



Good for consumers – Good for business

# **Terms of Reference Annex: Energy Sector**

## 1. Interpretation

1.1 The definitions, below, apply to both this Annex and the Terms of Reference in relation to complaints brought to Ombudsman Services: Energy against Participating Companies:

**“Award”** means the compensation awarded to the Complainant not exceeding £10,000 (inclusive of VAT, if any) per complaint;

**“Customer”** means either a domestic customer or micro business consumer who is party to a contract with a Participating Company of the Ombudsman: Energy for the supply or provision of any service falling within the jurisdiction of the Ombudsman and Ombudsman Services: Energy. For the avoidance of doubt, where the context allows, it includes a person who is connected to or seeks to be connected to, the network owned or operated by a Participating Company;

**“Domestic customer”** means a customer supplied or requiring to be supplied with gas or electricity at domestic premises, as defined in Condition 6 of the Standard Conditions of Electricity Supply Licence and Condition 6 of the Standard Conditions of Gas Supply Licence. It also means a customer of heat or hot water energy who receives the service in a capacity that is wholly or mainly outside of that individual’s trade, business, craft or profession;

**“Energy Network Operator”** means a distributor of energy who holds a UK gas transporter and/or electricity distribution licence;

**“Energy Supplier”** means a provider of energy who holds a supply licence for the supply of gas and/or electricity to domestic and/or micro business consumers;

**“Heat Energy Supplier”** means a supplier of heat or hot water energy;

**“Licence”** refers to either:

- (a) a gas licence, being;
  - (i) a licence under section 7A(1) of the Gas Act 1986 (supply licences); or
  - (ii) a licence under section 7(2) of the Gas Act 1986 (transportation licences); or
- (b) an electricity licence, being;
  - (i) a licence under section 6(1)(d) of the Electricity Act 1989 (supply licences); or

- (ii) a licence under section 6(1)(c) of the Electricity Act 1989 (distribution licences);

**“Micro business consumer”** is a ‘relevant consumer’ as defined in the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 and as further defined, from time to time, by the Gas and Electricity Markets Authority or Ofgem.

As of 31 March 2014 a ‘micro business’ is defined as one with;

- i) An annual consumption of electricity of not more than 100,000 kWh; or
- ii) An annual consumption of gas of not more than 293,000 kWh; or
- iii) Fewer than the equivalent of ten full time employees and an annual turnover or annual balance sheet not exceeding €2 million.

Where the micro business receives gas and electricity supplied by the same energy supplier, the annual consumption of gas and electricity shall be treated separately for the purposes of determining its capacity to make a complaint to Ombudsman Services: Energy.

**“Ombudsman Services: Energy”** means the Ombudsman Service provided to Energy Suppliers, including Heat Energy Suppliers, and Energy Network Operators;

**“Participating Company”** means an Energy Supplier, Energy Network Operator or Heat Energy Supplier admitted into Ombudsman Services: Energy in accordance with the Terms of Reference, the Membership Rules for Participating Companies and the present Annex and, as the context so requires, each and/or any of its subsidiary undertakings from time to time which has put its relevant services under the jurisdiction of the Ombudsman and Ombudsman Services: Energy;

**“Sector Liaison Panel/SLP”** means the Sector Liaison Panel referred to in Paragraph 6 of this Annex;

## **2. Eligibility to become a Participating Company in the Ombudsman Services: Energy**

2.1 Companies that are obliged to become Participating Companies in Ombudsman Services: Energy are those companies that supply energy to domestic customers and micro business consumers in the following capacities;

- (a) all energy suppliers who hold a supply licence in respect of domestic and/or micro business consumers for the supply of gas and/or electricity;
  - (b) all electricity distributors and gas transporters who hold a licence for electricity distribution or gas transportation;
  - (c) all heat energy suppliers who are members of the Heat Trust.
- 2.2 Any other entity that the Ombudsman deems appropriate to admit, upon applying, may become a Participating Company, after considering the products and services it supplies.

### **3. Services**

3.1 The services provided by Participating Companies of the Ombudsman Services: Energy which will be covered by, and fall within the jurisdiction of, the Ombudsman and the Ombudsman Services: Energy are;

- (a) the services associated with the metering and billing of customers for the supply of energy, including heat and hot water energy;
- (b) the transfer of customers between energy suppliers;
- (c) the sale of energy products and services, including heat and hot water energy;
- (d) the provision of regulated products and services by holders of a gas transportation licence or electricity distribution licence;
- (e) the provision of heat energy products and services; and
- (f) such other products and services that, with the agreement of a Participating Company, shall fall within the jurisdiction of the Ombudsman and Ombudsman Services: Energy.

### **4. Complainants**

4.1 Further to, and in addition to, the provisions of paragraphs 3 and 6 of the Terms of Reference, the Ombudsman and Ombudsman Services: Energy shall only have jurisdiction in relation to a complaint against a Participating Company if the person making the complaint;

- (a) was, at the time the subject matter of the complaint arose, a customer with an effective contract or deemed contract with a Participating Company; or
- (b) was, at the time the subject matter of the complaint arose, a customer with a grievance with a transfer to or from a Participating Company; or
- (c) was, at the time the subject of the complaint arose connected to the network of a Participating Company, or would have been so; or
- (d) had, at or prior to the time the subject matter of the complaint arose,

applied, or been solicited to become, a customer with the Participating Company; or

(e) is acting on behalf, and with the consent, of any person falling within the scope of paragraphs 4.1 (a), (b), (c) and (d), above.

## **5. Limits on the Ombudsman's powers**

5.1 The Ombudsman shall not accept a complaint about a matter;

- (a) which concerns or relates to pipework, conduit, cabling or wiring which is not the responsibility of a Participating Company of Ombudsman Services: Energy;
- (b) which is about a Heat Trust member and concerns infrastructure or equipment beyond the point of delivery;
- (c) which concerns a dispute solely between providers of energy supply, electricity distribution and gas transportation services that fall within the jurisdiction of the Ombudsman Services: Energy.

## **6. Sector Liaison Panel**

6.1 The Ombudsman Services: Energy shall constitute a Sector Liaison Panel whose constitution and remit will be determined from time to time by the Board.

**28 August 2015**