

# IMPLEMENTATION OF A NEW SUPPLIER CODE OF PRACTICE ON ENERGY BILLS AND STATEMENTS

SECOND CONSULTATION



# 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

The Utility Regulator (UR) is working to implement a new code of practice on energy bills and statements as required under the Energy Efficiency Regulations (Northern Ireland) 2014. The final 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.

We received a large amount of feedback regarding our initial proposals (published in August 2016). Following review of the responses and a meeting with stakeholders we have decided to consult again on our revised proposals for the code of practice. This paper provides information on the changes made to the proposals following the initial consultation, and the new timeframes for delivery. The accompanying appendices present the revised proposals for the code of practice.

## 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 proposals set out in this paper.

## Consumer impact

This paper includes the Utility Regulator's second proposals for the implementation of the code of practice on energy bills and statements. It also sets out our proposals for future consumer research which will focus on customers' opinions on the content and format of their bills and statements. The proposed code of practice will promote best practice energy billing and facilitate customer engagement in energy markets in Northern Ireland.

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## Glossary

Name	Definition
The Billing Regulations	The Electricity and Gas (Billing) (No. 2) Regulations (Northern Ireland) 2010
CCNI	Consumer Council for Northern Ireland
CMA	Competition & Markets Authority
COPNI	Commissioner for Older People Northern Ireland
The Directive	The Energy Efficiency Directive
DPA	The Data Protection Act
EAI	The Electricity Association of Ireland
The Energy Efficiency Regulations	The Energy Efficiency Regulations (Northern Ireland) 2014
EU	European Union
FOIA	Freedom of Information Act 2000
GB	Great Britain
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
NEA	National Energy Action
NI	Northern Ireland
REMM	Retail Energy Market Monitoring
RoI	Republic of Ireland
SMPN	Supply Meter Point Number
UR	Utility Regulator

# 1. Introduction

## 1.1 Purpose of the paper

On 10 August 2016 we published a consultation<sup>1</sup> on the implementation of a new supplier code of practice on energy bills and statements. We received feedback in the form of consultation responses and verbal feedback through a stakeholder meeting (with follow up emails and discussion). The purpose of this paper is to:

- Discuss the responses to the consultation;
- Present our revised proposals on the content of the code of practice on energy bills and statements, including our reasons for any changes made since the initial consultation;
- Provide a second opportunity for stakeholders to provide feedback on our proposals; and
- Detail the timeframe for final decisions and implementation of the new code of practice.

## 1.2 Background to the implementation of a new code of practice on energy bills and statements

### Legislative background

The pieces of energy legislation relevant to this code of practice 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 Billing Regulations introduced the requirement for domestic suppliers to provide customer with a comparison of their consumption in the period covered by the bill with the consumption for the corresponding period in the previous year. IME3 (implemented

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<sup>1</sup> Consultation on the implementation of a new supplier code of practice on bills and statements:  
<https://www.uregni.gov.uk/consultations/consultation-new-supplier-code-practice-bills-and-statements>

in 2012) introduced a number of additional requirements with regard to billing, such as providing consumption information at least annually and informing consumers of their right to switch energy supplier. One of the requirements under the Energy Efficiency Directive is that member states (and hence suppliers) will ensure that information provided to consumers on or with their bills is clear and understandable (this particularly relates to prices; consumption; consumption comparisons; and contact information regarding assistance with energy efficiency).

The Energy Efficiency Directive was implemented in Northern Ireland (NI) in part by the Energy Efficiency Regulations (Northern Ireland) 2014 (the **Energy Efficiency Regulations**). These regulations require that *“Any bill or statement of account sent to a customer.....complies with the guidance issued and published by the Authority.”* 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. As mentioned above suppliers are required to provide clear and understandable information to their customers. It is our view that a different approach is needed to ensure clarity and understanding for domestic customers than for non-domestic customers. In order to meet the Energy Efficiency Directive requirements we consider it appropriate to have additional protection measures for domestic customers. For this reason we separated the code of practice in the first consultation paper to address the needs of domestic customers separately from the needs of non-domestic customers.

### **Consumer protection background**

We consider bills and statements to be the most important means of communication between an electricity or gas supplier and its customers. The feedback we received in the consultation responses indicates that suppliers and third sector organisations also agree that bills and statements are vitally important means of communicating with customers. Many of the suppliers responded that they already consider their bills to be clear, understandable and customer friendly.

Our main non-legislative reasons for developing the code of practice on energy bills and statements are:

- To provide a set of principles which the suppliers will apply when designing or amending bills or statements;
- To bring together all billing related requirements into one document for ease of reference for suppliers and consumer representative bodies;
- 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; and
- To fulfil our Forward Work Programme (FWP) objective to protect the long-term interests of consumers in line with our statutory duties.

### **1.3 Consultation process**

On 10 August 2016 we published a consultation on the implementation of a new supplier code of practice on bills and statements. This followed a series of bilateral meetings with suppliers and stakeholders from the third sector. The annexes of that paper contained the proposed code of practice on bills and statements. The consultation closed on 07 October 2016 and we received 14 written responses from stakeholders<sup>2</sup>. We appreciate the feedback from stakeholders and the time and effort spent responding to our consultation.

We received responses from the following stakeholders (plus one confidential response):

- Budget Energy Limited
- The Consumer Council for Northern Ireland (CCNI)
- Commissioner for Older People for Northern Ireland (COPNI)
- Disability Action

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<sup>2</sup> One response was marked as private and confidential and as such is not included in the list of respondents

- The Electricity Association of Ireland (EAI)
- Electric Ireland
- Energia
- Firmus Energy
- Flogas
- Go Power
- National Energy Action (NEA)
- Power NI
- SSE Airtricity

Our review of the consultation responses highlighted some areas which various stakeholders were opposed to within the proposed code of practice. We considered this feedback and decided that the best approach was a full review of the proposals. Following this review we decided to present the new proposals to stakeholders at a meeting prior to issuing a second consultation paper. This meeting took place on 01 December 2016 and was attended by representatives from 15 stakeholder groups. The feedback we received during the meeting (and in follow up correspondence) is reflected in the updated proposals in this paper.

The written responses to the consultation are published alongside this second consultation paper<sup>3</sup>. Annex 1 contains links to each of the consultation responses.

The updated proposals for the code of practice on bills and statements are included in Annexes 2-5 of this paper.

## **1.4 Structure of this paper**

We thank all our stakeholders for their engagement throughout the development of this code of practice. We have received a large amount of written and verbal feedback during this process. This paper aims to summarise and respond to the majority of our

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<sup>3</sup> The response that was marked as private and confidential is not published on the UR website.

stakeholders' comments and concerns. However, it is not possible to detail every comment and respond to each one individually. As a result we have included those comments that are most significant or those opinions that have been shared by a number of respondents.

Following review of the consultation responses and the discussion with stakeholders at the meeting on 01 December we have decided that some of the proposals in the consultation paper were more appropriate for domestic bills and statements than non-domestic bills and statements. As a result we have removed some of the requirements from the proposed code of practice on non-domestic bills and statements. For the purpose of this paper, we have only highlighted those areas where the proposals differ between the domestic and the non-domestic code of practice (for all other areas it should be assumed that the proposals for the domestic and non-domestic code of practice are the same). For ease of reviewing the changes made to the proposed code of practice we have produced versions of the annexes which include the tracked changes from the previous consultation versions (we have also added clean copies for clarity).

The structure of this paper is as follows:

- Chapter 2 – this chapter presents the general feedback and comments made by stakeholders on broad issues, and our response to the feedback. The issues include the approach to the code of practice and the research underpinning the proposals etc.
- Chapter 3 – this chapter addresses issues that were raised in regard to the high level principles for the code of practice. It provides feedback on the responses and details our new proposals.
- Chapter 4 – this chapter details stakeholder feedback on the more detailed aspects of the code of practice (for example, the formatting of the bill or statement, and the requirements for the content of the bill) and provides details on our new proposals.
- Chapter 5 – this chapter details the next steps in the implementation of the new code of practice.

- Annex 1 – links to consultation responses
- Annex 2 – proposed code of practice on domestic bills and statements
- Annex 3 – proposed code of practice on domestic bills and statements (version with tracked changes)
- Annex 4 – proposed code of practice on non-domestic bills and statements
- Annex 5 – proposed code of practice on non-domestic bills and statements (version with tracked changes)

## 1.5 Next steps

We invite all stakeholders to respond to this consultation and we welcome your comments on our updated 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 in June/July 2017.

## 1.6 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. With the exception of the question(s) on equality we have not asked stakeholders for views on any particular aspect of the proposed code of practice (as this was the approach taken in the first consultation). Please provide feedback on those parts of the proposed code of practice that have been updated since the first consultation. Any comments made in the responses to the first consultation have been considered in developing the proposals contained in this consultation.

In particular for suppliers, 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. In addition please include any reasons why you may not be able to implement any aspect of the proposed code of practice within the timeframe detailed in Chapter 5. Responses to this consultation should be forwarded to reach us on or before **1230 on 28 April 2017** to:

Ursula O’Kane  
The Utility Regulator  
Queens House  
14 Queen Street  
Belfast  
BT1 6ED  
Email: [ursula.okane@uregni.gov.uk](mailto: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. If required please contact: Samantha Young ([samantha.young@uregni.gov.uk](mailto:samantha.young@uregni.gov.uk)).

## 1.7 Equality considerations

Section 75 of the Northern Ireland Act 1998 places a number of obligations on public authorities concerning the promotion of equality of opportunity and regard to the desirability of promoting good relations between different categories. We aim to promote equality of opportunity:

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

In the consultation paper we requested that respondents commented on the overall equality impact of the proposals. Most respondents either had no comment in this area or agreed that any impacts on the groups listed would be positive in relation to equality of opportunity for energy consumers. However, one respondent was concerned that the increased level of detail proposed for inclusion on the bill/statement may not positively impact customers with numeracy or literacy issues. We have undertaken a Section 75 screening of the original proposals and reviewed all of consultation responses as part of the development of this second consultation paper. We consider that our revised code of practice helps all consumers and we do not anticipate any negative impacts on any groups. The changes we have made to the proposed code of practice will increase the extent to which all groups will benefit. In addition we consider that the changes made will alleviate any concerns raised in response to the first consultation.

In addition we asked stakeholders if the proposals need to be refined in any way to meet the equality provisions. Most respondents either had no specific comment or agreed that the proposals met the equality provisions. A few suppliers commented that their bills and statements already meet existing requirements regarding Section 75 groups. One supplier stated that some refinements are required to the proposals in order to meet the equality provisions and referred specifically to the potential for overloading bills and statements with information which might be challenging. As above, we consider that our revised proposals will alleviate this concern.

***Q1. Do you agree that where the updated proposals have 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 updated 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. General comments on the proposed code of practice

### 2.1 Introduction

As mentioned above, this chapter details the general comments we received with regard to the implementation of a new supplier code of practice on bills and statements.

The positive general comments include those relating to the principles we proposed for the code of practice. However, there were also a number of concerns raised by respondents during the consultation process. These included concerns around the lack of customer research carried out by the UR, the cost of implementing some of the proposals, and the potential to make bills and statements more confusing and less helpful for customers.

The general feedback is discussed in detail below. We have included examples of the stakeholder feedback, our response to the feedback and our final proposals where relevant.

### 2.2 UR approach

#### **Code of practice based on high level principles with specific rules where required**

In the consultation paper we proposed that the code of practice would be based on high level principles and include specific rules where required. There was overall support for introducing high level principles and more specific rules where necessary, but some stakeholders had reservations about the level of prescription included in the specific rules.

## Stakeholder feedback

Two suppliers fully supported the idea of a code based on high level principles with specific rules where required. One supplier supported a code of practice on bills and statements based on high level principles, but had reservations in relation to obligations that additional prescriptive rules might place on suppliers – as bills and statements are an essential component of a supplier’s offering to customers, competition and commercial necessity will be the optimum drivers of best customer outcomes in this area. Another supplier considered that the UR’s proposed code of practice do not meet the stated intention of not being unduly prescriptive. In addition, a further supplier claimed that the UR may be premature in referring to principles based regulation in this consultation and that a full review of the regulatory framework should be undertaken to determine if this is right for the Northern Irish market.

One third sector stakeholder stated that better outcomes can be created with a principles based approach, but we must ensure that this approach does not cause confusion. Another third sector respondent considered that a principles based approach allows suppliers greater freedom to differentiate themselves from competitors through creativity and innovation. However, this respondent further stated that most of the bills in the NI energy market do not suggest that suppliers have actively sought to compete on clarity and innovation in billing.

## UR response

We are still confident that developing a code of practice based on high level principles with more specific rules where necessary is the best approach to take with regard to the content and format of bills and statements. However, we agree that some of the requirements in the proposed code may have been more prescriptive than what is now deemed necessary following review of stakeholder feedback. Therefore we plan to remove some of the more prescriptive aspects of the code of practice. The new proposals that we are consulting on in this paper reflect this.

## Proposed arrangements for the monitoring of compliance with the code of practice

Under condition 38(2) of the electricity supply licence and condition 2.19.2 of the gas supply licence suppliers are required to “*comply with the Billing Code of Practice*”. When finalised, the code of practice on bills and statements will be mandatory and enforceable under this condition and all suppliers must comply with the code as appropriate (i.e. domestic/non-domestic requirements depending on customer base). In the consultation paper we proposed that suppliers keep a record of all changes made to their billing processes and bill/statement content and format. In addition we proposed that suppliers may also be required to provide information on how the changes have maintained (or in some cases achieved) compliance with the code. It was proposed that the means through which compliance would be monitored would be additional reporting under the Retail Energy Market Monitoring (REMM) framework.

### Stakeholder feedback

Around half of the respondents agreed that REMM is an appropriate framework for monitoring compliance with the code of practice on bills and statements. However there were a few concerns raised about this proposal. One supplier stated that further consideration is required as the proposed arrangements would create an unduly onerous administrative burden for both the UR and suppliers if, for example, even artistic and aesthetic changes require the referral of documentation to the UR. This supplier suggested that changes to billing formats should not have to be formally recorded unless they compromise the code of practice or breach the supply licence.

Another supplier commented that this level of compliance will come at an increased administrative cost for the supplier and the regulator. A third supplier suggested that the monitoring should be based on customer experience and evidence aligned with desired outcomes as set out in the high level principles.

Third sector respondents stated that monitoring should be proportionate and transparent and that the UR should have robust systems and processes established for monitoring. One respondent added that the monitoring systems need to be timely so

that any issues impacting customers are picked up quickly and not a few months later. Another stakeholder questioned whether or not the UR will provide a standard format for the suppliers to record all information on changes made to billing processes or bill/statement format.

### UR response

We do not agree that it is unduly onerous for suppliers to keep a log of the changes that they make to bills and statements, and then report these to the UR annually. We presume that any changes made would be recorded internally as good business practice rather than a requirement that we impose. We acknowledge that suppliers may make small aesthetic changes and may not deem these to be important, but if, for example, the change is to a font size or colour, this may affect how easily the bill can be read, and hence how clear and understandable it is. For this reason we do not propose to change the requirement for suppliers to keep a record of all changes made to their billing processes or bill/statement format.

We further propose to amend the REMM compliance reporting template to include a place for suppliers to submit the log of changes made to bills and statements along with the annual licence compliance submission. We will inform suppliers of the detail of the reporting requirements in the final decision paper.

## **2.3 Coverage and content of the code of practice**

In the consultation paper we proposed that there would be four separate 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.

For the purpose of the consultation paper we had classed direct debit communications as statements as we did not consider them to be a request for payment and more of a means of communicating with the customer regarding the status of the account.

### Stakeholder feedback

The third sector respondents that commented on the coverage and content of the code agreed with the proposed separation of the code. The suppliers were in agreement that one code does not necessarily apply to all categories of customer, but they were not generally in agreement with the categories we proposed. Some suppliers thought that there is no need for a separate code of practice for bills and statements and that these should be amalgamated to reduce duplication and potential confusion (with additional sections if needed for separate requirements). Two suppliers disagreed with our classification of direct debit communications as statements rather than bills (as in most cases the money has not left the customer's account when the communication is received).

Other suppliers did not consider it appropriate or necessary to have a code of practice for large energy users as these are highly engaged customers that require bespoke information. In some cases non-domestic customers may be part of a large group of accounts with a potentially large number of sites on one non-domestic bill. One supplier and a supplier representative body were not convinced of the requirement to have a non-domestic code of practice at all.

### UR response

We have considered the responses regarding the content and coverage of the code of practice and agree that four separate codes may create duplication and there is potential for some confusion regarding requirements. We also understand the reasons why some suppliers do not consider direct debit communications to be statements rather than bills. We will update the proposal to amalgamate bills and statements into one code of practice (direct debit communications will therefore be covered irrespective of whether they are considered to be a bill or a statement). This was discussed at the

stakeholder meeting on 01 December and there was general agreement with this amalgamation.

With regard to the non-domestic customers and their varying requirements for bills and statements we agree that some large non-domestic customers require a bill or statement in a very different format than a small business. At the stakeholder meeting on 01 December we discussed the proposals for non-domestic customers particularly with regard to provision of tariff information. We propose to remove this requirement from the non-domestic code of practice. With regard to the necessity for a non-domestic code of practice, which some suppliers have questioned, we would like to clarify that many of the requirements for non-domestic customers included in the proposed code already exist in the licence. Many of these requirements have come from EU Directives and as such they will remain in place. However, we have reviewed the proposed non-domestic code of practice and have removed many of the more prescriptive, non-legislative requirements. We consider all requirements that remain are relevant and necessary for non-domestic customers. Suppliers should now have more freedom to amend billing formats to meet the needs of their non-domestic customers by the removal of formatting requirements etc.

## **2.4 UR evidence base for proposals**

As stated earlier we held bilateral meetings with many stakeholders prior to developing our proposed code of practice. We met with representatives from eight electricity and gas companies and three third sector organisations. At these meetings we asked for stakeholders' views on the content and format of bills and statements and for any examples of customer feedback regarding bills/statements. Most suppliers informed us that they consider their bills and statements to be clear, understandable and customer friendly. Many also carry out their own research with regard to their bill/statement content and format and make changes in line with what their customers want and need. Suppliers expressed their concern that the UR would propose changes to the bill and statement format that may reverse some of the positive changes they made following

their own customer research. The third sector organisations had concerns regarding customers' ability to fully understand their bills; particularly customers with limited numeracy and literacy skills.

Prior to developing the consultation paper we undertook a review of billing requirements for content and format in Great Britain (GB) and the Republic of Ireland (RoI). We also reviewed the bill format for non-domestic bills developed by NI Water in 2013. Advice sheets were also developed alongside the new bills to further assist customers in understanding their bills.

For the purpose of the consultation paper, the customer research undertaken by the UR was limited to our biennial omnibus survey in which we ask a number of customers about their experiences relating to electricity and gas. We did not carry out detailed research on customers' opinions of the content and format of their bills and statements.

### Stakeholder feedback

We received a lot of feedback regarding the lack of specific customer research carried out prior to the development of the proposed code of practice. Many respondents strongly opposed proposals on the format of bills and statements that were not supported by detailed customer research. One supplier strongly advocated that the specifics of the presentation of bills and statements should be informed by customer engagement and research by all stakeholders. A supplier representative organisation stated that changing bills in the manner proposed would be a very costly process and that normal industry practice would be to propose changes that are research based and trialled with customers. In the absence of appropriate research this organisation (and other suppliers) argued that the UR changes are as likely to deliver at least as much negative as positive outcomes for customers.

One supplier stated that the proposals may be seeking to provide solutions where sufficient evidence of a customer need has not been demonstrated. Another supplier supports this and has suggested that there appears to be no significant issues with billing and it is not clear what problem the consultation seeks to address. Two suppliers highlighted the conclusions of the CMA review in GB, which found that explicit

regulatory intervention in a market can have negative effects on competition and that any intervention must be in relation to an identified issue and any remedy should be extensively tested with customers.

Third sector respondents also highlighted their desire to see more detailed customer research in the form of focus groups with consumers and suppliers to test ideas for changes in billing format and content. Suppliers and third sector organisations commented on the SSE bill design (as discussed in the consultation paper). They stated that the approach taken (of wide stakeholder engagement) to design this bill could be applied in NI prior to any major changes being made to the format and content of bills and statements.

### UR response

We welcome the feedback from stakeholders in this area and understand the concerns raised by suppliers regarding the potential unintended consequences of the proposed code of practice, particularly in relation to the format of bills and statements. In our new proposals we have decided to take a different approach with regard to the formatting of bills and statements and the requirements will not be as onerous on suppliers.

We discussed mandatory formatting of bills and statements during the stakeholder meeting on 01 December and we encouraged stakeholders to think about which items of information on a bill should be on the first page that the customer reads (the front page). We asked all stakeholders to provide us with their ideas of four or five items of information that they consider should be the first things that the customer reviews when they open a bill or statements. Stakeholder responses are presented in section 4.4.

We have made changes to our proposed code of practice in order to reflect our new position following stakeholder feedback regarding the formatting of bills and statements.

In order to review the effectiveness of the new code of practice on bills and statements and to engage fully with consumers on various aspects of billing, we plan to undertake a number of consumer research activities starting in 2017. The high level plans for this research are as follows:

- Consumer summit in Q4 2017;
- Domestic and I&C consumer research in 2018/19; and
- Specific focus groups on billing related issues (e.g. content and format) in 2018/19.

Throughout this process we will also engage with suppliers and other stakeholders to discuss their experiences of the operation of the code of practice. Following the consumer research and stakeholder engagement we anticipate that if any changes are required to the code of practice these will be consulted on in 2019/20.

## **2.5 Cost implications of proposed code of practice**

We are aware there will be costs associated with the implementation of a code of practice on bills and statements, and that this cost will inevitably be borne by customers. As such we aim to strike a balance between the cost to implement changes and the benefits to customers of these changes. During the bilateral meetings most of the stakeholders commented that changes to billing systems are costly to implement. In the consultation paper we asked suppliers to provide estimates of the costs that may be associated with any required changes to billing systems as a result of the proposed code of practice.

### Stakeholder feedback

Four suppliers and one supplier representative organisation responded regarding the potential costs for implementing the proposed code of practice (either in their general comments or in their responses regarding specific requirements of the code). Only one of these suppliers actually gave an estimated cost for implementation. This supplier stated that the high level cost estimate of the changes required to comply with the proposed code of practice would be c£100,000. If the changes result in additional pages being required in the bill or statement, the supplier added that it would also incur ongoing operational costs. The supplier also highlighted that fundamental changes to

IT systems cannot be made quickly and extensive testing is required prior to implementing changes to operational billing systems.

Another supplier noted that the cost of implementing the changes would be significant and would be passed on to consumers. This supplier further commented that the proposals would require changes to the bill/statement templates, and not just the content of the bill. Template changes would add significantly to the potential costs of implementation (and for regulated suppliers, these costs would need to be funded by additional allowance).

The supplier representative organisation stated that changing supplier bills in the manner proposed will be a very costly process, and that the UR has not undertaken research or completed a cost benefit analysis to analyse the proposals.

#### UR response

We have considered the responses and appreciate the detail submitted by one supplier on the potential cost associated with implementing the changes in order to comply with the proposed code of practice. We still maintain that there is a balance to strike between the cost of implementation and the benefit to consumers of the changes made. However, we agree that in order to fully understand the benefits and justify the costs, we must carry out some detailed customer research (plans for the customer research are detailed in the previous section).

Based on the discussions at the stakeholder meetings, and the responses to the consultation paper, it appears to us that the changes which would be more costly for suppliers would be those that require them to change the format (which could also lead to a template change) of their bills and statements. As mentioned above it is our intention to refine the proposals on mandatory formatting for bills and statements. We expect that removing some of the formatting requirements in the proposed code will significantly reduce the cost implications for suppliers and ultimately customers. Our revised proposals reflect our new position on this.

## 3. High level principles for the code of practice

### 3.1. Introduction

As mentioned earlier in this paper, this chapter details the comments we received with regard to the high level principles and some of the more detailed aspects of the proposed code of practice. In general, stakeholders were positive about the high level principles but had more concerns regarding the more detailed aspects of the proposals. The high level principles were also discussed during our stakeholder meeting on 01 December. The discussion points will be presented in this chapter.

This chapter will also present our response to the feedback received from both the consultation responses and the stakeholder meeting. It will also detail the changes we propose to make to our proposals (if any).

### 3.2. Overarching principle – all bills and statements are clear and easily understandable

As mentioned in the consultation paper, this is a broad statement, and in order to provide guidance to suppliers about how to interpret this statement we have developed further high level principles. With regard to the application of this principle for domestic customers we proposed in the consultation paper that bills and statements are clear and easily understandable **to the average consumer**. In addition we proposed to use the definition of an average consumer as taken from the Consumer Protection from Unfair Trading Regulations 2008.

#### Stakeholder feedback

All respondents commented on this principle and the majority were in agreement. Only one respondent was not supportive of this as an overarching principle. This respondent stated that the overarching principle for bills and statements is that the information presented is accurate and timely so that customers have confidence they are paying for

the energy they have used within a reasonable period after it has been used. Other respondents were supportive of the overarching principle, with a few suppliers stating that it is in their own best interests to ensure that bills and statements are clear and easily understandable, and they would consider that their bills already meet this requirement. Another supplier added that the overarching principle of clarity for customers should take precedent when considering the inclusion of prescriptive information that could be deemed unnecessary.

We received a number of comments from stakeholders regarding the use of the definition of an “average consumer” taken from the Consumer Protection from Unfair Trading Regulations 2008. In general there was support for the use of the definition of an average consumer from the regulations. One supplier agreed in principle with the definition of average consumer given the difficulties that suppliers would face in tailoring bills/statements for each specific customer, but requested clarity on how the UR intends on measuring this requirement. Two third sector organisations and two suppliers agree with the use of the definition for average consumer, but have noted that this does not address the needs of vulnerable consumers.

### UR response

The concept of an “average consumer” was addressed in the stakeholder workshop held on 01 December. The UR acknowledged that there was some uncertainty of its intentions in the original consultation paper. The original consultation stated that, in relation to domestic consumers, the high level principle of clear and understandable bills related to the concept of an average consumer. However, another principle referred to information on bills being provided in a manner that is accessible for all customers. These two requirements are at odds with one another.

At the stakeholder meeting we proposed that the generality of code of practice on bills and statements is aimed at average consumers. As noted above, one supplier enquired about how the UR intends to measure an average consumer. As the definition of an average consumer has not been developed by the UR it is not for us to determine how individual suppliers can comply with this. We have given this issue further consideration

following our review of the consultation responses and the feedback at the meeting and we have decided to remove the reference to average consumers. We think that bills and statements should be clear and understandable and it is up to suppliers (with the help of consumer groups if required) to establish what this means for all consumers.

We recognise that vulnerable customers have varying specific requirements and suppliers are still expected to meet these needs (as per relevant licence requirements, including the code of practice on provision of services for persons who are of pensionable age or disabled or chronically sick; and other applicable legislation). We do not propose that the code of practice on bills and statements will place any new requirements on suppliers with regard to vulnerable customers. We have updated the proposed code of practice to reflect our new position on this.

### **3.3. Principle 1 – a customer is able to find quickly and understand important information on the bill or statement**

In the consultation paper we proposed that customers should be able to find quickly and understand important information on the bill or statement. This information is likely to be items such as the amount of money to be paid and the due date (for bill pay customers) or if the account is in credit or debit (for some direct debit customers). In addition we proposed that the information must be provided in a manner that is accessible for all consumers (including vulnerable consumers or those with limited literacy or numeracy).

#### Stakeholder feedback

We asked stakeholders if they supported this principle and if so, which information they deem to be the most important on a bill or statement. All stakeholders who responded regarding this principle were supportive of it. Suppliers generally thought that it was in their best interests to ensure that customers can find and understand important information, and that the bills and statements meet customer expectations. Some

suppliers commented that they have carried out customer research to find out which pieces of information the customers want to see.

One supplier noted that if a bill or statement has to grow in size that it can add confusion for customers. Another supplier stated that billing falls into the category of competition between suppliers and if bills are not to the customer's satisfaction then this will drive competition. One third sector respondent stated that there should be a consistent approach to the presentation of credit balances and it should be absolutely clear if there is no outstanding balance.

With regard to the information that respondents deemed to be most important on the items of information that were listed by most respondents included:

- How much is owed
- What action needs to be taken
- Due date
- Consumption since last bill

Some respondents also included customer details (name, address, MPRN/SMPN) and whether or not the meter reading is an estimate or an actual read.

#### UR response

This principle was discussed at the meeting on 01 December and we informed stakeholders that we now propose to retain the requirement that the information must be provided in a manner that is accessible for all consumers, but remove the specific examples stated i.e. consumers with limited literacy or numeracy; and consumers with low engagement in the energy market. . There was general agreement for this at the meeting. As our stakeholders are generally supportive of this principle we propose to retain it – with the minor amendment as previously stated. With regard to the specific items of important information, this issue will be covered in section 4.4.

The change discussed above has been incorporated in the new proposed code of practice.

### **3.4. Principle 2 – a customer will know immediately what action is required from them when reading a bill or statement**

Our proposal for this principle was that when a customer receives a bill or statement it must be obvious to them if action is required. For example, the customer must know if an outstanding amount is to be paid (and the date by which it is due). If the customer is a direct debit customer they must know if their direct debit amount needs to be reset (due to either increased or decreased usage). If the communication is for information only (e.g. an annual statement) this must also be very clear.

#### Stakeholder feedback

All stakeholders that responded regarding this principle were supportive of it. One supplier commented that there is a cost associated with having to initiate follow up contact with a customer and as such it is in the supplier's best interest to ensure that the message communicated to a customer on a bill is easily understood. It was suggested by a supplier that the customer may be in arrears and as such the bill or statement may indicate where corrective action is required, e.g. the installation of a prepayment meter. Another supplier requested further clarity on instances where the customer needs to amend a direct debit arrangement. A third sector stakeholder responded that it should also be immediately clear to a customer if no action is to be taken and the communication is for information only. Another third sector respondent commented that it is also important that the customer knows they can contact their supplier (and that they know how to).

#### UR response

With regard to the query regarding direct debit arrangements, we are aware that some suppliers correct the over/under charge of customers when the next bill is calculated. However, for customers that pay a standard rate every billing period, they may accumulate debt or credit over time. Based on feedback from suppliers, some customers are content to accrue credit on their energy account. This is not something we intend to encourage or discourage. We simply want customers to be made aware that there is a credit on the account and that they can contact the supplier to have this

refunded. For those customers whose direct debit payments are not covering the full cost of their energy consumption, we want them to be aware of this at the first possible opportunity to avoid unnecessary debt accumulation. For this reason we want suppliers to inform these customers that they need to get in contact to amend the direct debit amount (or to pay the accumulated debt).

During the meeting on 01 December we discussed our reviewed proposal to require suppliers to state clearly on bills or statements if the customer does not need to take action upon receipt of the bill or statement. There was some debate about what exactly “no action” means. We consider that no action would include the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer’s account; or
- the communication is an annual statement for a prepayment customer.

We propose to keep this amendment to the principle so that customers can be sure when there is no action required. We have updated the proposed code of practice to include this point. Please note that while we want customers to know if they do not need to take action following receipt of a bill or statement, we also want them to know that they can contact their supplier for information regarding their account at any time (as per the suggestion by the third sector respondent).

### **3.5. Principle 3 – bills and statements present accurate and timely information to the customer**

Suppliers already have licence requirements to ensure that customers are billed based on the most accurate and up-to-date information they have available. However, we consider this to be fundamental to the success of a supplier’s billing process and as such we have included it as a principle in this code of practice.

## Stakeholder feedback

This principle received full support with a few suppliers stating that they currently bill according to this principle. One supplier highlighted that accurate information is not always available, for example if a customer has two or more prepayment cards it is difficult to present the actual amount of money spent. A gas supplier in the non-domestic market commented that bills based on actual meter readings help customers to budget their energy costs better. This is particularly important for larger non-domestic customers given the difference in gas prices in the winter months in comparison to the summer months. Another supplier has proposed that the addition of “where possible” is important as suppliers do not always have an actual read which aligns with the customer’s billing cycle (and that estimated reads will always be a necessary element of the energy industry). A third sector stakeholder commented that many of the enquiries and complaints that it receives are related to estimated bills. It further stated that it should be clear to customers if the bill is based on an estimated read and highlight the benefit of an actual meter read. In addition this stakeholder commented on the potential for customers to go into arrears if they are billed on estimated reads over a long period of time.

## UR response

We are pleased with the support for this principle and are aware of suppliers’ efforts to ensure that customer bills are accurate and timely. However, we also agree that “where possible” is an important addition to this principle as there are circumstances where suppliers will not have actual meter reads or there could be data issues (such as arising from two prepayment cards being used for one meter). We are also mindful of the comments made in regards to customers being billed with estimated reads and going into arrears. The benefits of receiving bills based on actual meter reads must be made clear to customers in order to try and minimise this problem.

This principle was discussed briefly at the meeting on 01 December. We informed stakeholders of our proposal to add “where possible” to the wording of the code of

practice. Stakeholders did not have any comments on this. The proposed code of practice has been updated to reflect this change.

### **3.6. Principle 4 – customers will be made aware if there are cheaper tariffs available to them**

In order for customers to engage fully in energy markets it is necessary for them to understand their tariff options. We consider it important that customers are aware if there are other tariffs available to them which may help them save money on their energy bills. In the consultation paper we proposed that, for domestic customers, suppliers must determine whether or not the customer is on the best tariff available to them; and if the customer is on the best available tariff, the supplier must simply state this on the bill or statement. We further proposed that if the customer was not already on the best available tariff that the supplier must inform the domestic customer of this in one of the following ways (these options were proposed):

- 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 tariff information to non-domestic customers we proposed that, as a minimum, the supplier must inform the customer (on the bill or statement) if there is the opportunity to renegotiate the terms of the contract for a more favourable deal. This would 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. It is our 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 asked for stakeholders to provide their feedback on both the domestic and non-domestic proposals.

### Stakeholder feedback regarding domestic proposals

This area of the consultation stimulated much debate with stakeholders and was the area of most feedback in the consultation responses. We had anticipated stakeholders to have strong views on this part of the consultation and we welcome the debate and challenge presented by respondents. We have summarised a proportion of the feedback below – for more detail please review the individual consultation responses.

Five stakeholders responded that, at a high level, they agreed that domestic customers should be made aware if cheaper options are available. Two stakeholders further agreed that the supplier should determine the best available tariff option for the customer and present this to them on the bill. One supplier stated that presenting the cheapest tariff option may be the most straightforward option rather than the customer having to contact the supplier or go on the supplier's website to research tariffs. However, this opinion was not widely shared among stakeholders. Four suppliers highlighted the technical difficulties that would be presented to them if they were to process information at this level for each individual customer. One supplier noted that it would have a high risk of error and would be subject to repeated change, thus adding cost and complexity to the bill production.

Three suppliers noted that a tariff offering to a customer may be more than a simple pence per kWh unit rate; for example some suppliers offer loyalty bonuses; some offer a joining bonus etc. (one supplier referred to the difference between a tariff and a proposition – with a proposition including loyalty bonuses etc.). In addition, customers may choose to stay on a slightly higher tariff due to a preference for paying quarterly as opposed to by direct debit, or by receiving paper bills as opposed to online bills. These customers may already be on the cheapest tariff that is most appropriate for their needs and by adding details about inappropriate tariffs may confuse customers. One of the suppliers added that continuous emphasis on price alone will lead to a reduction in

innovation amongst suppliers and a decrease in the number of different types of offers available in the market.

Another supplier highlighted that new market entrants are likely to offer a highly discounted rate in order to gain market share but that the same rate may not be available to the same customer after a fixed time.

Whilst many of the supplier responses challenged the requirement to present individual information to each customer, the majority of the supplier respondents agreed that if one option was to be chosen that it should be option three – highlighting to the customer that other tariff options are available.

One third sector respondent stated that much is needed to help and support households to understand tariff options (and even proposed that the term tariff is an unfamiliar phrase for many NI customers). This stakeholder further suggested that the supplier should determine the best tariff for the customer and present it on the bill or statement using clear messaging, for example *“you could pay less – you could save up to £xxx by moving to our cheapest tariff”*; or *“save £xxx by changing your payment method to yyy (e.g. direct debit).”*

The other third sector respondent preferred the option for the supplier to highlight to the customer that cheaper tariff options are available and direct the customer to sources of this information, including details for the Consumer Council (as a provider of free independent advice on energy tariffs via telephone, an online price comparison tool and price comparison tables). In addition this stakeholder proposed that an amendment should be included so that the customer is also informed that alternative payment and billing methods are available which may save them money.

#### UR response regarding domestic proposals

We have reviewed the stakeholder feedback to the consultation proposals and we accept at this stage that the requirement to review each customer’s tariff individually may be too onerous. We agree that suppliers may offer benefits to customers other

than a pence per kWh rate and that some customers make an active choice to be on a higher tariff due to their personal preference regarding payment and billing options.

We propose to amend the principle to require that suppliers will make customers aware that there may be cheaper tariffs available to them. We propose to mandate a common statement for all suppliers which will inform the customer that there may be cheaper tariff options available. Suppliers currently have an obligation<sup>4</sup> to inform customers that other electricity or gas suppliers are available, and to provide details of where the customer can obtain impartial advice. We propose to amalgamate the statement regarding tariffs with the already existing statement regarding the availability of other suppliers. This would result in all suppliers presenting this information in the same language and format. This new proposal was discussed during the meeting.

There was an initial high level discussion about tariffs and which tariffs are available for customers. One stakeholder noted that some domestic suppliers only offer one tariff for prepayment customers so in order for these customers to receive a different tariff with the same supplier, they would require a new meter (and there may be an additional cost associated with this). Another stakeholder proposed that suppliers should price for loyalty instead of attracting new customers with good deals and then allowing them to fall onto more expensive tariffs when the deals expire.

With regard to the new proposal, one supplier commented that the wording of the statement would be very important and that we should seek to avoid replication of information such as names and addresses of other organisations on the bill or statement (suppliers currently have to include information about CCNI for the purposes of complaints handling). Another supplier agreed that wording was very important and that we should also be mindful of simply using the word “tariff”. This is due to the changing nature of tariff products which have both offers and benefits and are not just a simple pence per kWh price. A third supplier queried how the statement would help customers if the supplier only offered one tariff rate. We agree that the wording of the statement will be very important and we welcome supplier feedback on the content of the proposed statement.

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<sup>4</sup> Condition 38(7)(h) of the electricity supply licence and condition 2.19.7(h) of the gas supply licence

A third sector stakeholder commented that suppliers in GB can tell customers if there are cheaper tariff options available, and questioned why suppliers in NI cannot do the same. We acknowledge that this may be technically possible but suppliers have indicated that it will be costly, technically difficult and may be subject to error. We made clear at the stakeholder meeting that we plan to include this principle in our customer research strategy, as discussed above. If this research indicates that customers are not engaging in the market to find better tariff options we may decide to intervene further in this area.

Our proposed code of practice has been updated to reflect our position on this principle. We welcome stakeholder feedback on the proposed mandated statement. At the meeting in December we suggested that we would develop one or two statements to present to stakeholders in this paper. We would like stakeholders to provide comments on the exact wording of the statement below or propose alternative wording to the same effect.

Proposed mandatory statement:

- Thank you for choosing <supplier name>. We offer a range of tariff options so please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may also change your <electricity/gas> supplier. Impartial advice and information about tariffs and switching can be found at [www.consumer council.org.uk](http://www.consumer council.org.uk)

#### Stakeholder feedback regarding non-domestic proposals

Most stakeholders responded that non-domestic customers do not want or need this information. However, two suppliers and one third sector stakeholder agreed that non-domestic customers should be made aware that there may be cheaper tariff options available. A few suppliers commented that non-domestic customers are more aware of their own business costs, including the cost of energy and therefore more engaged in the energy market. Another supplier argued that some non-domestic bills already give much more information to customers about usage and costs (than the proposal in the consultation), and by mandating this element of the bill the customers may actually be

disadvantaged. Finally, a supplier stated that due to the nature of dynamic pricing for non-domestic customers, tariff offers change frequently. An offer that is made on a bill may not still be true or available if the customer was to contact the supplier a number of weeks later. The supplier also commented that the loss of dynamic pricing in competitive markets would not be to the customers' benefit in the long run.

#### UR response regarding non-domestic proposals

We have considered the responses to the consultation and we discussed this further with stakeholders at the meeting on 01 December 2016. At this point we propose to remove this requirement entirely for non-domestic bills and statements. We are satisfied that many non-domestic customers are engaged about tariffs in other ways and are more aware than domestic customers of the need to review tariffs and charges for energy. In 2017/18 we plan to undertake a project which will review the protection for small I&C customers/micro-businesses. As part of this work we will investigate whether or not a statement, such as the one set out above, would benefit small I&C customers. This will be consulted on separately to this project. The proposed code of practice has been updated to reflect our position on this principle in relation to non-domestic customers.

## 4. Code of practice detail

### 4.1. Introduction

In addition to the high level principles we proposed some more prescriptive elements in the consultation on the code of practice on bills and statements. Some of these related to billing processes and some related to the content and format of the code. In order to present the feedback from stakeholders in a meaningful way we will use the format of the proposed code of practice. We will only include those items in the proposed code that were not previously obligations on suppliers through the licence or other legislation (these were in blue text in the proposed code of practice). For some of these sections we have decided to update the proposals for domestic and non-domestic customers separately (although in most cases the stakeholder responses were not specific to domestic or non-domestic customers).

### 4.2. Requirements for suppliers' billing processes

#### **All bills and statements must be designed and formatted in consultation with the Authority and the General Consumer Council**

When the code of practice is in place the current requirement in condition 38(16)(b) of the electricity supply licence (condition 2.19.16(b) in the gas supply licence) will effectively be removed i.e. the supplier will no longer be expected to consult with the UR and with CCNI on the content and format of bills and statements. We included this point in the proposed code of practice as we think it is important to reintroduce this requirement.

#### Stakeholder feedback

One supplier stated that it is unclear in the proposal if the requirement to consult with the UR and CCNI would be ongoing and include any future changes or alterations to bills or statements. The supplier further commented that consultation such as this could potentially impact on suppliers' ability to innovate, and that suppliers should be given

scope to innovate in terms of how bills are structured and presented to customers. CCNI was supportive of the proposal that all bills and statements must be designed and formatted in consultation with the Authority and the General Consumer Council and further suggested that this is extended to include when changes are made to an existing bill or statement.

#### UR response regarding domestic proposals

This requirement was further discussed at the meeting on 01 December 2016. We informed stakeholders at the meeting that we are content that the UR will not need to be consulted on changes to bills/statements once the code of practice has been agreed, as suppliers must confirm compliance with this licence condition (and hence the code of practice) under the REMM framework. However we consider that CCNI can play an important role in ensuring that changes to bills and statements are customer friendly.

We proposed at the meeting that all new suppliers consult with CCNI on the content and format of the initial bill and statement and that all current suppliers should also consult with CCNI if they decide to make significant changes to the format of their bills or statements.

One supplier commented that the design and format of a bill or statement is a supplier's way of competing in the market and the UR and CCNI should not be adjudicating on elements of design. CCNI responded that they would refer to the code of practice for guidance when working with suppliers on bills and statements, and in no way do they want to hamper innovation. We noted to suppliers that the requirement is to "consult" with CCNI and not to have their bills and statements given approval by CCNI. The aim of this part of the code of practice is to ensure that bills and statements provide the best information for customers.

One supplier queried what the UR deemed to be "significant changes" to the bill or statement. We responded that we would not define what a significant change is, but that suppliers should decide on a case-by-case basis if the changes being made should be made in consultation with CCNI. CCNI requested that suppliers come to them as

early as possible in the process of making changes so that they can resource the assistance required.

Other consumer groups in the third sector may also provide helpful feedback on content and format of bills and statements and we encourage suppliers to consider engaging with these groups.

#### UR response regarding non-domestic proposals.

With regard to making changes to bills and statements for non-domestic customers we will not require suppliers to consult with CCNI. However, this does not prevent suppliers from seeking advice from CCNI or other business/manufacturing groups in determining how best to present information to non-domestic customers.

These new proposals for the domestic and non-domestic code of practice have been included in the annex.

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

In the consultation paper, under principle 4, one of the proposed options involved suppliers informing customers if there are cheaper tariffs available to them. In order to do this, suppliers would first be required to determine whether or not the customer is on the cheapest tariff available to them. The responses under principle 4 above are also applicable to this part of the proposed code of practice. As we have decided to revise our proposals on principle 4, this part of the new proposed code will be amended to reflect these changes.

### **4.3. Requirements for the content of bills and statements**

#### **Tariff information**

This part of the code of practice relates to the presentation of the information under principle 4. As the responses regarding principle 4 have been discussed earlier, they

will not be repeated here. The proposed code of practice has been updated to reflect our position on this requirement in relation to domestic and non-domestic customers. Please note that all current requirements under the provision of tariff information will remain (as per the consultation paper).

### **Consumption and charging information**

There are a number of requirements that suppliers already have with regard to the consumption and charging information that must be included on bills and statements. These will remain in the proposed code of practice (with the exception of the prepayment reconciliation as discussed below). In addition to the current requirements we proposed in the consultation paper that suppliers would include a note on the bill or statement to inform the customer if any action needs to be taken following receipt of the bill (or statement). This forms part of principle 2 and the responses from stakeholders are discussed in the relevant section above. We propose to keep this requirement as part of the code of practice (domestic code and non-domestic code).

As mentioned above, with regard to prepayment statements for domestic customers, we have decided to remove the requirement for suppliers to carry out a reconciliation between consumption as per the meter readings and the consumption based on the total value of vends and the unit price. We undertook a project with suppliers a few years ago to ensure that customers were given this information and based on suppliers' views provided at the time of the project (and at various times since then) we do not intend to proceed with this reconciliation at this point. We propose that domestic prepayment statements will include the detail of the customers' vends, the unit rate and the total consumption. If customers have any queries about the information presented they can contact the supplier.

We will include this aspect of the code of practice in our future research and determine if more detailed information (such as a reconciliation between consumption per the meter and per the vending history) would benefit customers enough to justify the cost and difficulty of implementation. The proposed code of practice reflects our updated position on this requirement.

## **Additional information to be provided on the bill or statement**

The additional information that suppliers must provide on the bill or statement includes details such as:

- the fuel mix information (for electricity suppliers only);
- information on the existence of a code of practice for customers having difficulty paying their bills; and
- information on where customers can obtain impartial advice and information about changing supplier (this was discussed under principle 4 above).

In addition to the current requirements the consultation proposed that the suppliers will include a statement to advise customers to contact them immediately if they are having difficulty paying their bills, and, for any customer with debt on the account, present the information relating to the debt separately to any charges for the current billing period.

### Stakeholder feedback

We did not receive any specific feedback on our proposal that suppliers should include a statement to advise customers to contact their supplier if they are having difficulty paying their energy bills. One supplier provided a few comments on the proposal regarding the presentation of debt information on the bill or statement. This supplier stated that it does see the merit of including debt information on bills and statements, but that there may be practical barriers to the implementation of this proposal (particularly with regard to gas prepayment statements). This is due to debt information being held in a different system to the prepayment information. The cost to link the two systems would be excessive and ultimately borne by customers. The supplier further stated that the information held regarding a customer's debt may not align with the statement period (or may be out of date when the statement is issued) due to variances in payment plans.

### UR response

We consider it important for suppliers to be approachable to customers, particularly those struggling to pay their energy bills. We think that if customers are in contact with

suppliers at an early stage that they will have a better chance of organising their payments and not end up with a large amount of debt. As we did not receive any negative feedback about this issue, the proposed requirement will remain. However, as suppliers have a current requirement to inform customers about the existence of a code of practice for customers that are having difficulty paying bills, we propose that suppliers amalgamate these two statements as a way of saving space on the bill. The proposed statement would therefore encourage the customer to contact the supplier immediately if they are having financial difficulty and also direct the customer to the code of practice on payment of bills.

With regard to non-domestic customers we consider it important that suppliers are approachable (as with domestic customers). For this reason, we propose to retain the statement advising customers having difficulty to contact their supplier; however it is not appropriate to include the additional information about the code of practice.

The issue of how to present debt on bills and statements was further discussed at the meeting on 01 December 2016. We explained to stakeholders that we were undecided (at that time) on the best way to proceed with this aspect of the code of practice. Our aim is that customers in debt are kept informed as to how they are progressing with the repayment of their debt. At the meeting we asked suppliers how they currently communicate with customers about debt repayment. Some suppliers explained the practical barriers that they had highlighted in their previous consultation responses. Third sector stakeholders queried whether or not suppliers thought that customers really understood their repayment plans and, in the case of prepayment customers, that they may only be receiving 60% of each top up on their meter.

In order to progress this part of the code of practice we requested that suppliers would provide us with information about how they currently communicate with customers regarding debt repayment in different scenarios, for example:

- the customer receives and settles credit bills as normal, but has an additional payment plan to repay previous debt;

- the customer is on a direct debit but has higher than expected consumption leaving the customer with an additional balance owing to the supplier that they are unable to pay immediately (and hence the customer goes into debt); or
- the customer has a previous debt transferred to a prepayment meter and pays the debt from each top up at a rate agreed with the supplier.

Five suppliers provided details on how they communicate with their customers regarding debt repayment. Suppliers provided a range of methods of communicating the debt information to customers which depend on the method of repayment of the debt (credit or prepayment meters) and if it is debt on an electricity bill or a gas bill. With regard to credit bills, most suppliers do not present the debt amount separately to the customer on each bill or statement. One gas supplier handles the debt amount separately to the bill amount so the debt does not appear on the bill – a separate repayment plan and timeline is put in place. An electricity supplier's approach is to set up a payment plan with the customer and to update the customer's monthly payment to incorporate the debt repayment. The customer can pay this by direct debit or manually. The bills produced by another gas supplier simply show a balance brought forward each month which includes arrears and payments made during the period, as the billing system does not have the functionality to split this balance.

Repayment of debt through prepayment meters is handled by suppliers in a number of ways (and also differs depending on whether it is debt on an electricity bill or a gas bill). One supplier agrees the repayment value per vend with the customer and monitors the repayments on a monthly basis until the debt is paid. If there is still debt outstanding on the account after one year, the supplier will issue the customer with a breakdown of the debt (this would be separate to the prepayment annual statement). Another supplier stated that the customer can learn from the display screen on the prepayment meter how much debt is still owed, or alternatively the customer can ring the supplier to receive this information. With regard to the prepayment statement, one supplier provides information on the number and monetary value of top ups and how much of the vend went towards payment of debt. It also provides the value of arrears at the start and the end of the period. However a supplier in the gas market sends an annual

statement to prepayment customers which shows their usage but does not include information on debt.

We understand that it might be difficult and costly to provide this information with every bill or statement and that the debt repayment information might not align with a particular billing period. However we are still of the opinion that customers in debt (both domestic and non-domestic) must be kept informed of how their debt is reducing as a result of their repayments, regardless of the means of repayment. In order to strike a balance between issues such as complexity and cost, and the benefit to the customer of understanding their debt repayment, we propose that suppliers communicate in writing with customers in debt at least annually to inform them how their debt repayments are affecting their overall debt. This can be a communication that is sent to the customer independently of any bill or statement. The minimum information included in this communication must be:

- the debt at the beginning of the period;
- the amount repaid during the period;
- any further accrual of debt during the period; and
- the debt balance at the end of the period.

For those suppliers that currently provide information on debt on a more frequent and/or detailed basis we urge you to continue to provide this information. The proposals discussed in this section have been included in the proposed code of practice.

### **Additional information to be provided on or with the bill or statement**

The additional information that suppliers must provide to customers on or with the bill or statement includes details such as:

- information on the handling of complaints including:
  - the customer's right to complain and initiate the complaints procedure (free of charge);
  - the role of CCNI in assisting the resolution of complaints which the supplier has not resolved to the customer's satisfaction; and

- the customer's right to refer billing related complaints to the UR if CCNI has been unable to resolve the complaint.
- the availability of the Energy Consumer Checklist on the supplier's website (and that the supplier will send a copy free of charge on request); and
- contact information of at least one organisation that provides information or assistance on measures which will help customer to improve their energy efficiency.

The additional information listed above is already included on suppliers' bills and statements as the requirement is already included in the electricity and gas supply licences (the requirements were included following EU directives such as the Third Package). This part of the proposed domestic and non-domestic code of practice will remain unchanged.

### **Supplier's Notice of Rights (gas suppliers only)**

The gas supply licence currently requires gas suppliers to include the website address of the Supplier's Notice of Rights and details of how the customer can request a copy of the notice. This must be included on each bill or statement sent to the customer. As this is a requirement under the Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014 it will remain in the proposed code of practice.

## **4.4. Requirements for the format of bills and statements**

This section of the code of practice details how the information on bills and statements must be presented to the customer. It includes information on the font (typeface, size and colour), the use of language and the layout of important information. There are no current requirements on suppliers regarding the format of bills and statements and as such this section of the code of practice was included for consultation. Stakeholders were encouraged to comment on the content of the code, but there was no specific consultation question posed regarding this area of the code. We received feedback from a number of stakeholders regarding the presentation of information on bills and

statements. The feedback is summarised below along with our responses to stakeholders and details on the updated proposals for the code of practice.

With regard to the requirements for the format of non-domestic bills and statements we have decided to remove this entirely from the code of practice. We acknowledge that many non-domestic customers have very different billing requirements that domestic customers and suppliers understand these very well. We may wish to revisit this aspect of the code of practice on non-domestic bills and statements at a later date, and remain open to the prospect of introducing requirements in this area.

### **Font – typeface, size and colour**

The consultation paper included proposals for the typeface, colour and size of the font used in bills, as summarised below.

It was proposed that the supplier will:

- use a font typeface and line spacing that is easily readable;
- give regard to the use of font colours and avoid colours that are more difficult to read;
- use a minimum font size of 12 for all information relating to charges and meter readings;
- use a minimum font size of 10 for all information relating to customer information, tariff information and consumption information; and
- use a minimum font size of 8 for any information not covered in the previous 2 bullet points.

### **Stakeholder feedback**

A respondent from a third sector organisation welcomed the commitment to ensuring that bills and statements are presented in a uniform manner. This respondent noted that balancing the needs of the customer with the needs of the supplier is reasonable. However, the respondent requested that if a bill or statement declares that action needs to be taken that this is presented in a size 14 font to ensure this information is as accessible as possible (which is stated as good practice by the UK Association for

Accessible Formats). Another respondent from the third sector recommended a minimum font size of 14 on all printed information and for it to be laid out clearly.

One supplier commented that the UR stated that it is not convinced that mandating format will outweigh the costs to suppliers to alter their systems, but then contradicts this by proposing to standardise font size (and location of certain information). The same supplier further commented that the introduction of specific requirements on font size and bill presentation does not allow for innovation in terms of the presentation of information to customers.

Another supplier stated that dictating details such as font size will likely have a negative impact on the customer experience and potentially harm competition. In addition the supplier noted that as the bill or statement grows in size e.g. due to requirements such as increased font size or additional information it may be increase the cost of postage (due to additional pages being printed) and additional marketing, operational and IT costs.

#### UR response

We have considered the responses from all stakeholders and are mindful that we have not carried out research in the area of specific font types and sizes. At the meeting on 01 December 2016 we presented our updated proposals to stakeholders. We agree that the cost of mandating items such as font size might be prohibitive to suppliers and without the evidence from customer research we have decided to amend the requirements.

We propose to keep the requirements regarding easily readable font typeface and line spacing, and use of colours that are easy to read. Based on stakeholder feedback, at this time, we will leave the decision on the size of the font to suppliers. However we wish to reiterate that two third sector respondents requested a minimum font size of 14 (either for all printed information or for any statement that requires action from the customer). We plan to include font size as part of our future customer research and we may be more prescriptive as a result of this research. The proposed code of practice has been updated to reflect our new position.

## Use of language

In the consultation we included a few proposals regarding the use of language on bills and statements. It was proposed that the supplier will:

- use language that is non-threatening and supportive;
- provide information in language that is customer friendly and understandable (e.g. using Plain English); and
- work with CCNI and other relevant consumer organisations on the content and tone of the language used.

The minimum standards for the code of practice on payment of bills (as applied to condition 30 of the electricity supply licence and condition 2.12 of the gas supply licence) already require suppliers to use language that is non-threatening and supportive. In addition, we consider it to be in the best interests of the supplier to ensure that the language used is understandable. For these reasons we have decided to remove these requirements from the code of practice. The proposed code now reflects our updated view.

## Layout of important information

This part of the bill and statement proved to be quite contentious with suppliers. We proposed in the consultation, that suppliers would include certain pieces of information on the front of the bill (meaning the first page that the customer sees). We proposed that the supplier would include the following information on the front of the bill or statement:

- Customer details including:
  - MPRN/SMPN;
  - Customer tariff name and unit rate;
- Billing period – to which the bill or statement relates;
- Balance before bill or statement;
- Total charges for the period excluding VAT;
- Total charges for the period including VAT;

- Action to be taken by the customer (if any);
- Date of any payment due;
- Statement about customers having difficulty paying bills;
- Customer's tariff information (based on principle 4); and
- A summary of the customer vend information.

It was further proposed that any information added to the front of the bill in addition to the list above must not reduce the customer's ability to see clearly, read and understand the mandatory information.

### Stakeholder feedback

This part of the consultation received much feedback from stakeholders both in the consultation responses and at the meeting on 01 December 2016. Stakeholders commented on this aspect of the code in various parts of their responses, for example in their comments regarding the overarching principle and principles 1 and 2. Most suppliers and third sector organisations agreed that the customers should be able to find easily and understand the important information on the bill or statement; but there were varying responses to our proposals regarding what information was most important.

One third sector organisation commented that direct research with consumers needs to take place to fully understand the information that is most important. The stakeholder also stated that the SSE bill developed in the GB market does appear clear and contains the most important information. In addition this stakeholder does not think that it is necessary to include any information such as the charge amount or unit rate that excludes VAT as it only clutters up the bill and causes confusion, particularly for domestic customers.

One supplier stated that including more information on the front of the bill may actually reduce the clarity and make it more difficult for customers to understand what action they need to take, if any. Another supplier has stated that the level of prescriptive detail is a concern, given the lack of research, identification of harm or substantive bill layout study.

Research carried out by a supplier of its own customers' opinions of its bill has indicated that residential customers have prioritised around six pieces of key information which they say they actually read or need (name/address; account number/MPRN; previous balance; payments; amount due; and due date). These pieces of information should be on the front of the bill and any supporting detail can be provided either on the back of the bill, on request or online if needed. The supplier further commented that suppliers do not serve customers well if they disregard their stated requirements for clearer and more easily understood bills/statements.

In their response to the consultation another supplier expressed concern that the proposal for the front of the bill or statement would inundate the customer with information which would ultimately result in the customer experiencing difficulty finding the important information. This supplier was also concerned that the proposals would have an impact on the level of innovation and on the ability of suppliers to develop new structures for presenting billing information. The supplier commented that as technology and customer preferences develop, suppliers may need to consider alternative methods for presenting certain information and prescriptive requirements would limit the potential for any changes to be made.

At the meeting on 01 December 2016 we discussed the feedback with stakeholders and there was a general agreement that there are pieces of information that customers look for on the front of the bill. One supplier requested that when proposing items for the front of the bill or statement that we are always mindful of the purpose of a bill or statement (i.e. a request for payment; or a communication regarding the status of a customer's account).

In order to progress our proposal in this area we requested that all stakeholders provide us with between three and five key items of information that they deem to be important enough to be presented on the front of the bill or statement, and to explain their rationale for each one. We received five responses from suppliers and one response from the third sector (verbal response). We appreciate stakeholders providing these responses.

The responses from suppliers all contained some common items of information to be included on the front of the bill or statement. These were:

- Billing period (one supplier also suggested to include the bill issue date);
- Total balance due; and
- Date of payment (credit payment due or direct debit payment to be collected).

In addition to the items above there were another few items that were suggested by three suppliers. These were:

- MPRN (SMPN in gas); and
- Tariff details.

Other items of information that were recommended by suppliers were:

- Consumption information;
- Balance carried forward and payments made since last bill;
- Contact details of supplier (supplier name and contact number);
- Customer details such as:
  - Customer name;
  - Account number; and
  - Billing address.
- How to make payment/instructions of what to do next; and
- A variable notes section which can be used for issuing ad-hoc notices and information to customers, e.g. information promoting the customer care register.

The third sector organisation that responded verbally stated that customers need to know what to pay but also how the cost has been derived. In addition, the respondent commented that the derivation of the total charge must also be on the front of the bill because many customers do not look at the second page of the bill and as such will not learn about how the total charge has been calculated. This respondent also agreed with the approach that SSE took in designing the new bill (in GB) by starting with a blank sheet of paper and asking customers directly about what they really want and need to see on the front.

We have reviewed the responses and we agree that a number of the items mentioned above are important and should be included on the front of the bill or statement. There are a few items of information that were specifically noted that we would anticipate would be on the front of any suppliers' bills and statements. These are:

- Customer details (name; account number/MPRN; and billing address); and
- Supplier details (name and contact number).

We presume that all suppliers already include this information on the front of the bill and propose that they continue to do so. In addition to this information, and based on our review of responses, we propose that the front page of all bills and statements also include the following items of information:

- Billing period;
- Total balance due/total charges – including VAT;
- Date of payment (credit payment due or direct debit payment to be collected);
- What action needs to be taken by the customer (if no action is to be taken this must also be stated as per section 3.4); and
- Mandatory statement re tariff availability.

We also encourage suppliers to include on the front of the bill or statement the note encouraging customers in difficulty to contact their supplier immediately for advice on managing their account (as discussed in section 4.3). We understand from the responses to the consultation (and the subsequent meeting) that suppliers want some freedom to innovate with their bills and statements and consider that we have provided this opportunity by removing some of the requirements from our original consultation proposal. The proposed code of practice has been updated to reflect our new position on this part of the code of practice.

## 5. Next steps

The consultation period will close on **28 April 2017**. When the consultation period has closed we will consider all responses in order to inform the development of our final code of practice and accompanying decision paper. We aim to publish the decision paper by June/July 2017. This paper will give detailed timelines for implementation and compliance. However, at this point we anticipate that suppliers will have six months from the publication of the new code of practice to begin to produce bills and statements which are compliant with the code. If any supplier believes they are not able to be compliant within this timeframe they will have to provide us with reasons for this in addition to a comprehensive plan to achieve compliance within a timeframe which we deem to be reasonable (under the circumstances).

## Annex 1 – Responses to the consultation

We have published the responses to the consultation and these are available at the links below.

<b>Budget Energy</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/Budget%20Energy%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/Budget%20Energy%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>The Consumer Council for Northern Ireland (CCNI)</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/CCNI%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/CCNI%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>The Commission for Older People Northern Ireland (COPNI)</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/COPNI%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/COPNI%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>Disability Action</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/Disability%20Action%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/Disability%20Action%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>The Electricity Association of Ireland (EAI)</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/EAI%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/EAI%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>Electric Ireland</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/Electric%20Ireland%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements_0.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/Electric%20Ireland%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements_0.pdf</a>
<b>Energia</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/Energia%20response%20%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/Energia%20response%20%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>firmus energy</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/firmus%20energy%20%20response%20%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/firmus%20energy%20%20response%20%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>Flogas</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/Flogas%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/Flogas%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>Go Power</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/Go%20Power%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/Go%20Power%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>National Energy Action (NEA)</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/NEA%20NI%20response%20%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/NEA%20NI%20response%20%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>

<b>Power NI</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/Power%20NI%20response%20%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/Power%20NI%20response%20%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>
<b>SSE Airtricity</b>	<a href="https://www.uregni.gov.uk/sites/uregni/files/media-files/SSE%20Airtricity%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf">https://www.uregni.gov.uk/sites/uregni/files/media-files/SSE%20Airtricity%20response%20New%20Supplier%20CoP%20on%20Bills%20and%20Statements.pdf</a>

## Annex 2 – Proposed code of practice on domestic bills and statements

Condition 38(2) of the electricity supply licence and condition 2.19.2 of the gas supply licence require suppliers to “*comply with the Billing Code of Practice*”. This code of practice on bills and statements is mandatory and enforceable under this condition and all suppliers must comply with this code.

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 and statements. For the purpose of this code, bills and statements refer to any communications with a customer that make a request for payment, provides information about the collection of direct debit payments or informs the customer about the status of their account.

### 1 High level principles

#### 1.1 Overarching principle: all bills and 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 bill or 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.

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 or statement**

1.3.1 When a customer receives a bill or statement it must be obvious to them if action is required, for example: if an outstanding amount is to be paid details of how much to be paid, and the date of payment; if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or
- the communication is an annual statement for a prepayment customer.

### **1.4 Principle 3: Bills and 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 to ensure that bills and statements are based on accurate information and up-to-date meter reads where possible (these details are incorporated into the next sections of this code of practice).

### **1.5 Principle 4: Customers will be made aware that there may be cheaper tariffs available to them**

1.5.1 The supplier will highlight to the customer that there may be cheaper tariff options available and include the following statement:

Thank you for choosing <supplier name>. We offer a range of tariff options so please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may

also change your <electricity/gas> supplier. Impartial advice and information about tariffs and switching can be found at [www.consumer council.org.uk](http://www.consumer council.org.uk)

## 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 standards<sup>5</sup> – these are noted with (COP) below.
- 2.1.2 All electricity and gas bills and statements for new suppliers must be designed and formatted in consultation with the Authority and the General Consumer Council.
- 2.1.3 All significant changes to the content and/or format of all electricity and gas bills and statements must be carried out in consultation with the General Consumer Council and notified to the Authority.

### 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 and 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 bills and statements.
- 2.2.3 The supplier will send bills and 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 bills and statements is friendly and non-aggressive. (COP)

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<sup>5</sup> Decision paper on codes of practice minimum standards:  
[http://www.uregni.gov.uk/uploads/publications/Final\\_Codes\\_of\\_Practice\\_Decision\\_Paper.pdf](http://www.uregni.gov.uk/uploads/publications/Final_Codes_of_Practice_Decision_Paper.pdf)

- 2.2.5 The supplier will operate a nomination or bill or statement redirection service for those customers who wish to have their bills or statements redirected to a nominated person. (COP)
- 2.2.6 The supplier will only send bills or statements in respect of 2.2.5 where it has received confirmation that the nominated person has agreed to receive bills or statements on the customer's behalf. (COP)
- 2.2.7 The supplier will send a copy of the redirected bill or 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 bill or statement. (COP)

### **2.3 Frequency of bills**

- 2.3.1 The supplier will send a bill or statement once a quarter to any customer that has requested to receive bills or statements electronically.
- 2.3.2 The supplier will send a bill or statement once a quarter to any customer that has requested to receive bills or statements on a quarterly basis.
- 2.3.3 The supplier will send a bill or statement once every six months to any customer that has not requested to receive a bill or statement 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 or 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 bill or 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 bills and 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 bill or 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 information<sup>6</sup> 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 request<sup>7</sup>; or

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<sup>6</sup> 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.

<sup>7</sup> 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 bill or statement. This requirement does not apply in respect of providing additional copies of bills or 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.

### 3 Requirements for the content of domestic bills and 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 bills and statements comply with all relevant legislation.

#### 3.1 Customer and supplier information

3.1.1 The supplier will include the following information on each bill or 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 bill or 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
- The following statement to highlight to the customer that there may be cheaper tariff options available:

Thank you for choosing <supplier name>. We offer a range of tariff options so please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may also change your <electricity/gas> supplier. Impartial

advice and information about tariffs and switching can be found at  
[www.consumerCouncil.org.uk](http://www.consumerCouncil.org.uk)

### **3.3 Consumption and charging information**

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

- The total charges for the period of the bill or 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 bill or 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 The supplier will include a statement to inform the customer if any action needs to be taken following receipt of the bill or statement, for example: if an outstanding amount is to be paid, details of how much to be paid and the date of payment; if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer’s account; or
- the communication is an annual statement for a prepayment customer.

### **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 or 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 bill or 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 bill or 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:

- advise customers that are having difficulty paying their electricity or gas bills to contact them immediately for help and guidance; and
- Inform customers about the existence of a code of practice for customers that are having difficulty paying for the supply of electricity or gas<sup>8</sup>.

### **3.6 Additional information to be provided on or with the bill or 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 (free of charge), 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.

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<sup>8 8</sup> Decision paper on codes of practice minimum standards:  
[http://www.uregni.gov.uk/uploads/publications/Final\\_Codes\\_of\\_Practice\\_Decision\\_Paper.pdf](http://www.uregni.gov.uk/uploads/publications/Final_Codes_of_Practice_Decision_Paper.pdf)

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

3.7.1 The supplier will include the following on each bill or 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 bills and statements

### 4.1 Font – typeface, size and colour

4.1.1 The supplier will choose a font size, 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.

### 4.2 Layout of important information

4.2.1 The supplier will include the following information on the front of the bill or statement:

<b>Front of bill or statement</b>
Customer details including: Name MPRN/account number Billing address
Billing period – to which the bill or statement relates
Total charges for the period including VAT
Action to be taken by the customer (if any) – see section 1.3.1 <sup>9</sup>

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<sup>9</sup> When a customer receives a bill or statement it must be obvious to them if action is required, for example: if an outstanding amount is to be paid details of how much to be paid, and the date of payment; if no action is required, a statement to this effect. No action includes the following circumstances:

Date of any payment due
Customer's tariff information as detailed in section 3.2 <sup>10</sup>

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

- 
- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or
  - the communication is an annual statement for a prepayment customer.

<sup>10</sup> The supplier will include the following tariff related information on each bill or 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
- The following statement to highlight to the customer that there may be cheaper tariff options available:  
Thank you for choosing <supplier name>. We offer a range of tariff options so please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may also change your <electricity/gas> supplier. Impartial advice and information about tariffs and switching can be found at [www.consumer council.org.uk](http://www.consumer council.org.uk)

## Annex 3 – Proposed code of practice on domestic bills and statements (version with tracked changes)

Condition 38(2) of the electricity supply licence and condition 2.19.2 of the gas supply licence require suppliers to “comply with the Billing Code of Practice”. This code of practice on bills and statements is mandatory and enforceable under this condition and all suppliers must comply with this code.

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 and statements. For the purpose of this code, a bills and statements refers to any communications with a customer that makes a request for payment, provides information about the collection of direct debit payments or informs the customer about the status of their account.

### 1 High level principles

#### 1.1 Overarching principle: all bills and 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 2008<sup>44</sup>, and further~~

<sup>44</sup>The Consumer Protection from Unfair Trading Regulations:  
[http://www.legislation.gov.uk/ukdsi/2008/9780110811574/pdfs/ukdsi\\_9780110811574\\_en.pdf](http://www.legislation.gov.uk/ukdsi/2008/9780110811574/pdfs/ukdsi_9780110811574_en.pdf)

~~explained by the Office of Fair Trading (OFT) and the Department for Business Enterprise and Regulatory Reform (BERR)<sup>12</sup>:~~

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

1.3.1 When a customer receives a bill or statement it must be obvious to them if action is required, for example: if an outstanding amount is to be paid (~~detailing details of~~ how much to be paid, and the date of payment); if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or
- the communication is an annual statement for a prepayment customer.

## **1.4 Principle 3: Bills and 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 to ensure that bills and statements are

<sup>12</sup> 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](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284442/oft1008.pdf)

based on accurate information and up-to-date meter reads where possible  
(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~~ that there may be  
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).~~<sup>13</sup>

~~1.5.1 the supplier will highlight to the customer that there may be cheaper tariff options are available and include the following statement: direct the customer to sources of this information e.g. the supplier's website or the customer service team (contact centre number).~~<sup>14</sup>

~~Thank you for choosing <supplier name>. We offer a range of tariff options so please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may also change your <electricity/gas> supplier. Impartial advice and information about tariffs and switching can be found at [www.consumercouncil.org.uk](http://www.consumercouncil.org.uk)~~

<sup>13</sup> Following the consultation only one of these options will be included in the code of practice.

<sup>14</sup> Following the consultation only one of these options will be included in the code of practice.

## 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 standards<sup>15</sup> – these are noted with (COP) below.

2.1.2 All electricity and gas bills and statements for new suppliers must be designed and formatted in consultation with the Authority and the General Consumer Council.

2.1.22.1.3 All significant changes to the content and/or format of all electricity and gas bills and statements must be carried out in consultation with the General Consumer Council and notified to the Authority.

### 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 and 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 bills and statements.

2.2.3 The supplier will send bills and 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 bills and statements is friendly and non-aggressive. (COP)

2.2.5 The supplier will operate a nomination or bill or statement redirection service for those customers who wish to have their bills or statements redirected to a nominated person. (COP)

<sup>15</sup> Decision paper on codes of practice minimum standards:  
[http://www.uregni.gov.uk/uploads/publications/Final\\_Codes\\_of\\_Practice\\_Decision\\_Paper.pdf](http://www.uregni.gov.uk/uploads/publications/Final_Codes_of_Practice_Decision_Paper.pdf)

- 2.2.6 The supplier will only send bills or statements in respect of 2.2.5 where it has received confirmation that the nominated person has agreed to receive bills or statements on the customer's behalf. (COP)
- 2.2.7 The supplier will send a copy of the redirected bill or 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 bill or statement. (COP)

### **2.3 Frequency of bills**

- 2.3.1 The supplier will send a bill or statement once a quarter to any customer that has requested to receive bills or statements electronically.
- 2.3.2 The supplier will send a bill or statement once a quarter to any customer that has requested to receive bills or statements on a quarterly basis.
- 2.3.3 The supplier will send a bill or statement once every six months to any customer that has not requested to receive a bill or statement 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 or 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 bill or 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 bills and 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 bill or 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 information<sup>16</sup> 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 request<sup>17</sup>; or
  - has in the previous twelve months supplied electricity or gas to the customer identified in the customer information request; and

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<sup>16</sup> 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.

<sup>17</sup> 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.

- 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 bill or statement. This requirement does not apply in respect of providing additional copies of bills or 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**

~~2.8.12.7.3 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 and 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 bills and statements comply with all relevant legislation.

### **3.1 Customer and supplier information**

3.1.1 The supplier will include the following information on each bill or 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 bill or 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:
  - ~~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~~
  - ~~a) 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).~~~~
- The following statement to highlight to the customer that there may be cheaper tariff options available:  
Thank you for choosing <supplier name>. We offer a range of tariff options so please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may also change your <electricity/gas> supplier. Impartial advice and information about tariffs and switching can be found at [www.consumer council.org.uk](http://www.consumer council.org.uk)

### 3.3 Consumption and charging information

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

- The total charges for the period of the bill or 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 bill or 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.~~

3.3.3 The supplier will include a statement to inform the customer if any action needs to be taken following receipt of the bill or statement, for example: if an outstanding amount is to be paid, details of how much to be paid and the date of payment; if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or

- the communication is an annual statement for a prepayment customer.

### 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 or 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 bill or 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 bill or 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:

- advise customers that are having difficulty paying their electricity or gas bills to contact them immediately for help and guidance; and
- Inform customers about the existence of a code of practice for customers that are having difficulty paying for the supply of electricity or gas<sup>18</sup>.

<sup>18</sup> <sup>18</sup> Decision paper on codes of practice minimum standards:  
[http://www.uregni.gov.uk/uploads/publications/Final\\_Codes\\_of\\_Practice\\_Decision\\_Paper.pdf](http://www.uregni.gov.uk/uploads/publications/Final_Codes_of_Practice_Decision_Paper.pdf)

~~3.5.33.5.4~~ ~~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.~~

~~3.5.4~~ ~~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.

### **3.6 Additional information to be provided on or with the bill or 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 (free of charge), 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 or 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 bills and statements

### 4.1 Font – typeface, size and colour

4.1.1 The supplier will choose a font size, 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~~ 4.1.3 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.~~

#### 4.34.2 Layout of important information

4.3.14.2.1 The supplier will include the following information on the front of the bill or statement:

<b>Front of bill <u>or statement</u></b>
Customer details including: <u>Name</u> <u>MPRN/account number</u> Billing address Customer tariff name and unit rate
Billing period – to which the bill <u>or statement</u> 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 <u>1.3.1</u> <sup>19</sup> <del>3.3.2</del>
Date of any payment due
Statement about customers having difficulty paying bills – see sections <del>3.5.3 &amp; 3.5.4</del>
Customer's tariff information as detailed in

<sup>19</sup> When a customer receives a bill or statement it must be obvious to them if action is required, for example: if an outstanding amount is to be paid details of how much to be paid, and the date of payment; if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or
- the communication is an annual statement for a prepayment customer.

section 3.2<sup>20</sup>

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

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<sup>20</sup> The supplier will include the following tariff related information on each bill or 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
- The following statement to highlight to the customer that there may be cheaper tariff options available:

Thank you for choosing <supplier name>. We offer a range of tariff options so please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may also change your <electricity/gas> supplier. Impartial advice and information about tariffs and switching can be found at [www.consumer council.org.uk](http://www.consumer council.org.uk)

## Annex 4 – Proposed code of practice on non-domestic bills and statements

Condition 38(2) of the electricity supply licence and condition 2.19.2 of the gas supply licence require suppliers to “*comply with the Billing Code of Practice*”. This code of practice on bills and statements is mandatory and enforceable under this condition and all suppliers must comply with this code.

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 and statements. For the purpose of this code, bills and statements refer to any communications with a customer that make a request for payment, provides information about the collection of direct debit payments or informs the customer about the status of their account.

### 1 High level principles

#### 1.1 Overarching principle: All bills and 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 bill or 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 bill or statement**

1.3.1 When a customer receives a bill or statement it must be obvious to them if action is required, for example: if an outstanding amount is to be paid (details of how much to be paid, and the date of payment); if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or
- the communication is an annual statement for a prepayment customer.

### **1.4 Principle 3: Bills and 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 to ensure that bills and statements are based on accurate information and up-to-date meter reads where possible (these details are incorporated into the next sections of this code of practice).

## **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.

### **2.2 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 or 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 bills and statements.
- 2.2.3 The supplier will send bills or 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 bills and statements is friendly and non-aggressive.

### **2.3 Frequency of bills**

- 2.3.1 The supplier will send a bill or statement once a quarter to any customer that has requested to receive bills or statements electronically.
- 2.3.2 The supplier will send a bill or statement once a quarter to any customer that has requested to receive bills or statements on a quarterly basis.
- 2.3.3 The supplier will send a bill or statement once every six months to any customer that has not requested to receive a bill or statement 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 or 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 bill or 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 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 information<sup>21</sup> 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 request<sup>22</sup>; 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:

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<sup>21</sup> 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

<sup>22</sup> 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.

- 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 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 or statement. This requirement does not apply in respect of providing additional copies of bills or statements.

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.

## **3 Requirements for the content of non-domestic bills and 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 bills and statements comply with all relevant legislation.

### **3.1 Customer and supplier information**

3.1.1 The supplier will include the following information on each bill or 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 bill or 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;

### **3.3 Consumption and charging information**

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

- The total charges for the period of the bill or 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 bill or 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 The supplier will include a statement to inform the customer if any action needs to be taken following receipt of the bill or statement, for example: if an outstanding amount is to be paid, details of how much to be paid and the date of payment; if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or
- the communication is an annual statement for a prepayment customer.

### 3.4 **Additional information to be provided on the bill or 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 their electricity or gas bills to contact them immediately for help and guidance.

### **3.5 Additional information to be provided on or with the bill or 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 (free of charge), 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 or 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.

## Annex 5 – Proposed code of practice on non-domestic bills and statements (version with tracked changes)

Condition 38(2) of the electricity supply licence and condition 2.19.2 of the gas supply licence require suppliers to “comply with the Billing Code of Practice”. This code of practice on bills and statements is mandatory and enforceable under this condition and all suppliers must comply with this code.

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 and statements. For the purpose of this code, a bills and statements refers to any communications with a customer that makes a request for payment, provides information about the collection of direct debit payments or informs the customer about the status of their account.

### 1 High level principles

#### 1.1 Overarching principle: All bills and 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 bill or 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 bill or statement

1.3.1 When a customer receives a bill or statement it must be obvious to them if action is required, for example: if an outstanding amount is to be paid (detailing of how much to be paid, and the date of payment); if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or
- the communication is an annual statement for a prepayment customer.

### 1.4 Principle 3: Bills and 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 to ensure that bills and statements are based on accurate information and up-to-date meter reads where possible (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~~ 1.4.2 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 or 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 bills and statements.

2.2.3 The supplier will send bills or 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 bills and statements is friendly and non-aggressive.

### 2.3 Frequency of bills

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

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

2.3.3 The supplier will send a bill or statement once every six months to any customer that has not requested to receive a bill or statement 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 or 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 bill or 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 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 information<sup>23</sup> 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 request<sup>24</sup>; or

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<sup>23</sup> 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

<sup>24</sup> 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.

2.5.2 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 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 or statement. This requirement does not apply in respect of providing additional copies of bills or statements.

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 and 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 bills and statements comply with all relevant legislation.

### **3.1 Customer and supplier information**

3.1.1 The supplier will include the following information on each bill or 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 bill or 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;
- ~~• 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 or statements:

- The total charges for the period of the bill or 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 bill or 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 The supplier will include a statement to inform the customer if any action needs to be taken following receipt of the bill or statement, for example: if an

outstanding amount is to be paid, details of how much to be paid and the date of payment; if no action is required, a statement to this effect.

No action includes the following circumstances:

- the customer has a direct debit that covers the full amount of the bill for each billing period and no adjustment is required – in this case the bill or statement is for information only, giving the amount owed and the date on which it will be collected from the customer's account; or
- the communication is an annual statement for a prepayment customer.

### **3.4 Additional information to be provided on the bill or 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 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 or 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 (free of charge), 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 or 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 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:~~

<b>Front of bill</b>
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

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

~~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.~~