



recco
Third Party Intermediaries
Code of Practice Accreditation

Welcome & *housekeeping*



This webinar is being recorded.
The recording will be made public
and shared across our digital channels.



- Please use the Microsoft Teams Q&A function to ask questions during the webinar.
- We will address any questions or comments at designated points during the webinar.
- Remember that questions are not anonymous. They should be relevant to the topic and avoid mentioning other organisations.



Your camera and microphone will automatically be switched off and muted.

01 Housekeeping & welcome

02 Background & Overview

03 Proposed Accreditation and
Audit process

04 Change Process

05 Next Steps

06 Q&A



Agenda

Aims & Objectives



Provide stakeholders with background and update on our approach to mandatory TPI Code of Practice.



Overview

- Accreditation application process
 - Associated Audit
 - Change Process



Opportunity for stakeholders to understand our thinking and approach ahead of progressing the Change Proposal.

Your *speakers*



Jon Dixon
Director of Development and
Strategy



Caroline Freimuller
REC Code Manager

Background & Overview

TPI Code of Practice journey so far..

21st March 2023

Met with Suppliers
Established consensus
for introduction of CoP

22nd March 2023

Met with Brokers
Understanding of market risks
and established need for CoP

17th April 2023

REC announce plans
to introduce CoP

20th June 2023

Meet with Brokers to present
draft CoP

28 July 2023

REC publish
consultation on CoP
Principles

28 October 2023

Voluntary CoP go-live
Next steps to mandatory
CoP accreditation outlined



Background

RECCo want to develop the Retail Energy Code in a manner that reflects the structure of the retail energy market **and ensure that consumer interests are protected**.

In March 2023 RECCo met with non-domestic Brokers and Suppliers in a series of workshops to ask; “How can we more effectively govern non-domestic Brokers?” Participants at both events agreed that the TPI market needs greater governance, and a code of practice should be introduced

As part of our Strategy and Forward Work Plan, we pledged to explore RECCo's potential role in addressing concerns raised by market participants regarding Third-Party Intermediaries.

Overview

Mandating the TPI Code of Practice raises standards and ensures better outcomes for consumers

Key considerations for the proposed requirements:



Key requirement

Suppliers should only work with TPIs who are accredited to the REC TPI Code of Practice



Accreditation

Flexibility in routes to TPIs accreditation but needs to meet minimum requirements



Standards

TPIs should be able to demonstrate how they meet minimum requirement of the Code of Practice



Compliance

Audits and compliance checks to ensure both Suppliers and TPIs demonstrate ongoing compliance

So, what does it mean...

Mandating the TPI Code of Practice (CoP) raises standards and ensures better outcomes for consumers

What the change means for key stakeholders:

Supplier

- ✓ Suppliers can only work with TPIs who are accredited to the REC TPI Code of Practice.
- ✓ Suppliers have the option to work with a TPI accredited by the REC-led accreditation scheme or to accredit the TPI themselves.
- ✓ If Supplier opts to accredit the TPI themselves, they will be required to demonstrate that the TPI meets the minimum requirement of the CoP
- ✓ The Supplier will undergo compliance checks to ensure proper accreditation and assessment of compliance by the TPIs.

TPIs

- ✓ TPIs must meet the minimum requirements of the CoP to obtain accreditation.
- ✓ TPIs must be accredited in order to be served by Suppliers.
- ✓ Accreditation can be obtained either through the REC-led Accreditation Scheme or directly from the Supplier.
- ✓ TPIs should be able to demonstrate how they meet minimum requirement of the Code of Practice
- ✓ TPIs will undergo audits and compliance checks to ensure they continually demonstrate compliance with the CoP

Accreditation Application & Audit

Draft Approach

Accreditation Options

Flexible approach to accreditation means that TPI does **NOT** have to use the RECCo Accreditation Scheme, a Supplier can accredit a TPI directly.

Supplier led or alternative accreditation options- key consideration:

Process should align with the minimum requirement set out in the REC, such as

- ✓ Checking key documentation
- ✓ Ensuring ongoing compliance
- ✓ What happens if TPI does not meet the required standards

Assurance

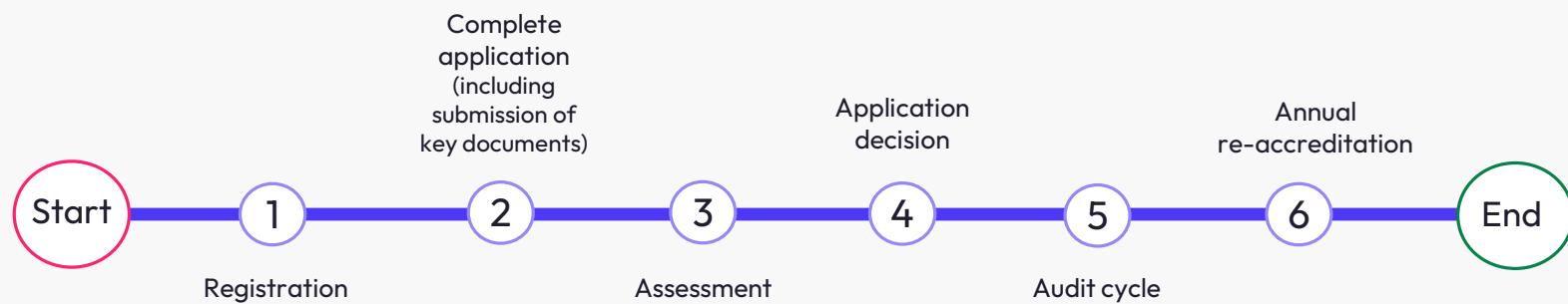
For consistency, all suppliers should be assessed to ensure that they are only working with TPIs who are accreditation

- ✓ The Suppliers would be expected to provide, details of all directly accredited TPIs to the REC
- ✓ Is likely to form part of the performance assurance regime

Proposed REC Accreditation

Draft Approach

High level approach to accreditation



Proposed Application Documentation

Proposed documentation requirements to demonstrate that the Code of Practice minimum standards are met.



Application Assessment

Proposed approach – document upload check for all applications and percentage for full assessment



Document Availability Check

This is not a comprehensive assessment of compliance; it is simply an evaluation to ensure that all necessary documentation is included.



Full Application Assessment

Examines whether the uploaded documents contain any information contrary to the CoP or include data or processes that do not uphold the CoP Principles

Proposed Audit Approach

Audits will play a key role in ensuring ongoing compliance with the Code of Practice.

01

Full Audit:

Minimum Requirement:

Each TPI to undergo a comprehensive audit every two to five years (this will be a specific point for IA and consultation).

Aim:

To verify compliance with the Code of Practice and to evaluate overall performance.

May include:

- the interrogation of policies, processes, and procedures,
- assessing sales practices to ensure adherence to protocols in practical settings

02

Risk Based Audit

Additional Audit

Use a Risk Based audit approach – is in addition to full audits.

Aim:

To target issues or concerns that arise from previous audits, recurring consumer complaints or Ombudsman findings, and analysis of market data to identify specific compliance risks within the Code of Practice

May include:

Interrogation of specific policies, processes and procedures

Costs & implementation



Commence the change process with submission of proposed solution to R0137



Implementation timeline will be set out in the change process



Evaluation of setup and technical solutions will be integral to the change process

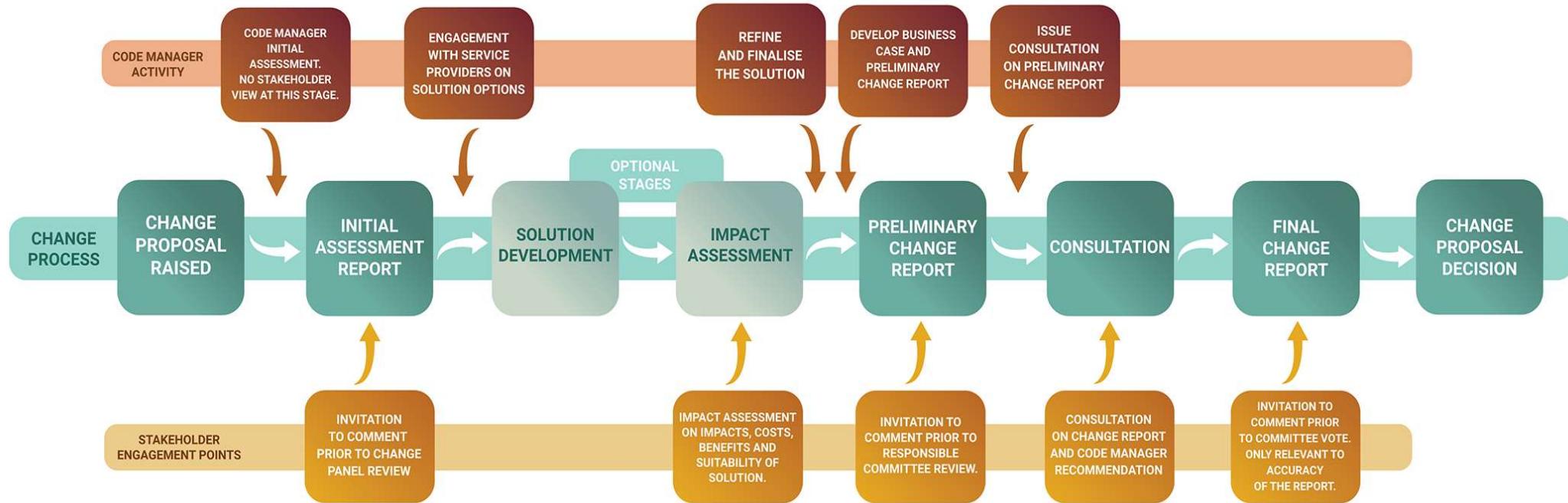


Anticipate setup costs will form part of RECCo cost during the transition to a user-pays model.

A link to the Code of Practice can be found [here](#)

Change Process

Change Process



Information Sources



REC Code Manager
[Linkedin page](#)



Weekly Change Bulletin, published reports, impact assessments and consultations are announced via Email enquiries@recmanager.co.uk

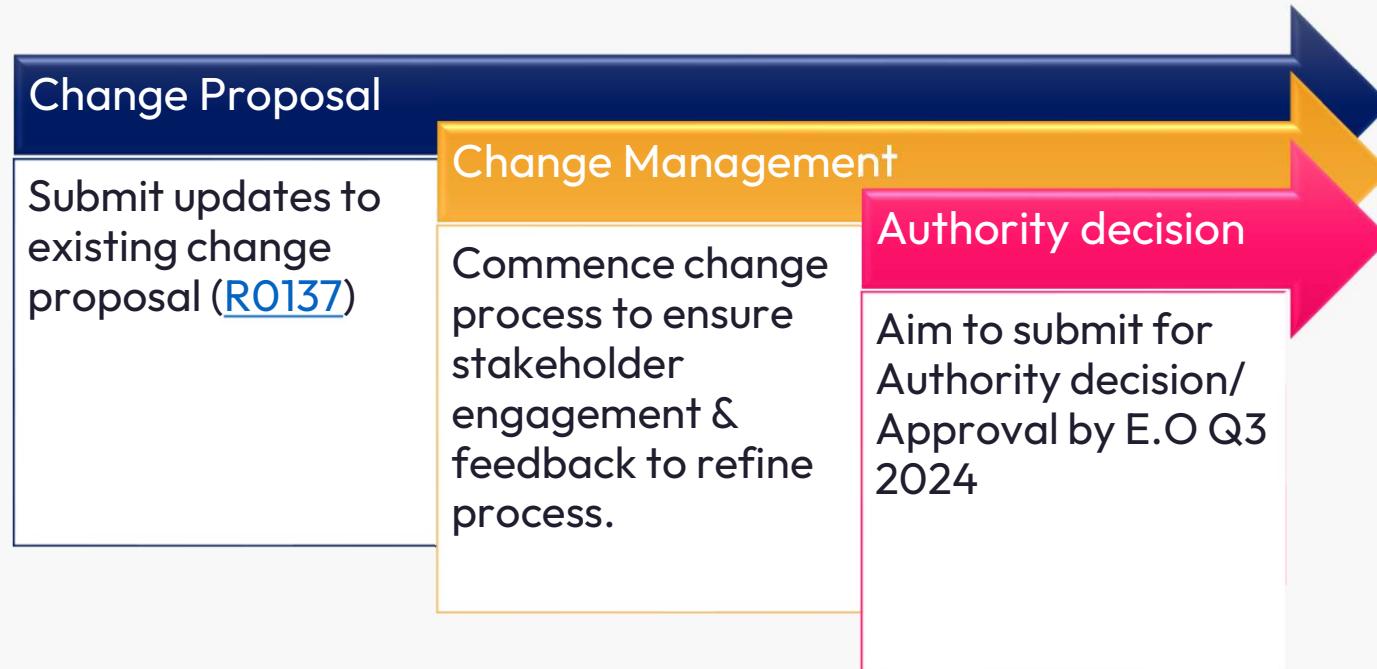
Archive also available on the [REC Portal](#)



Change Proposal Page
[\(R0137\)](#)

Next Steps

Next Steps





Q&A

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**Thank you for
attending**

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