

ER/01/2016 – Red Dot Power Pte Ltd’s Contravention of Section 2.2.2(b) and Section 2.2.2(f) of the Code of Conduct for Retail Electricity Licensees (“Code”)

The Energy Market Authority (“EMA”) received feedback on Red Dot Power Pte Ltd’s (“Red Dot”) conduct in marketing its services as follows:

Case	Case Summary	Contravention
1	In June 2016, one of Red Dot’s salesperson conveyed to a customer that Red Dot is a “new SP Services Retailer of electricity” and also referring himself as “Sales Consultant SP Retailer”.	Section 2.2.2(b) of the Code states that a retailer shall clearly indicate that any offer to sell is not being made by the Transmission Licensee or Market Support Services Licensee.
2	In July 2016, Red Dot’s authorised sales agent, Avis BPO Pte Ltd emailed a customer with the title “Enjoy up to 25% savings compare to Singapore Power prevailing rates of \$0.1768 per kWh”. The specified rate of \$0.1768 per kWh was the regulated tariff for Q2 2016, which was lower than the prevailing Q3 2016 regulated tariff of \$0.1927 per kWh.	Section 2.2.2(f) of the Code states that a retailer shall not make, orally or in writing, any representation or statement, give any answer or otherwise conduct itself in a manner that is false or is likely to mislead a consumer with regard to any term in an offer to sell.

EMA note that Red Dot’s management was cooperative and took prompt remedial actions as soon as being informed of the contraventions. In particular, Red Dot terminated the services of the salespersons involved and appointed a Compliance Manager to oversee training and supervision of its sales agents to ensure compliance with the Code.

Taking into consideration the facts and mitigating factors, EMA imposed on Red Dot a financial penalty of **\$10,000** for Case 1 and **\$5,000** for Case 2.