code of practice on bills and statements should be understood as relating to all four codes of practice. The

code of practice on bills and statements relates only to actual bills i.e. it does not apply to follow up communications e.g. letters regarding non-payment of bills or debt. In addition the scope of the code of practice on bills and statements does not cover:

- back billing;
- customer disputes arising due to billing errors;
- billing of customers following incidents of meter tampering and/or theft; or
- any legislative requirements external to the responsibility of the UR.

Q6. Are there any other aspects related to bills and statements or to the billing processes which you think should be covered under the code of practice which are not mentioned above?

The proposed code of practice on bills and statements will include all relevant licence and other legislative requirements. The code of practice will also cover the high level principles on which the code is based (as discussed above) and more prescriptive elements regarding bills and statements e.g. layout; statements regarding customers in difficulty etc.

Please note we are not consulting on those parts of the proposed code of practice that are legislative requirements (as these are mandatory under licences etc.). However, the high level principles and the more prescriptive parts of the proposed code of practice on bills and statements are included for consultation and we welcome our stakeholders' views on these.

There are consultation questions relating to the high level principles as detailed in this consultation document. However, we are also interested in receiving feedback on the proposed content of the code with regard to the more prescriptive, non-legislative elements. In order to facilitate stakeholders to provide feedback on the proposed code of practice we have used a blue font to show those parts of the code which are proposed for consultation. Any black text in the proposed code indicates requirements that are mandatory (from licences or legislation) and have been included in the proposed code for completeness (as previously mentioned).

When providing feedback on the content of the proposed code, please include the title of the code of practice (to indicate if it is for domestic/non-domestic customers and for bills/statements) and the section to which your feedback relates.

Following the consultation process, the decision paper will be written and the final version of the code of practice will be published. At this point the entire code will become mandatory.

4.2 Content and structure of the code of practice on bills and statements

As previously mentioned there are a number of legislative requirements that suppliers must comply with regarding their billing processes and the content of customer's bills and statements. These include licence conditions and requirements from legislation such as the Billing Regulations and the Energy Efficiency Regulations. In addition, suppliers also have to meet requirements in the marketing code of practice (through Condition 40 of the electricity supply licence and Condition 2.21 of the gas supply licence) and the minimum standards for codes of practice.

The code of practice sets out all of these requirements in one place in order to facilitate suppliers when designing and amending bill formats and billing processes. However, as mentioned above, the code of practice does not include the requirements that are external to the responsibility of the UR. This includes (inter alia) requirements in consumer protection legislation and/or data protection legislation etc.

As mentioned previously, the legislative requirements under the code of practice are not being consulted on as part of this process – many of these have been consulted upon in previous consultations or are requirements from EU Directives which must be implemented. For ease of reference, the mandatory requirements in the proposed code of practice are in black font. The requirements which are proposed for consultation are in blue – these are the requirements we would specifically like feedback on.

In addition to the legislative content of bills and statements, the code of practice will also contain requirements regarding high level principles, layout and language. These

requirements, which are proposed for consultation, are included in blue text in the codes of practice. We welcome your feedback on these. There are a few areas of the code where we have proposed a number of ideas for a specific issue. We would particularly like to know your thoughts on these proposals and how we can best get the outcome for customers. For example, we are consulting on providing domestic customers with information about the tariff they are on and how it compares to other tariffs that the supplier can offer (section 3.2 of the code). This could be as straightforward as telling the customer that there may be a better deal and directing the customer to the supplier's website; or it could be as prescriptive as telling the customer the tariff they are on and providing the customer with a list of alternative tariffs that would save them money. The best outcome for customers is that they are more informed about their tariff and the potential to save money.

Each code is broken down into four sections. The content of each section is briefly described below. The first section of the proposed code is an introductory section that provides the proposed high level principles of the code of practice alongside the glossary; the remaining sections provide the detailed requirements for suppliers regarding their billing/statement processes and bill/statement format and content.

Section 1: High level principles

This section covers the proposed high level principles (see next section) which govern this code of practice and definitions of terms applicable to the code of practice.

Section 2: Requirements for suppliers' billing/statement processes

This section includes both legislative and non-legislative requirements. The legislative requirements, which comprise the majority of this section, are not for consultation. However, the non-legislative requirements are presented as proposals for consultation.

This section includes:

- Process requirements for billing e.g. options for billing format and frequency offered to the customers (i.e. online or paper; monthly or quarterly etc.).

- Requirements in electricity and gas codes of practice minimum standards.

Section 3: Requirements for content of bills/statements

The legislative requirements for the content of energy supply bills and statements that are covered within this code are:

- the electricity and gas supply licences;
- the Electricity and Gas (Billing) (No. 2) Regulations (Northern Ireland) 2010 (the “**billing regulations**”); and
- the Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014 (the “**gas standards of performance**”).

Other requirements include:

- Requirements in electricity and gas codes of practice minimum standards.

These cover many of the legislative requirements with regard to energy billing. However, there are also requirements which come from other pieces of consumer related legislation (related to billing). For the avoidance of doubt, suppliers are responsible for ensuring that all bills comply with all relevant legislation. The legislative requirements from energy supply licences and the billing regulations are covered throughout the code.

Section 4: Format of bills/statements

This section covers how the information on the bills and statements must be presented to the customer.

- Requirements for the front page of the bill – certain elements of the bill should be on the front page for ease of visibility to the customer.
- Requirements for the presentation of the information on the bill, including: requirements for minimum font size and layout of key information.

- Requirements related to supplier codes of practice.

The proposed codes of practice can be found in Annexes 1-4 of this paper.

4.3 High level principles for the code of practice on bills and statements

As discussed earlier, following the bilateral meetings with suppliers and third sector organisations, we have decided that our approach to the code of practice on bills and statements will be tailored to our desire to produce a code that is mainly principle based. As mentioned in earlier sections, we have not undertaken extensive research in Northern Ireland into customers' attitudes on billing. As such, we do not currently have the necessary information to implement a highly prescriptive code of practice, and based on our research from other jurisdictions, we do not think that a highly prescriptive code would at this stage provide the best outcomes for customers. We may revise our view on this after examining the operation of and compliance with the new code.

The proposed code of practice on bills and statements is based on principles which we believe will facilitate the design of bills and statements which will inform and engage energy consumers. All of the proposed principles below apply to bills and statements for both domestic and non-domestic customers²⁴. At the highest level we propose one overarching principle. Our overarching principle is:

All bills and statements are clear and easily understandable

We acknowledge that this is a very broad statement and in order to provide some guidance to suppliers about how we interpret "clear and understandable" we have developed a number of high level principles. We have developed these principles based on the research we have carried out (as detailed in chapter 3). These principles focus on the outcomes for customers that we would like to achieve. We propose that all suppliers will follow these principles when developing and/or amending their billing processes and billing systems. We would like to hear stakeholders' views on these

²⁴ Please note: in the proposed codes of practice the high level principles are refined to apply either to bills or statements (as per the code of practice to which each relates).

principles. In addition, we would like to know if stakeholders have a different interpretation to us on these principles.

In the case of domestic customers we propose that suppliers' bills and statements are clear and easily understandable **to the average consumer**. The concept of the average consumer has been developed in the case law of the European Court of Justice. It is defined in the Consumer Protection from Unfair Trading Regulations 2008²⁵, and further explained by the Office of Fair Trading (OFT) and the Department for Business Enterprise and Regulatory Reform (BERR)²⁶. This definition will not apply for the non-domestic code of practice on bills and statements.

Q7. Do you support the overarching principle that “all bills and statements are clear and easily understandable”? If not, please explain why and provide an/some alternative overarching principle(s).

Q8. With regard to domestic customers, do you agree with the use of the definition of an “average consumer” taken from the Consumer Protection from Unfair Trading Regulations 2008? If not, please explain why and provide an alternative definition.

Principle 1: A customer is able to find quickly and understand important information on the bill or statement

There are particular pieces of information that customers want to see and to understand on a bill or statement. For bill pay customers, this is likely to be items such as how much money is owed, and when it is due. For direct debit customers this information could be if the account is in credit or in debit, and when the next payment will be taken from their bank account. The information must be provided in a manner that is

²⁵ The Consumer Protection from Unfair Trading Regulations:
http://www.legislation.gov.uk/ukdsi/2008/9780110811574/pdfs/ukdsi_9780110811574_en.pdf

²⁶ OFT and BERR guidance on the UK regulations (May 2008) implementing the Unfair Commercial Practices Directive:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284442/oft1008.pdf

accessible for all consumers, for example consumers with limited literacy or numeracy, or consumers with low engagement in the energy market. Other pieces of information, such as the availability of alternative tariffs or complaints handling information must not make it more difficult for customers to find and understand the key information.

Q9. Do you support the principle that “a customer is able to find quickly and understand important information on the bill or statement”? If yes, please indicate what you deem to be the most important information on a bill or statement. If no, please explain why you do not support this principle.

Principle 2: A customer will know immediately what action is required from them when reading a bill or statement

When a customer receives a bill it must be obvious to them if action is required, for example if an outstanding amount is to be paid (detailing how much to be paid, and the date of payment) or if a Direct Debit amount is to be reset (either increased or decreased depending on the consumer’s energy usage). If the communication is an annual statement this must be very clear – i.e. the customer must understand immediately that they do not need to take an action and that the statement is for information only.

Q10. Do you support the principle that “a customer will know immediately what action is required from them when reading a bill or statement”? If yes, please indicate what you deem to be the most important information on a bill or statement. If no, please explain why you do not support this principle.

Principle 3: Bills and statements present accurate and timely information to the customer

Providing customers with the most accurate and up-to-date information on bills and statements is important for a number of reasons. These include:

- ensuring that the amount of money owed by the customer is kept as accurate as possible to facilitate budgeting, with the aim of preventing customers from missing payments and falling into debt;
- allowing the customer to compare tariff offerings based on actual consumption information rather than estimated bills (this gives the customer a more accurate idea of the amount of money they may save if they switch tariff or supplier);
- providing the customer with accurate information on consumption and which will enable them to take action to reduce energy consumption; and
- enabling the supplier to have accurate information available if there are any queries regarding customer consumption or charges.

In order to deliver on this principle, suppliers must follow the requirements on data accuracy etc. as detailed in the electricity and gas supply licences (these details are incorporated into the proposed codes of practice).

Q11. Do you support the principle that “bills and statements are based on accurate information and up-to-date meter reads where possible”? If not, please explain why you do not support this principle.

Principle 4: Customers will be made aware if there are cheaper tariffs available to them

A customer’s understanding of tariff options is fundamentally important for their engagement with energy markets. When a customer receives a bill or statement it must be clear on that bill or statement if there are other cheaper tariffs that are offered by the supplier that the customer can avail of. Likewise, if the customer is on the cheapest tariff offered by the supplier, this should be made clear to the customer on the bill or statement.

With regard to bills and statements for domestic customers, the supplier must first determine if the customer is on the best tariff available to them. If the customer is on

the best available tariff the supplier must simply state this. If the customer is not on the best available tariff there are a number of ways the supplier can inform the customer of other available tariffs. These options require varying levels of action by the supplier; we are interested to hear stakeholders' views on each of these. In cases where the customer is not on the best available tariff, the supplier must inform the customer of this. In addition (the following are options for discussion):

- the supplier will determine the best tariff for the customer and present this to them on the bill or statement;
- the supplier will inform the customer of the other available tariffs (i.e. details of unit rates, charges, discounts etc. for a range of tariff options); or
- the supplier will highlight to the customer that cheaper tariff options are available and direct the customer to sources of this information e.g. the supplier's website or the customer service team (contact centre number).

With regard to providing information to non-domestic customers regarding cheaper tariffs, we understand that suppliers have various contracts with non-domestic customers and there may not be a "one size fits all" approach for this. We suggest that (as a minimum) the supplier must inform the customer on the customer's bill or statement if there is the opportunity to renegotiate the terms of the contract for a more favourable deal. This will only be appropriate if the customer has come to the end of a fixed term deal or if the customer is not on a fixed term deal, and there is a cheaper tariff available.

Under this principle we aim to strike a balance between providing the customer with helpful information to make informed choices about their energy supply and compelling suppliers to make substantial changes to billing systems. We would like suppliers to feedback on each of these options and to provide indicative costs associated with systems changes to deliver the options.

Q12. Do you support the principle that “domestic customers will be made aware if there are cheaper tariffs available to them”? If yes, please indicate which of the three options presented above for domestic customers is the most appropriate way of making this information available to customers (and explain the rationale for your choice)? If no, please explain why you do not support this principle.

Q13. Do you support the principle that “non-domestic customers will be made aware if there are cheaper tariffs available to them”? If yes, please indicate how you think this information should be presented to non-domestic customers. If no, please indicate why you do not support this principle.

5. Next steps

The consultation period will close on **07 October 2016**. As mentioned in section 1.3 we may decide to organise a few industry meetings in order to discuss the content of the proposed codes of practice. We will inform stakeholders of these meetings during the consultation period.

When the consultation period has closed we will consider all responses in order to inform the development of our final codes of practice and accompanying decision paper. We aim to publish the decision paper by the end of the year which will include further details and timelines for implementation.

6. Appendix 1 – Code of practice on domestic bills

Nothing in this code of practice is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligations to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.

This code of practice applies only to domestic bills. For the purpose of this code, a bill refers to a communication with a customer that makes a request for payment.

1 High level principles

1.1 Overarching principle: all bills are clear and easily understandable to the average consumer

1.1.1 The supplier will follow the principles and rules in this code of practice when developing and/or amending their billing processes and billing systems and processes.

1.1.2 The supplier will follow the concept of the average consumer as it has been developed in the case law of the European Court of Justice. It is defined in the Consumer Protection from Unfair Trading Regulations 2008²⁷, and further explained by the Office of Fair Trading (OFT) and the Department for Business Enterprise and Regulatory Reform (BERR)²⁸.

1.2 Principle 1: A customer is able to find quickly and understand important information on the bill

1.2.1 This information includes (but is not limited to) items such as how much money is owed, and when it is due.

²⁷ The Consumer Protection from Unfair Trading Regulations:

http://www.legislation.gov.uk/ukdsi/2008/9780110811574/pdfs/ukdsi_9780110811574_en.pdf

²⁸ OFT and BERR guidance on the UK regulations (May 2008) implementing the Unfair Commercial Practices Directive: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284442/oft1008.pdf

- 1.2.2 The information must be provided in a manner that is accessible for all consumers, for example consumers with limited literacy or numeracy, or consumers with low engagement in the energy market.
- 1.2.3 Other pieces of information, such as the availability of alternative tariffs or complaints handling information must not make it more difficult for customers to find and understand the key information.

1.3 Principle 2: A customer will know immediately what action is required from them when reading a bill

- 1.3.1 When a customer receives a bill it must be obvious to them if action is required, for example if an outstanding amount is to be paid (detailing how much to be paid, and the date of payment).

1.4 Principle 3: Bills present accurate and timely information to the customer

- 1.4.1 The supplier will comply with the requirements on data accuracy etc. as detailed in the electricity and gas supply licences (these details are incorporated into the next sections of this code of practice).

1.5 Principle 4: Customers will be made aware if there are cheaper tariffs available to them

- 1.5.1 The supplier must first determine if the customer is on the best tariff available to them.
- 1.5.2 If the customer is on the best available tariff the supplier must simply state this.
- 1.5.3 If the customer is not on the best available tariff there are a number of ways the supplier can inform the customer of other available tariffs.
- the supplier will determine the best tariff for the customer and present this to them on the bill;
 - the supplier will inform the customer of the other available tariffs (i.e. details of unit rates, charges, discounts etc. for a range of tariff options); or

- the supplier will highlight to the customer that cheaper tariff options are available and direct the customer to sources of this information e.g. the supplier's website or the customer service team (contact centre number).²⁹

2 Requirements for suppliers' domestic billing processes

2.1 Introduction

- 2.1.1 The main billing and consumption information requirements are detailed in conditions 38 and 44 of the electricity supply licence and conditions 2.19 and 2.28 of the gas supply licence. Further requirements have been introduced through the code of practice minimum standards³⁰ – these are noted with (COP) below.
- 2.1.2 All bills must be designed and formatted in consultation with the Authority and the General Consumer Council.

2.2 Communication methods

- 2.2.1 Before completing a contract with a customer a supplier will inform the customer of the types of electronic communication available for bills.
- 2.2.2 At least annually (after completion of the contract) the supplier will inform the customer of the types of electronic communication available for bills.
- 2.2.3 The supplier will send bills in the format requested by the customer (provided the supplier offers the requested type of communication).
- 2.2.4 The supplier will ensure that all contact with the customer relating to bills is friendly and non-aggressive. (COP)
- 2.2.5 The supplier will operate a nomination or bill redirection service for those customers who wish to have their bills redirected to a nominated person. (COP)
- 2.2.6 The supplier will only send bills in respect of 2.2.5 where it has received confirmation that the nominated person has agreed to receive bills on the customer's behalf. (COP)

²⁹ Following the consultation only one of these options will be included in the code of practice.

³⁰ Decision paper on codes of practice minimum standards:

http://www.uregni.gov.uk/uploads/publications/Final_Codes_of_Practice_Decision_Paper.pdf

- 2.2.7 The supplier will send a copy of the redirected bill to the actual customer where requested. (COP)
- 2.2.8 The supplier will ensure that it has facilities available to assist blind or partially sighted, or deaf or partially deaf customers to enquire or complain about any bill. (COP)

2.3 Frequency of bills

- 2.3.1 The supplier will send a bill once a quarter to any customer that has requested to receive bills electronically.
- 2.3.2 The supplier will send a bill once a quarter to any customer that has requested to receive bills on a quarterly basis.
- 2.3.3 The supplier will send a bill once every six months to any customer that has not requested to receive a bill quarterly and is not a prepayment customer.

2.4 Meter reading and billing

- 2.4.1 The supplier will use all reasonable endeavours to take an actual meter reading for each metered customer on at least an annual basis.
- 2.4.2 The supplier will calculate the amount of electricity or gas consumed by the customer by reference to an actual meter reading where available (as per section 2.4.1).
- 2.4.3 If an actual meter reading is not available the supplier will calculate the amount of electricity or gas used by reference to a customer meter reading (if the supplier considers the reading to be reasonably accurate). If the supplier does not consider the customer meter reading to be reasonably accurate it will take all reasonable steps to contact the customer and request a new meter reading.
- 2.4.4 If neither an actual meter reading nor a customer meter reading is available the supplier will estimate the amount of electricity or gas consumed by the customer (based on previous consumption data if available).
- 2.4.5 If the customer receives a bill showing an estimated meter reading it may provide the supplier with a customer meter reading. The supplier must accept

this customer meter reading and provide an updated bill reflecting this reading (if requested).

- 2.4.6 Where a supplier has not been able to take a meter reading for a customer on at least an annual basis the supplier will retain evidence of the reasonable endeavours taken to secure a meter reading for at least three years. The supplier will provide this evidence to the Authority if requested.

2.5 Final bills

- 2.5.1 Where a customer has ended its contract with a supplier according to the terms and conditions of the contract, the supplier will send a final bill to the customer within six weeks of ceasing to provide electricity or gas to the customer.

2.6 Provision of consumption information to electricity and gas suppliers and energy services providers

- 2.6.1 This section of the code relates to the provision of billing information³¹ to electricity and gas supplier and energy services providers. It applies in those circumstances where a supplier:
- currently supplies electricity or gas to the customer identified in the customer information request³²; or
 - has in the previous twelve months supplied electricity or gas to the customer identified in the customer information request; and
 - the billing information specified in the customer information request is held or recorded by the supplier.
- 2.6.2 The supplier will provide the billing information specified in the customer information request free of charge and within ten working days to any electricity or gas supplier or energy services provider.

³¹ Billing information means: (a) any information relating to the consumption of electricity or gas by the customer at the premises identified in the request; and (b) any information enclosed with, or set out in, any bill or statement previously sent by the licensee to the customer at such premises.

³² A customer information request means a request for billing information in respect of the customer at the premises identified, and for the period specified, in the request.

- 2.6.3 If the information held by the supplier is not in a form that can be determined for the specified period as requested in the customer information request, the supplier will:
- give notice to the electricity or gas supplier or the energy services provider (as the case may be) that the billing information cannot be provided for only the specified period; and
 - provide the requested billing information held for any period that includes the specified period.
- 2.6.4 The supplier will not process a customer information request for any energy services provider unless the energy services provider submits written evidence of the customer's consent to obtain the information specified in the customer information request.
- 2.6.5 The supplier will not submit a customer information request to another electricity or gas supplier unless it has (and retains) evidence of the consent of the customer for it to obtain the information specified in the customer information request.

2.7 Free of charge

- 2.7.1 The supplier will not charge the customer for any information, including any bill. This requirement does not apply in respect of providing additional copies of bills.
- 2.7.2 With regard to section 2.6, the supplier will not charge the customer for providing any of the services set out in 2.6 to the customer, to any electricity or gas supplier, or to an energy services provider.

2.8 Customer tariff

- 2.8.1 The supplier will determine whether or not the customer is on the cheapest tariff that is available to them.

3 Requirements for the content of domestic bills

This section includes many of the legislative requirements with regard to energy billing. However, there are also requirements related to billing which come from other pieces of consumer legislation. For the avoidance of doubt, suppliers are responsible for ensuring that all bills comply with all relevant legislation.

3.1 Customer and supplier information

3.1.1 The supplier will include the following information on each bill sent to the customer:

- Supplier name and address; and
- Customer Meter Point Registration Number (MPRN) – for electricity customers; or
- Customer Supply Meter Point Number (SMPN) – for gas customers.

3.2 Tariff information

3.2.1 The supplier will include the following tariff related information on each bill sent to the customer:

- The full name of the customer’s applicable tariff (in all cases where the tariff has a name);
- The unit rate of the customer’s applicable tariff – expressed in “pence per kWh” where applicable;
- Any discount or premium that applies to the tariff when compared to the supplier’s standard tariff (where applicable for the same payment method); and
- A statement to inform the customer if they are on the best available tariff (as determined under 2.8.1) – if the customer is not on the best available tariff the supplier will:
 - a) determine the best tariff for the customer and present this to them on the bill
 - b) inform the customer of the other available tariffs (i.e. details of unit rates, charges, discounts etc. for a range of tariff options); or

- c) highlight to the customer that cheaper tariff options are available and direct the customer to sources of this information e.g. the supplier's website or the customer service team (contact centre number).

3.3 Consumption and charging information

3.3.1 The supplier will include the following consumption and charging information on all customer bills:

- The total charges for the period of the bill.
- The breakdown of the total charges, including:
 - any applicable standing charges;
 - total charges exclusive of VAT; and
 - total charges including VAT.

Where other charges are applicable, these will be listed separately in the breakdown of charges.

- The amount of electricity or gas that has been consumed by the customer since the last bill sent to the customer. The amount of electricity or gas is determined according to section 2.4 i.e. the supplier will calculate the consumption using an actual read where available; a customer read where an actual read is not available; or an estimated meter read where neither an actual nor a customer read is available.
- The amount of electricity or gas that has been consumed by the customer at the premises in the previous 12 months – in those cases where the supplier has provided a supply of electricity or gas to the customer at the same premises for 12 months or more.
- The amount of electricity or gas that has been consumed by the customer at the premises since the supplier started to provide the supply of electricity or gas – in those cases where the supplier has provided a supply of electricity or gas to the customer at the same premises for less than 12 months.

3.3.2 The supplier will include a statement to inform the customer if any action needs to be taken following receipt of the bill.

3.4 Consumption comparison information

3.4.1 This section of the code relates to the provision of consumption information to customer that have been with the electricity or gas supplier throughout the period:

- commencing with the start of the corresponding period in the previous year; and
- ending with the end of the period to which the bill relates.

3.4.2 The supplier will provide a comparison of the customer's consumption of electricity or gas in the period covered by the bill with the same customer's consumption of electricity or gas for the corresponding period in the previous year.

3.5 Additional information to be provided on the bill

3.5.1 The supplier will include a statement to inform the customer that other electricity and gas suppliers are available. Details of where the customer can obtain impartial advice and information about changing electricity or gas suppliers will also be provided.

3.5.2 Electricity suppliers only: the supplier will include the fuel mix information – this must be the most recently published fuel mix information (published annually by the Authority as per Condition 41 of the electricity supply licence).

3.5.3 The supplier will include a statement to inform customers about the existence of a code of practice for customers that are having difficulty paying for the supply of electricity or gas³³.

3.5.4 In addition the supplier will include a statement to advise customers that are having difficulty paying their electricity or gas bills to contact them immediately for help and guidance.

³³ Decision paper on codes of practice minimum standards:
http://www.uregni.gov.uk/uploads/publications/Final_Codes_of_Practice_Decision_Paper.pdf

3.5.5 For any customer that has debt on its electricity or gas account the supplier will ensure that all bills clearly present the information relating to the debt separately to any charges that apply to the billing period. In addition to the charges for the current period, the bill will show:

- the amount paid towards the debt since the last bill; and
- the total amount of remaining debt.

3.6 Additional information to be provided on or with the bill

3.6.1 The supplier will provide information about the handling of complaints including:

- the customer's right to complain to the supplier and initiate the complaints procedure, as outlined in the code of practice for complaints handling procedure – this includes providing the contact address and telephone number of the supplier's complaints handling department and details on how to request a copy of the code of practice;
- the role of CCNI in assisting the resolution of complaints which the supplier has not resolved to the customer's satisfaction – this includes providing the contact address and telephone number of CCNI; and
- the customer's right to refer billing related complaints to the UR if CCNI has not been able to resolve the complaint to the customer's satisfaction.

3.6.2 The supplier will inform customers that the Energy Consumer Checklist is accessible from the supplier's website; and that the supplier will send a copy to the customer on request, and free of charge.

3.6.3 The supplier will include contact details (including website address) of at least one organisation that provides information or assistance on measures which will help customers to improve their energy efficiency.

3.7 Supplier's Notice of Rights (gas suppliers only)

3.7.1 The supplier will include the following on each bill sent to the customer:

- the website address of the Supplier's Notice of Rights; and

- details on how the customer can request a printed copy of the Supplier's Notice of Rights.

4 Requirements for the format of domestic bills

4.1 Font – typeface, size and colour

- 4.1.1 The supplier will choose a font typeface and line spacing that is easily readable for the average customer.
- 4.1.2 The supplier will give regard to the use of font colours and avoid colours that are more difficult to read.
- 4.1.3 The supplier will use a minimum font size of 12 for all information relating to charges and meter readings.
- 4.1.4 The supplier will use a minimum font size of 10 for all information that is required under sections 3.1-3.4 (except for information relating to charges and meter readings).
- 4.1.5 The supplier will use a minimum font size of 8 for those items of information not covered in 4.1.1 or 4.1.2.

4.2 Use of language

- 4.2.1 The supplier will use language that is non-threatening and supportive in customer bills.
- 4.2.2 The supplier will provide information in language that is customer friendly and understandable (for example using Plain English – see <http://www.plainenglish.co.uk/> for more information).
- 4.2.3 The supplier will work with CCNI and other relevant consumer organisations on the content and tone of the language used in the bills to ensure a non-threatening and supportive approach.

4.3 Layout of important information

4.3.1 The supplier will include the following information on the front of the bill:

Front of bill
Customer details including: MPRN Customer tariff name and unit rate
Billing period – to which the bill relates
Balance before bill
Total charges for the period excluding VAT
Total charges for the period including VAT
Action to be taken by the customer (if any) – see section 3.3.2
Date of any payment due
Statement about customers having difficulty paying bills – see sections 3.5.3 & 3.5.4
Customer’s tariff information as detailed in section 3.2

4.3.2 Any information added to the front of the bill in addition to 4.3.1 must not reduce the customer’s ability to see clearly, read and understand the mandatory information.

7. Appendix 2 – Code of practice on domestic statements

Nothing in this code of practice is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligations to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.

This code of practice applies only to domestic statements. For the purpose of this code, direct debit communications are referred to as statements as they do not provide explicit instructions for payment – they are a means of informing the customer about the status of the account. In addition, prepayment customers receive annual statements as they do not receive bills.

1 High level principles

1.1 Overarching principle: All statements are clear and easily understandable to the average consumer

- 1.1.1 The supplier will follow the principles and rules in this code of practice when developing and/or amending their billing processes and billing systems and processes.
- 1.1.2 The supplier will follow the concept of the average consumer as it has been developed in the case law of the European Court of Justice. It is defined in the Consumer Protection from Unfair Trading Regulations 2008³⁴, and further explained by the Office of Fair Trading (OFT) and the Department for Business Enterprise and Regulatory Reform (BERR)³⁵.

³⁴ The Consumer Protection from Unfair Trading Regulations:

http://www.legislation.gov.uk/ukdsi/2008/9780110811574/pdfs/ukdsi_9780110811574_en.pdf

³⁵ OFT and BERR guidance on the UK regulations (May 2008) implementing the Unfair Commercial Practices Directive: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284442/oft1008.pdf

1.2 Principle 1: A customer is able to find quickly and understand important information on the statement

- 1.2.1 This information includes (but is not limited to) items such as how much money is owed, and when it is due.
- 1.2.2 The information must be provided in a manner that is accessible for all consumers, for example consumers with limited literacy or numeracy, or consumers with low engagement in the energy market.
- 1.2.3 Other pieces of information, such as the availability of alternative tariffs or complaints handling information must not make it more difficult for customers to find and understand the key information.

1.3 Principle 2: A customer will know immediately what action is required from them when reading a statement

- 1.3.1 When a customer receives a statement it must be obvious to them if action is required, for example if a direct debit arrangement needs to be amended (if the customer has over or underpaid).

1.4 Principle 3: Statements present accurate and timely information to the customer

- 1.4.1 The supplier will comply with the requirements on data accuracy etc. as detailed in the electricity and gas supply licences (these details are incorporated into the next sections of this code of practice).

1.5 Principle 4: Customers will be made aware if there are cheaper tariffs available to them

- 1.5.1 The supplier must first determine if the customer is on the best tariff available to them.
- 1.5.2 If the customer is on the best available tariff the supplier must simply state this.
- 1.5.3 If the customer is not on the best available tariff there are a number of ways the supplier can inform the customer of other available tariffs.

- the supplier will determine the best tariff for the customer and present this to them on the statement;
- the supplier will inform the customer of the other available tariffs (i.e. details of unit rates, charges, discounts etc. for a range of tariff options); or
- the supplier will highlight to the customer that cheaper tariff options are available and direct the customer to sources of this information e.g. the supplier's website or the customer service team (contact centre number).³⁶

2 Requirements for suppliers' processes for issuing domestic statements

2.1 Introduction

- 2.1.1 The main billing and consumption information requirements are detailed in conditions 38 and 44 of the electricity supply licence and conditions 2.19 and 2.28 of the gas supply licence. Further requirements have been introduced through the code of practice minimum standards³⁷ – these are noted with COP below.
- 2.1.2 All statements must be designed and formatted in consultation with the Authority and the General Consumer Council.

2.2 Communication methods

- 2.2.1 Before completing a contract with a customer a supplier will inform the customer of the types of electronic communication available for statements.
- 2.2.2 At least annually (after completion of the contract) the supplier will inform the customer of the types of electronic communication available for statements.
- 2.2.3 The supplier will send statements in the format requested by the customer (provided the supplier offers the requested type of communication).
- 2.2.4 The supplier will ensure that all contact with the customer relating to statements is friendly and non-aggressive. (COP)

³⁶ Following the consultation only one of these options will be included in the code of practice.

³⁷ Decision paper on codes of practice minimum standards:

http://www.uregni.gov.uk/uploads/publications/Final_Codes_of_Practice_Decision_Paper.pdf

- 2.2.5 The supplier will operate a nomination or statement redirection service for those customers who wish to have their statements redirected to a nominated person. (COP)
- 2.2.6 The supplier will only send statements in respect of 2.2.5 where it has received confirmation that the nominated person has agreed to receive statements on the customer's behalf. (COP)
- 2.2.7 The supplier will send a copy of the redirected statement to the actual customer where requested. (COP)
- 2.2.8 The supplier will ensure that it has facilities available to assist blind or partially sighted, or deaf or partially deaf customers to enquire or complain about any statement. (COP)

2.3 Frequency of statements

- 2.3.1 The supplier will send a statement once a quarter to any customer that has requested to receive statements electronically.
- 2.3.2 The supplier will send a statement once a quarter to any customer that has requested to receive statements on a quarterly basis.
- 2.3.3 The supplier will send a statement once every six months to any customer that has not requested to receive a statement quarterly and is not a prepayment customer.
- 2.3.4 The supplier will send a statement once every twelve months to any prepayment customer.

2.4 Meter reading and statements

- 2.4.1 The supplier will use all reasonable endeavours to take an actual meter reading for each metered customer on at least an annual basis.
- 2.4.2 The supplier will calculate the amount of electricity or gas consumed by the customer by reference to an actual meter reading where available (as per section 2.3.1).
- 2.4.3 If an actual meter reading is not available the supplier will calculate the amount of electricity or gas used by reference to a customer meter reading (if the

supplier considers the reading to be reasonably accurate). If the supplier does not consider the customer meter reading to be reasonably accurate it will take all reasonable steps to contact the customer and request a new meter reading.

- 2.4.4 If neither an actual meter reading nor a customer meter reading is available the supplier will estimate the amount of electricity or gas consumed by the customer (based on previous consumption data if available).
- 2.4.5 If the customer receives a statement showing an estimated meter reading it may provide the supplier with a customer meter reading. The supplier must accept this customer meter reading and provide an updated statement reflecting this reading (if requested).
- 2.4.6 Where a supplier has not been able to take a meter reading for a customer on at least an annual basis the supplier will retain evidence of the reasonable endeavours taken to secure a meter reading for at least three years. The supplier will provide this evidence to the Authority if requested.

2.5 Final statements

- 2.5.1 Where a customer has ended its contract with a supplier according to the terms and conditions of the contract, the supplier will send a final statement to the customer within six weeks of ceasing to provide electricity or gas to the customer.

2.6 Provision of consumption information to electricity and gas suppliers and energy services providers

- 2.6.1 This section of the code relates to the provision of billing information³⁸ to electricity and gas supplier and energy services providers. It applies in those circumstances where a supplier:
- currently supplies electricity or gas to the customer identified in the customer information request³⁹; or

³⁸ Billing Information is defined in Condition 44 of the electricity supply licence and Condition 2.28 of the gas supply licence as: (a) any information relating to the consumption of electricity by the customer at the premises identified in the customer information request; and (b) any information enclosed with, or set out in, any bill or statement sent by the licensee to the customer at the premises

- has in the previous twelve months supplied electricity or gas to the customer identified in the customer information request; and
- the billing information specified in the customer information request is held or recorded by the supplier.

- 2.6.2 The supplier will provide the billing information specified in the customer information request free of charge and within ten working days to any electricity or gas supplier or energy services provider.
- 2.6.3 If the information held by the supplier is not in a form that can be determined for the specified period as requested in the customer information request, the supplier will:
- give notice to the electricity or gas supplier or the energy services provider (as the case may be) that the billing information cannot be provided for only the specified period; and
 - provide the requested billing information held for any period that includes the specified period.
- 2.6.4 The supplier will not process a customer information request for any energy services provider unless the energy services provider submits written evidence of the customer's consent to obtain the information specified in the customer information request.
- 2.6.5 The supplier will not submit a customer information request to another electricity or gas supplier unless it has (and retains) evidence of the consent of the customer for it to obtain the information specified in the customer information request.

2.7 Free of charge

- 2.7.1 The supplier will not charge the customer for any information, including any statement. This requirement does not apply in respect of providing additional copies of statements.

³⁹ A customer information request means a request for billing information in respect of the customer at the premises identified, and for the period specified, in the request.

2.7.2 With regard to section 2.6, the supplier will not charge the customer for providing any of the services set out in 2.6 to the customer, to any electricity or gas supplier, or to an energy services provider.

2.8 Customer tariff

2.8.1 The supplier will determine whether or not the customer is on the cheapest tariff that is available to them.

3 Requirements for the content of domestic statements

This section includes many of the legislative requirements with regard to energy billing. However, there are also requirements related to billing which come from other pieces of consumer legislation. For the avoidance of doubt, suppliers are responsible for ensuring that all statements comply with all relevant legislation.

3.1 Customer and supplier information

3.1.1 The supplier will include the following information on each statement sent to the customer:

- Supplier name and address; and
- Customer Meter Point Registration Number (MPRN) – for electricity customers; or
- Customer Supply Meter Point Number (SMPN) – for gas customers.

3.2 Tariff information

3.2.1 The supplier will include the following tariff related information on each statement sent to the customer:

- The full name of the customer’s applicable tariff (in all cases where the tariff has a name);
- The unit rate of the customer’s applicable tariff – expressed in “pence per kWh” where applicable;
- Any discount or premium that applies to the tariff when compared to the supplier’s standard tariff (where applicable for the same payment method); and

- A statement to inform the customer if they are on the best available tariff (as determined under 2.8.1) – if the customer is not on the best available tariff the supplier will:
 - d) determine the best tariff for the customer and present this to them on the statement
 - e) inform the customer of the other available tariffs (i.e. details of unit rates, charges, discounts etc. for a range of tariff options); or
 - f) highlight to the customer that cheaper tariff options are available and direct the customer to sources of this information e.g. the supplier’s website or the customer service team (contact centre number).

3.3 Consumption and charging information

3.3.1 The supplier will include the following consumption and charging information on all customer statements:

- The total charges for the period of the statement (calculated from meter readings where available).
- The breakdown of the total charges, including:
 - any applicable standing charges;
 - total charges exclusive of VAT; and
 - total charges including VAT.

Where other charges are applicable, these will be listed separately in the breakdown of charges.

- The amount of electricity or gas that has been consumed by the customer since the last statement sent to the customer. The amount of electricity or gas is determined according to section 2.4 i.e. the supplier will calculate the consumption using an actual read where available; a customer read where an actual read is not available; or an estimated meter read where neither an actual nor a customer read is available.
- The amount of electricity or gas that has been consumed by the customer at the premises in the previous 12 months – in those cases

where the supplier has provided a supply of electricity or gas to the customer at the same premises for 12 months or more.

- The amount of electricity or gas that has been consumed by the customer at the premises since the supplier started to provide the supply of electricity or gas – in those cases where the supplier has provided a supply of electricity or gas to the customer at the same premises for less than 12 months.

3.3.2 For customers that are supplied via a prepayment meter (or were for any part of the statement period), the supplier will provide the number and total value of the pre-payments made by the customer in each calendar month of the statement period.

3.3.3 Where there is a discrepancy between the total charges and the total vends, the supplier will present information to explain this discrepancy.

3.3.4 [The supplier will include a statement to inform the customer if any action needs to be taken following receipt of the statement.](#)

3.4 Consumption comparison information

3.4.1 This section of the code relates to the provision of consumption information to customer that have been with the electricity or gas supplier throughout the period:

- commencing with the start of the corresponding period in the previous year; and
- ending with the end of the period to which the statement relates.

3.4.2 The supplier will provide a comparison of the customer's consumption of electricity or gas in the period covered by the statement with the same customer's consumption of electricity or gas for the corresponding period in the previous year.

3.5 Additional information to be provided on the statement

3.5.1 The supplier will include a statement to inform the customer that other electricity and gas suppliers are available. Details of where the customer can obtain

impartial advice and information about changing electricity or gas suppliers will also be provided.

- 3.5.2 Electricity suppliers only: the supplier will include the fuel mix information – this must be the most recently published fuel mix information (published annually by the Authority as per Condition 41 of the electricity supply licence).
- 3.5.3 The supplier will include a statement to inform customers about the existence of a code of practice for customers that are having difficulty paying for the supply of electricity or gas⁴⁰.
- 3.5.4 In addition the supplier will include a statement to advise customers that are having difficulty paying for their electricity or gas to contact them immediately for help and guidance.
- 3.5.5 For any customer that has debt on its electricity or gas account the supplier will ensure that all statements clearly present the information relating to the debt separately to any charges that apply to the billing period. In addition to the charges for the current period, the statement will show:
- the amount paid towards the debt since the last statement; and
 - the total amount of remaining debt.

3.6 Additional information to be provided on or with the statement

- 3.6.1 The supplier will provide information about the handling of complaints including:
- the customer’s right to complain to the supplier and initiate the complaints procedure, as outlined in the code of practice for complaints handling procedure – this includes providing the contact address and telephone number of the supplier’s complaints handling department and details on how to request a copy of the code of practice;
 - the role of CCNI in assisting the resolution of complaints which the supplier has not resolved to the customer’s satisfaction – this includes providing the contact address and telephone number of CCNI; and

⁴⁰ ⁴⁰ Decision paper on codes of practice minimum standards:
http://www.uregni.gov.uk/uploads/publications/Final_Codes_of_Practice_Decision_Paper.pdf

- the customer's right to refer billing related complaints to the UR if CCNI has not been able to resolve the complaint to the customer's satisfaction.

3.6.2 The supplier will inform customers that the Energy Consumer Checklist is accessible from the supplier's website; and that the supplier will send a copy to the customer on request, and free of charge.

3.6.3 The supplier will include contact details (including website address) of at least one organisation that provides information or assistance on measures which will help customers to improve their energy efficiency.

3.7 Supplier's Notice of Rights (gas suppliers only)

3.7.1 The supplier will include the following on each statement sent to the customer:

- the website address of the Supplier's Notice of Rights; and
- details on how the customer can request a printed copy of the Supplier's Notice of Rights.

4 Requirements for the format of domestic statements

4.1 Font – typeface, size and colour

4.1.1 The supplier will choose a font typeface and line spacing that is easily readable for the average customer.

4.1.2 The supplier will give regard to the use of font colours and avoid colours that are more difficult to read.

4.1.3 The supplier will use a minimum font size of 12 for all information relating to charges and meter readings.

4.1.4 The supplier will use a minimum font size of 10 for all information that is required under sections 3.1-3.4 (except for information relating to charges and meter readings).

4.1.5 The supplier will use a minimum font size of 8 for those items of information not covered in 4.1.1 or 4.1.2.

4.2 Use of language

- 4.2.1 The supplier will use language that is non-threatening and supportive in customer statements.
- 4.2.2 The supplier will provide information in language that is customer friendly and understandable (for example using Plain English – see <http://www.plainenglish.co.uk/> for more information).
- 4.2.3 The supplier will work with CCNI and other relevant consumer organisations on the content and tone of the language used in the statements to ensure a non-threatening and supportive approach.

4.3 Layout of important information

- 4.3.1 The supplier will include the following information on the front of the statement:

Front of statement
Customer details including: MPRN Customer tariff name and unit rate
Statement period – to which the statement relates
Balance before statement
Total charges for the period excluding VAT
Total charges for the period including VAT
Action to be taken by the customer (if any) – see section 3.3.4
Date of any payment due or Direct Debit to be collected
Statement about customers having difficulty paying for their electricity or gas – see sections 3.5.3 & 3.5.4
Customer's tariff information as detailed in section 3.2
A summary of the customer vend information as detailed in section 3.3.2

- 4.3.2 Any information added to the front of the statement in addition to 4.3.1 must not reduce the customer's ability to see clearly, read and understand the mandatory information.

8. Appendix 3 – Code of practice on non-domestic bills

Nothing in this code of practice is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligations to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.

This code of practice applies only to non-domestic bills. For the purpose of this code, a bill refers to a communication with a customer that makes a request for payment.

1 High level principles

1.1 Overarching principle: All bills are clear and easily understandable

1.1.1 The supplier will follow the principles and rules in this code of practice when developing and/or amending their billing processes and billing systems and processes.

1.2 Principle 1: A customer is able to find quickly and understand important information on the bill

1.2.1 This information includes (but is not limited to) items such as how much money is owed, and when it is due.

1.2.2 Other pieces of information, such as the availability of alternative tariffs or complaints handling information must not make it more difficult for customers to find and understand the key information.

1.3 Principle 2: A customer will know immediately what action is required from them when reading a bill

1.3.1 When a customer receives a bill it must be obvious to them if action is required, for example if an outstanding amount is to be paid (detailing how much to be paid, and the date of payment).

1.4 Principle 3: Bills present accurate and timely information to the customer

1.4.1 The supplier will comply with the requirements on data accuracy etc. as detailed in the electricity and gas supply licences (these details are incorporated into the next sections of this code of practice).

1.5 Principle 4: Customers will be made aware if there are cheaper tariffs available to them

1.5.1 The supplier must first determine if the customer is on the best tariff available to them.

1.5.2 If the customer is on the best available tariff the supplier must simply state this.

1.5.3 The supplier will inform the customer if the customer is in a position to renegotiate the terms of the contract (only appropriate if the customer is not in a fixed term contract).

2 Requirements for suppliers' non-domestic billing processes

2.1 Introduction

2.1.1 The main billing and consumption information requirements are detailed in conditions 38 and 44 of the electricity supply licence and conditions 2.19 and 2.28 of the gas supply licence.

2.1.2 All bills must be designed and formatted in consultation with the Authority and the General Consumer Council.

2.2 Communication methods

2.2.1 Before completing a contract with a customer a supplier will inform the customer of the types of electronic communication available for bills.

2.2.2 At least annually (after completion of the contract) the supplier will inform the customer of the types of electronic communication available for bills.

2.2.3 The supplier will send bills in the format requested by the customer (provided the supplier offers the requested type of communication).

2.2.4 The supplier will ensure that all contact with the customer relating to bills is friendly and non-aggressive.

2.3 Frequency of bills

2.3.1 The supplier will send a bill once a quarter to any customer that has requested to receive bills electronically.

2.3.2 The supplier will send a bill once a quarter to any customer that has requested to receive bills on a quarterly basis.

2.3.3 The supplier will send a bill once every six months to any customer that has not requested to receive a bill quarterly.

2.4 Meter reading and billing

2.4.1 The supplier will use all reasonable endeavours to take an actual meter reading for each metered customer on at least an annual basis.

2.4.2 The supplier will calculate the amount of electricity or gas consumed by the customer by reference to an actual meter reading where available (as per section 2.3.1).

2.4.3 If an actual meter reading is not available the supplier will calculate the amount of electricity or gas used by reference to a customer meter reading (if the supplier considers the reading to be reasonably accurate). If the supplier does not consider the customer meter reading to be reasonably accurate it will take all reasonable steps to contact the customer and request a new meter reading.

2.4.4 If neither an actual meter reading nor a customer meter reading is available the supplier will estimate the amount of electricity or gas consumed by the customer (based on previous consumption data if available).

2.4.5 If the customer receives a bill showing an estimated meter reading it may provide the supplier with a customer meter reading. The supplier must accept this customer meter reading and provide an updated bill reflecting this reading (if requested).

2.4.6 Where a supplier has not been able to take a meter reading for a customer on at least an annual basis the supplier will retain evidence of the reasonable

endeavours taken to secure a meter reading for at least three years. The supplier will provide this evidence to the Authority if requested.

2.5 Provision of consumption information to electricity and gas suppliers and energy services providers

- 2.5.1 This section of the code relates to the provision of billing information⁴¹ to electricity and gas supplier and energy services providers. It applies in those circumstances where a supplier:
- currently supplies electricity or gas to the customer identified in the customer information request⁴²; or
 - has in the previous twelve months supplied electricity or gas to the customer identified in the customer information request; and
 - the billing information specified in the customer information request is held or recorded by the supplier.
- 2.5.2 The supplier will provide the billing information specified in the customer information request free of charge and within ten working days to any electricity or gas supplier or energy services provider.
- 2.5.3 If the information held by the supplier is not in a form that can be determined for the specified period as requested in the customer information request, the supplier will:
- give notice to the electricity or gas supplier or the energy services provider (as the case may be) that the billing information cannot be provided for only the specified period; and
 - provide the requested billing information held for any period that includes the specified period.
- 2.5.4 The supplier will not process a customer information request for any energy services provider unless the energy services provider submits written evidence

⁴¹ Billing Information is defined in Condition 44 of the electricity supply licence and Condition 2.28 of the gas supply licence as: (a) any information relating to the consumption of electricity by the customer at the premises identified in the customer information request; and (b) any information enclosed with, or set out in, any bill or statement sent by the licensee to the customer at the premises

⁴² A customer information request means a request for billing information in respect of the customer at the premises identified, and for the period specified, in the request.

of the customer's consent to obtain the information specified in the customer information request.

- 2.5.5 The supplier will not submit a customer information request to another electricity or gas supplier unless it has (and retains) evidence of the consent of the customer for it to obtain the information specified in the customer information request.

2.6 Free of charge

- 2.6.1 The supplier will not charge the customer for any information, including any bill. This requirement does not apply in respect of providing additional copies of bills.
- 2.6.2 With regard to section 2.6, the supplier will not charge the customer for providing any of the services set out in 2.6 to the customer, to any electricity or gas supplier, or to an energy services provider.

2.7 Customer tariff

- 2.7.1 The supplier will determine whether or not the customer is on the cheapest tariff that is available to them.

3 Requirements for the content of non-domestic bills

This section includes many of the legislative requirements with regard to energy billing. However, there are also requirements related to billing which come from other pieces of consumer legislation. For the avoidance of doubt, suppliers are responsible for ensuring that all bills comply with all relevant legislation.

3.1 Customer and supplier information

- 3.1.1 The supplier will include the following information on each bill sent to the customer:
- Supplier name and address; and
 - Customer Meter Point Registration Number (MPRN) – for electricity customers; or
 - Customer Supply Meter Point Number (SMPN) – for gas customers.

3.2 Tariff information

3.2.1 The supplier will include the following tariff related information on each bill sent to the customer:

- The full name of the customer’s applicable tariff (in all cases where the tariff has a name);
- The unit rate of the customer’s applicable tariff – expressed in “pence per kWh” where applicable;
- A statement to inform the customer if they are on the best available tariff (as determined under section 2.7.1).
 - If the customer is able to avail of a better tariff the supplier will inform the customer that it is possible to renegotiate the terms of the contract.
 - If the customer is in a fixed term contract the supplier will inform the customer of the end date of the contract and of the exit fee.

3.3 Consumption and charging information

3.3.1 The supplier will include the following consumption and charging information on all customer bills:

- The total charges for the period of the bill.
- The breakdown of the total charges, including:
 - any applicable standing charges;
 - total charges exclusive of VAT; and
 - total charges including VAT.

Where other charges are applicable, these will be listed separately in the breakdown of charges.

- The amount of electricity or gas that has been consumed by the customer since the last bill sent to the customer. The amount of electricity or gas is determined according to section 2.4 i.e. the supplier will calculate the consumption using an actual read where available; a customer read where an actual read is not available; or an estimated meter read where neither an actual nor a customer read is available.

- The amount of electricity or gas that has been consumed by the customer at the premises in the previous 12 months – in those cases where the supplier has provided a supply of electricity or gas to the customer at the same premises for 12 months or more.
- The amount of electricity or gas that has been consumed by the customer at the premises since the supplier started to provide the supply of electricity or gas – in those cases where the supplier has provided a supply of electricity or gas to the customer at the same premises for less than 12 months.

3.3.2 The supplier will include a statement to inform the customer if any action needs to be taken following receipt of the bill.

3.4 Additional information to be provided on the bill

3.4.1 The supplier will include a statement to inform the customer that other electricity and gas suppliers are available. Details of where the customer can obtain impartial advice and information about changing electricity or gas suppliers will also be provided.

3.4.2 Electricity suppliers only: the supplier will include the fuel mix information – this must be the most recently published fuel mix information (published annually by the Authority as per Condition 41 of the electricity supply licence).

3.4.3 The supplier will include a statement to advise customers that are having difficulty paying their electricity or gas bills to contact them immediately for help and guidance.

3.4.4 For any customer that has debt on its electricity or gas account the supplier will ensure that all bills clearly present the information relating to the debt separately to any charges that apply to the billing period. In addition to the charges for the current period, the bill will show:

- the amount paid towards the debt since the last bill; and
- the total amount of remaining debt.

3.5 Additional information to be provided on or with the bill

- 3.5.1 The supplier will provide information about the handling of complaints including:
- the customer’s right to complain to the supplier and initiate the complaints procedure, as outlined in the code of practice for complaints handling procedure – this includes providing the contact address and telephone number of the supplier’s complaints handling department and details on how to request a copy of the code of practice;
 - the role of CCNI in assisting the resolution of complaints which the supplier has not resolved to the customer’s satisfaction – this includes providing the contact address and telephone number of CCNI; and
 - the customer’s right to refer billing related complaints to the UR if CCNI has not been able to resolve the complaint to the customer’s satisfaction.
- 3.5.2 The supplier will inform customers that the Energy Consumer Checklist is accessible from the supplier’s website; and that the supplier will send a copy to the customer on request, and free of charge.
- 3.5.3 The supplier will include contact details (including website address) of at least one organisation that provides information or assistance on measures which will help customers to improve their energy efficiency.

3.6 Supplier’s Notice of Rights (gas suppliers only)

- 3.6.1 The supplier will include the following on each bill sent to the customer:
- the website address of the Supplier’s Notice of Rights; and
 - details on how the customer can request a printed copy of the Supplier’s Notice of Rights.

4 Requirements for the format of non-domestic bills

4.1 Font – typeface, size and colour

- 4.1.1 The supplier will choose a font typeface and line spacing that is easily readable for the average customer.

- 4.1.2 The supplier will give regard to the use of font colours and avoid colours that are more difficult to read.
- 4.1.3 The supplier will use a minimum font size of 12 for all information relating to charges and meter readings.
- 4.1.4 The supplier will use a minimum font size of 10 for all information that is required under sections 3.1-3.4 (except for information relating to charges and meter readings).
- 4.1.5 The supplier will use a minimum font size of 8 for those items of information not covered in 4.1.1 or 4.1.2.

4.2 Use of language

- 4.2.1 The supplier will use language that is non-threatening and supportive in customer bills.
- 4.2.2 The supplier will provide information in language that is customer friendly and understandable (for example using Plain English – see <http://www.plainenglish.co.uk/> for more information).
- 4.2.3 The supplier will work with CCNI and other relevant consumer organisations on the content and tone of the language used in the bills to ensure a non-threatening and supportive approach.

4.3 Layout of important information

- 4.3.1 The supplier will include the following information on the front of the bill:

Front of bill
Customer details including: MPRN Customer tariff name and unit rate
Billing period – to which the bill relates
Balance before bill
Total charges for the period excluding VAT
Total charges for the period including VAT
Action to be taken by the customer (if

any) – see section 3.3.2
Date of any payment due or Direct Debit to be collected
Statement about customers having difficulty paying bills – see section 3.4.3
Customer's tariff information as detailed in section 3.2

- 4.3.2 Any information added to the front of the bill in addition to 4.3.1 must not reduce the customer's ability to see clearly, read and understand the mandatory information.

9. Appendix 4 – Code of practice on non-domestic statements

Nothing in this code of practice is intended to, or should be deemed to, constitute an exemption from the Suppliers' legal obligations to comply with any and all relevant legislation, statute, statutory instrument, regulation or order (or any provision thereof) or any subordinate legislation.

This code of practice applies only to non-domestic statements. For the purpose of this code, direct debit communications are referred to as statements as they do not provide explicit instructions for payment – they are a means of informing the customer about the status of the account. In addition, prepayment customers receive annual statements as they do not receive bills.

1 High level principles

1.1 Overarching principle: All statements are clear and easily understandable

1.1.1 The supplier will follow the principles and rules in this code of practice when developing and/or amending their billing processes and billing systems and processes.

1.2 Principle 1: A customer is able to find quickly and understand important information on the statement

1.2.1 This information includes (but is not limited to) items such as how much money is owed, and when it is due.

1.2.2 Other pieces of information, such as the availability of alternative tariffs or complaints handling information must not make it more difficult for customers to find and understand the key information.

1.3 Principle 2: A customer will know immediately what action is required from them when reading a statement

1.3.1 When a customer receives a statement it must be obvious to them if action is required, for example if a direct debit arrangement needs to be amended (if the customer has over or underpaid).

1.4 Principle 3: Statements present accurate and timely information to the customer

1.4.1 The supplier will comply with the requirements on data accuracy etc. as detailed in the electricity and gas supply licences (these details are incorporated into the next sections of this code of practice).

1.5 Principle 4: Customers will be made aware if there are cheaper tariffs available to them

1.5.1 The supplier must first determine if the customer is on the best tariff available to them.

1.5.2 If the customer is on the best available tariff the supplier must simply state this.

1.5.3 The supplier will inform the customer if the customer is in a position to renegotiate the terms of the contract (only appropriate if the customer is not in a fixed term contract).

2 Requirements for suppliers' processes for issuing non-domestic statements

2.1 Introduction

2.1.1 The main billing and consumption information requirements are detailed in conditions 38 and 44 of the electricity supply licence and conditions 2.19 and 2.28 of the gas supply licence.

2.1.2 All statements must be designed and formatted in consultation with the Authority and the General Consumer Council.

2.2 Communication methods

- 2.2.1 Before completing a contract with a customer a supplier will inform the customer of the types of electronic communication available for statements.
- 2.2.2 At least annually (after completion of the contract) the supplier will inform the customer of the types of electronic communication available for statements.
- 2.2.3 The supplier will send statements in the format requested by the customer (provided the supplier offers the requested type of communication).
- 2.2.4 The supplier will ensure that all contact with the customer relating to statements is friendly and non-aggressive.

2.3 Frequency of statements

- 2.3.1 The supplier will send a statement once a quarter to any customer that has requested to receive statements electronically.
- 2.3.2 The supplier will send a statement once a quarter to any customer that has requested to receive statements on a quarterly basis.
- 2.3.3 The supplier will send a statement once every six months to any customer that has not requested to receive a statement quarterly and is not a prepayment customer.
- 2.3.4 The supplier will send a statement once every twelve months to any prepayment customer.

2.4 Meter reading and statements

- 2.4.1 The supplier will use all reasonable endeavours to take an actual meter reading for each metered customer on at least an annual basis.
- 2.4.2 The supplier will calculate the amount of electricity or gas consumed by the customer by reference to an actual meter reading where available (as per section 2.3.1).
- 2.4.3 If an actual meter reading is not available the supplier will calculate the amount of electricity or gas used by reference to a customer meter reading (if the supplier considers the reading to be reasonably accurate). If the supplier does

not consider the customer meter reading to be reasonably accurate it will take all reasonable steps to contact the customer and request a new meter reading.

- 2.4.4 If neither an actual meter reading nor a customer meter reading is available the supplier will estimate the amount of electricity or gas consumed by the customer (based on previous consumption data if available).
- 2.4.5 If the customer receives a statement showing an estimated meter reading it may provide the supplier with a customer meter reading. The supplier must accept this customer meter reading and provide an updated statement reflecting this reading (if requested).
- 2.4.6 Where a supplier has not been able to take a meter reading for a customer on at least an annual basis the supplier will retain evidence of the reasonable endeavours taken to secure a meter reading for at least three years. The supplier will provide this evidence to the Authority if requested.

2.5 Final statements

- 2.5.1 Where a customer has ended its contract with a supplier according to the terms and conditions of the contract, the supplier will send a final statement to the customer within six weeks of ceasing to provide electricity or gas to the customer.

2.6 Provision of consumption information to electricity and gas suppliers and energy services providers

- 2.6.1 This section of the code relates to the provision of billing information⁴³ to electricity and gas supplier and energy services providers. It applies in those circumstances where a supplier:
- currently supplies electricity or gas to the customer identified in the customer information request⁴⁴; or

⁴³ Billing Information is defined in Condition 44 of the electricity supply licence and Condition 2.28 of the gas supply licence as: (a) any information relating to the consumption of electricity by the customer at the premises identified in the customer information request; and (b) any information enclosed with, or set out in, any bill or statement sent by the licensee to the customer at the premises

⁴⁴ A customer information request means a request for billing information in respect of the customer at the premises identified, and for the period specified, in the request.

- has in the previous twelve months supplied electricity or gas to the customer identified in the customer information request; and
- the billing information specified in the customer information request is held or recorded by the supplier.

- 2.6.2 The supplier will provide the billing information specified in the customer information request free of charge and within ten working days to any electricity or gas supplier or energy services provider.
- 2.6.3 If the information held by the supplier is not in a form that can be determined for the specified period as requested in the customer information request, the supplier will:
- give notice to the electricity or gas supplier or the energy services provider (as the case may be) that the billing information cannot be provided for only the specified period; and
 - provide the requested billing information held for any period that includes the specified period.
- 2.6.4 The supplier will not process a customer information request for any energy services provider unless the energy services provider submits written evidence of the customer's consent to obtain the information specified in the customer information request.
- 2.6.5 The supplier will not submit a customer information request to another electricity or gas supplier unless it has (and retains) evidence of the consent of the customer for it to obtain the information specified in the customer information request.

2.7 Free of charge

- 2.7.1 The supplier will not charge the customer for any information, including any statement. This requirement does not apply in respect of providing additional copies of statements.
- 2.7.2 With regard to section 2.6, the supplier will not charge the customer for providing any of the services set out in 2.6 to the customer, to any electricity or gas supplier, or to an energy services provider.

2.8 Customer tariff

- 2.8.1 The supplier will determine whether or not the customer is on the cheapest tariff that is available to them.

3 Requirements for the content of non-domestic statements

This section includes many of the legislative requirements with regard to energy billing. However, there are also requirements related to billing which come from other pieces of consumer legislation. For the avoidance of doubt, suppliers are responsible for ensuring that all statements comply with all relevant legislation.

3.1 Customer and supplier information

- 3.1.1 The supplier will include the following information on each statement sent to the customer:
- Supplier name and address; and
 - Customer Meter Point Registration Number (MPRN) – for electricity customers; or
 - Customer Supply Meter Point Number (SMPN) – for gas customers.

3.2 Tariff information

- 3.2.1 The supplier will include the following tariff related information on each statement sent to the customer:
- The full name of the customer’s applicable tariff (in all cases where the tariff has a name);
 - The unit rate of the customer’s applicable tariff – expressed in “pence per kWh” where applicable;
 - Any discount or premium that applies to the tariff when compared to the supplier’s standard tariff (where applicable for the same payment method); and
 - A statement to inform the customer if they are on the best available tariff (as determined under section 2.7.1).

- If the customer is able to avail of a better tariff the supplier will inform the customer that it is possible to renegotiate the terms of the contract.
- g) If the customer is in a fixed term contract the supplier will inform the customer of the end date of the contract and of the exit fee.

3.3 Consumption and charging information

3.3.1 The supplier will include the following consumption and charging information on all customer statements:

- The total charges for the period of the statement.
- The breakdown of the total charges, including:
 - any applicable standing charges;
 - total charges exclusive of VAT; and
 - total charges including VAT.

Where other charges are applicable, these will be listed separately in the breakdown of charges.

- The amount of electricity or gas that has been consumed by the customer since the last statement sent to the customer. The amount of electricity or gas is determined according to section 2.4 i.e. the supplier will calculate the consumption using an actual read where available; a customer read where an actual read is not available; or an estimated meter read where neither an actual nor a customer read is available.
- The amount of electricity or gas that has been consumed by the customer at the premises in the previous 12 months – in those cases where the supplier has provided a supply of electricity or gas to the customer at the same premises for 12 months or more.
- The amount of electricity or gas that has been consumed by the customer at the premises since the supplier started to provide the supply of electricity or gas – in those cases where the supplier has provided a supply of electricity or gas to the customer at the same premises for less than 12 months.

- 3.3.2 For customers that are supplied via a prepayment meter (or were for any part of the statement period), the supplier will provide the number and total value of the pre-payments made by the customer in each calendar month of the statement period.
- 3.3.3 Where there is a discrepancy between the total charges and the total vends, the supplier will present information to explain this discrepancy.
- 3.3.4 The supplier will include a statement to inform the customer if any action needs to be taken following receipt of the statement.

3.4 Additional information to be provided on the statement

- 3.4.1 The supplier will include a statement to inform the customer that other electricity and gas suppliers are available. Details of where the customer can obtain impartial advice and information about changing electricity or gas suppliers will also be provided.
- 3.4.2 Electricity suppliers only: the supplier will include the fuel mix information – this must be the most recently published fuel mix information (published annually by the Authority as per Condition 41 of the electricity supply licence).
- 3.4.3 The supplier will include a statement to advise customers that are having difficulty paying for their electricity or gas to contact them immediately for help and guidance.
- 3.4.4 For any customer that has debt on its electricity or gas account the supplier will ensure that all statements clearly present the information relating to the debt separately to any charges that apply to the statement period. In addition to the charges for the current period, the statement will show:
- the amount paid towards the debt since the last statement; and
 - the total amount of remaining debt.

3.5 Additional information to be provided on or with the statement

- 3.5.1 The supplier will provide information about the handling of complaints including:
- the customer's right to complain to the supplier and initiate the complaints procedure, as outlined in the code of practice for complaints

handling procedure – this includes providing the contact address and telephone number of the supplier’s complaints handling department and details on how to request a copy of the code of practice;

- the role of CCNI in assisting the resolution of complaints which the supplier has not resolved to the customer’s satisfaction – this includes providing the contact address and telephone number of CCNI; and
- the customer’s right to refer billing related complaints to the UR if CCNI has not been able to resolve the complaint to the customer’s satisfaction.

3.5.2 The supplier will inform customers that the Energy Consumer Checklist is accessible from the supplier’s website; and that the supplier will send a copy to the customer on request, and free of charge.

3.5.3 The supplier will include contact details (including website address) of at least one organisation that provides information or assistance on measures which will help customers to improve their energy efficiency.

3.6 Supplier’s Notice of Rights (gas suppliers only)

3.6.1 The supplier will include the following on each statement sent to the customer:

- the website address of the Supplier’s Notice of Rights; and
- details on how the customer can request a printed copy of the Supplier’s Notice of Rights.

4 Requirements for the format of non-domestic statements

4.1 Font – typeface, size and colour

4.1.1 The supplier will choose a font typeface and line spacing that is easily readable for the average customer.

4.1.2 The supplier will give regard to the use of font colours and avoid colours that are more difficult to read.

4.1.3 The supplier will use a minimum font size of 12 for all information relating to charges and meter readings.

- 4.1.4 The supplier will use a minimum font size of 10 for all information that is required under sections 3.1-3.4 (except for information relating to charges and meter readings).
- 4.1.5 The supplier will use a minimum font size of 8 for those items of information not covered in 4.1.1 or 4.1.2.

4.2 Use of language

- 4.2.1 The supplier will use language that is non-threatening and supportive in customer statements.
- 4.2.2 The supplier will provide information in language that is customer friendly and understandable (for example using Plain English – see <http://www.plainenglish.co.uk/> for more information).
- 4.2.3 The supplier will work with CCNI and other relevant consumer organisations on the content and tone of the language used in the statements to ensure a non-threatening and supportive approach.

4.3 Layout of important information

- 4.3.1 The supplier will include the following information on the front of the statement:

Front of statement
Customer details including: MPRN Customer tariff name and unit rate
Statement period – to which the statement relates
Balance before statement
Total charges for the period excluding VAT
Total charges for the period including VAT
Action to be taken by the customer (if any) – see section 3.3.4
Date of any payment due or Direct Debit to be collected
Statement about customers having difficulty paying for their electricity or gas

– see section 3.4.3
Customer’s tariff information as detailed in section 3.2
A summary of the customer vend information as detailed in section 3.3.2

4.3.2 Any information added to the front of the statement in addition to 4.3.1 must not reduce the customer’s ability to see clearly, read and understand the mandatory information.

10. Appendix 5 – List of consultation questions

We have posed some specific questions, listed below, in this consultation paper and we would appreciate your views on these questions. In addition, we welcome feedback on any aspect of the proposals included in this paper or on the proposed codes of practice included in the appendices.

1. Do you agree that where this consultation has an impact on the groups listed, those impacts are likely to be positive in relation to equality of opportunity for energy consumers?
2. Do you consider that the proposals for the development of the code of practice on bills and statements need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence.
3. Do you support the development of a code of practice on bills and statements that is based on high level principles and includes specific rules where required? If not, what approach do you suggest the UR takes in order to develop a code of practice on bills and statements?
4. What is your view on the proposed arrangements for the monitoring of compliance with the code of practice on bills and statements?
5. Do you support the breakdown of the code of practice on bills and statements into the categories as detailed above? If not, please explain why and provide an alternative breakdown.
6. Are there any other aspects related to bills and statements or to the billing processes which you think should be covered under the code of practice which are not mentioned above?
7. Do you support the overarching principle that “all bills and statements are clear and easily understandable”? If not, please explain why and provide an/some alternative overarching principle(s).
8. With regard to domestic customers, do you agree with the use of the definition of an “average consumer” taken from the Consumer Protection from Unfair Trading Regulations 2008? If not, please explain why and provide an alternative definition.

9. Do you support the principle that “a customer is able to find quickly and understand important information on the bill or statement”? If yes, please indicate what you deem to be the most important information on a bill or statement. If no, please explain why you do not support this principle.
10. Do you support the principle that “a customer will know immediately what action is required from them when reading a bill or statement”? If yes, please indicate what you deem to be the most important information on a bill or statement. If no, please explain why you do not support this principle.
11. Do you support the principle that “bills and statements are based on accurate information and up-to-date meter reads where possible”? If not, please explain why you do not support this principle.
12. Do you support the principle that “domestic customers will be made aware if there are cheaper tariffs available to them”? If yes, please indicate which of the three options presented above for domestic customers is the most appropriate way of making this information available to customers (and explain the rationale for your choice)? If no, please explain why you do not support this principle.
13. Do you support the principle that “non-domestic customers will be made aware if there are cheaper tariffs available to them”? If yes, please indicate how you think this information should be presented to non-domestic customers. If no, please indicate why you do not support this principle.