



Neil Barnes  
Ofgem  
9 Millbank  
London  
SW1P 3GE

28 May 2009

Dear Mr Barnes,

## **RE: Energy supply probe – helping small business consumers**

The Forum of Private Business (FPB) is a not-for-profit membership organisation representing the interests of 25,000 small businesses across the UK. We approved of Ofgem's decision to launch the Energy Supply Probe and have read with interest the findings of the investigation.

We welcome the proposals put forward by Ofgem and believe that they will significantly improve small businesses' experiences with energy suppliers. We would, however, like to put forward the following points for consideration.

### **Small business definition**

We do not understand why regulatory protection will only be afforded to micro businesses. No reason is given as to why the protection cannot be extended to all small businesses: those with 50 employees or fewer and turnovers not exceeding €10m (European Commission definition). The current issues surrounding availability and clarity of contract and tariff information and roll-over contracts effectively amount to unfair competition and protection from such actions should be afforded to all small firms. A business with 11 employees is no more able to negotiate complicated contract terms than one with 10. We do not feel that it is adequate to reason that the same definition is used by the Energy Supply Ombudsman scheme and the Complaint Handling Standards. We have been extremely vocal in communicating the issues, as we see them, regarding Consumer Focus having the ability to look only into complaints from firms with 10 employees or fewer and with turnovers not exceeding £1.6m.

### **Roll-over contracts**

We very much welcome Ofgem's move to take away suppliers' ability to automatically roll over fixed-term contracts. We believe that this will improve competition in the energy markets.

### **Third-party intermediaries**

We recommend that one code of practice for third-party intermediaries (TPIs) be established to bring clarity and understanding of the system to consumers. The United Intermediaries Association (UIA) is an independent body which works with the energy industry to improve relationships and understanding. Its own code of practice should be considered as a single, preferred code for all TPIs.

### **Redress for small firms**

We would like to reiterate our concerns that, when energy suppliers make mistakes in relation to billing and charges, there is no means of redress available for businesses with more than 10 employees and turnovers exceeding £1.6m. We would like to see the remit of Consumer Focus extended so that all small business consumers are covered by a process of redress.

Yours sincerely,

Jane Bennett  
Campaigns Coordinator

