

Since 2018, Octopus Energy for Business has developed a technology backed and customer led approach to selling business energy. We encourage businesses of all sizes to go greener, and currently have around 30,000 businesses on supply from large energy users like Arsenal Stadium to local SMEs. We have built our brand with an unwavering focus on exceptional customer service that builds unassailable trust. With over 20,000 microbusinesses in our customer portfolio, we are dedicated to ensuring this sector is protected against the mis-selling of energy deals.

We welcome Ofgem's recent Microbusiness Strategic Review and commend the important step that has been made to protect microbusinesses against consumer harm from both energy suppliers and from third parties that serve as intermediaries between supplier and end customer. There are two main areas of the review where we have comments, which are outlined below.

Broker policies - We are fully in support of the proposed policies to regulate brokers and believe more onus can still be placed upon suppliers.

We are in strong support of Ofgem's new policies that will prevent the mis-selling of energy deals by brokers in the market. These include:

Brokerage cost transparency - Clarifying and strengthening existing supply licence obligations to provide information about brokerage costs on contractual documentation.

Broker dispute resolution - Introducing a requirement for suppliers to only work with brokers signed up to a qualifying alternative dispute resolution scheme to come into play on 1st January 2022.

Both of these policies are imperative to improving the microbusiness customer journey. They will enable more transparency and autonomy in the broker-microbusiness transaction, empowering businesses to make informed decisions as they choose a new energy deal.

However, more onus can still be placed on suppliers to regulate the brokers they work with and ensure good practices. For instance, Ofgem's original proposal suggested introducing a supply licence condition, requiring that suppliers make certain that brokers they work with:

- Ensure the structure, terms and conditions of contracts are clear and easily comprehensible
- Not mislead or otherwise use inappropriate tactics when selling or marketing
- Only recommend contracts which are appropriate to a customer's characteristics and/or preferences

- Maintain a record of information provided to microbusiness customers concerning a contract during Face-to-Face Marketing Activities or Telesales Activities for a period of 2 years.

Many stakeholders, including other energy suppliers, contested this and made objections such as; suppliers shouldn't be penalised for brokers' actions which fall outside their direct control, there will be high implementation costs on the supplier, and some suppliers may apply looser interpretations of the principles than others. Ofgem eventually omitted this policy from the final review.

We understand that enforcing more regulation on the way suppliers interact with brokers may hinder the growth of suppliers who heavily rely on brokers for their acquisition strategy, yet we don't believe this should be a reason for the suppliers to circumvent responsibility around brokers. In our own business, we only work with a handful of third parties that we believe are ethical in their practices and do not mis-sell energy deals to microbusinesses. As the fastest growing energy supplier in the UK, over 70% of our business customer acquisitions comes from direct sign ups, proving that reliance on unscrupulous brokers and third parties is not instrumental to growth in this market.

We acknowledge that Ofgem is not the sole regulatory body looking to introduce more policies concerning brokers and we welcome BEIS' proposed plans, outlined in its December 2020 Energy White Paper, to introduce more TPI regulation to the wider market.

14 day cooling off period - We agree with the policy in principle, yet have some questions regarding its implementation in practice.

We would like some more clarification on the introduction of a 14 day cooling-off period for microbusiness contracts, which will be coming into play on the 1st January 2022. Our main comments are:

- We are currently able to enact switches for our business customers in 7 days.
- A 14 day cool-off period could subsequently lead to customer complexity and erroneous transfers in the B2B market.
- We would like to see more guidance around how this cooling off period can work in accordance with our current 7 day switching policy. For instance, we would like to see an industry agreed process that supports customers that cancel after the switch has already completed.

Overall, we welcome all of Ofgem's proposed policies, including those not commented on directly in our response. Please don't hesitate to get in contact if you would like us to provide more information.