

Ofgem Consultation Response

We write in response to the Statutory Consultation – Microbusiness Strategic Review of 1st June 2021.

As independent parties, not being a supplier or an energy broker (TPI), we are well placed to contribute an independent viewpoint of the energy market. The authors of this document each have over 20 years of energy industry experience and have worked in various parts of the industry. This includes for suppliers (both ‘big 6’ and start-up challenger brands) as well as TPIs before embarking on freelance consulting roles assisting all market participants (including energy consumers) in gaining a better understanding and strategic outlook in this space. We are currently acting in an advisory capacity to several consumers who have experienced ‘bad practice’ from brokers and have cases in which to reference (generally) whilst constructing our responses. In addition to our own direct experiences, we have canvassed a number of other energy industry participants with varying degrees of experience to gain other general opinion on this subject.

Our approach is to view the market as if you could design it from scratch, what would it look like and how can you take steps in getting there from the current state of play. Brokers appear to have become a problem, attracting complaints and adding considerable costs to consumers. Suppliers have borne huge capital costs in addition to the increased admin in having to manage broker relationships. It would seem the best ‘design’ for the market would be for brokers to be funded directly by consumers and no financial arrangements involving suppliers to exist. This would negate the need for suppliers to have commercial relationships with suppliers and allow them to focus on their core existence – an energy supplier to consumers. At the same time it would allow a competitive marketplace for brokers to exist and offer value-added services with independent commercial arrangements with consumers. This provides for its own complaints avenue and for consumers to have freedom of choice and dictate their own conditions in terms of financial levels brokers may be paid for their services. Should regulation be required at a future date, the Financial Conduct Authority would be the most appropriate body to undertake this role.

Whilst the scope of the consultation provided by Ofgem is limited to microbusinesses, it is our belief that the proposed changes be considered for the entire market and not just restricted to microbusinesses. This view is partly acknowledged in the opening paragraph of the Executive Summary whereby Ofgem acknowledge their vision to ensure the retail energy market works in the interests of “all consumers”.

There are a number of elements within the proposal that all aim to contribute towards the benefit of the consumer, however we feel that some of these elements are being proposed due to a lack of identifying the root cause of issues at hand. It is paramount to any successful implementation of a change in policy that adverse consequences are avoided. This means ensuring the wording of licence conditions are not open to interpretation and permit ‘gaming’. We have discussed the potential ‘loopholes’ the proposals offer and shall raise them throughout this document such that Ofgem may consider the potential wider impacts of the proposals.

A point of note that appears to have been overlooked is that many brokers offer sub-broker services (aggregation brokers). These are brokers that operate under their own brand or identity but utilise the commercial relationships established by brokers in place with suppliers. This adds a level of complexity when attempting to target the activities of brokers as, whilst they remain out of scope, the activities of the sub-brokers need to be taken into account when trying to identify potential loopholes within the proposals.

The proposed finalised package of proposals, for microbusinesses, centre around six key areas:

1. Provision of principal contractual terms: Strengthening existing rules around the provision of principal contractual terms to ensure consumers receive this key information both pre- and post-contract agreement in all cases;
2. Brokerage cost transparency: Clarifying and strengthening existing supply licence obligations to provide information about brokerage costs on contractual documentation;
3. Broker dispute resolution: Introducing a requirement for suppliers to only work with brokers signed up to a qualifying alternative dispute resolution scheme;
4. Cooling-off period: Introducing a 14-day cooling-off period for microbusiness contracts;
5. Banning notification requirements: Banning suppliers from requiring microbusinesses to provide notice of their intent to switch;
6. Information and Awareness: Working collaboratively with Citizens Advice to create new and updated information so that microbusinesses can access up-to-date guidance and advice alongside communications to help further boost awareness of how the market operates and their rights as consumers.

We would endorse the claim where 51% of microbusinesses believe the differences between suppliers are ‘marginal’ in that price differential is relatively small between competing suppliers. This is because the suppliers are all accessing the same wholesale market and exposed to the same non-commodity costs. The delta is predominantly caused by the internal costs of margin, cost to serve and supplier perceived risk. Suppliers will each have their own view of risk, and some will be more exposed than others. Some of this exposure is caused by having to pay significant sums of money to brokers (TPI commission) upfront of a customer contract commencing. This is a significant capital requirement, particularly for challenger supplier brands, in order to participate ‘competitively’ with TPIs to win business. This behaviour introduces clawbacks on commissions overpaid if a consumer uses less than their forecast usage. We have seen evidence where brokers have ‘gamed’ this activity by increasing the forecast consumption above the true values in order to attract enhanced upfront commission payments from suppliers. Such activities are causing both TPIs and suppliers to face financial difficulties and in some cases cease trading. We would support actions to prevent this happening as it also helps prevent the barrier to entry for potential new entrants.

It is our belief that some of the proposals are being generated as a side effect of the underlying cause of concern around consumer protection and would prefer to see the ‘treatment of the symptom’ rather than the cause. For example, in our direct experience it is our understanding that it is suppliers behaviours that have fuelled the ‘sharp practices’ (as referenced in the

consultation document) of some energy brokers. As a result, some of the proposed licence changes may benefit the end consumer but at a cost caused by those underlying reasons and we would seek to modify some of the elements of the proposal so as to avoid these.

We have seen the demise of large and influential TPIs such as UtilityWise, Utility Alliance and Power Solutions and the administrators reports, as published on the Companies House website, demonstrate how these businesses operate. They accrued vast amounts of commissions in advance (typically 75-80%) and were then subjected to clawbacks from suppliers with such claims causing their demise due to lack of available funds. We can see several other brokers teetering on the verge of continuing operations following the impacts on consumption over the past year.

A core focus of this would be to restrict the permissible relationships between supplier licence holders and TPIs. In addition to promoting transparency with consumers, to only permit commission payments after the supplier has collected such amounts from the consumer (known as in arrears) would contribute significantly towards better financial terms for consumers. This is due to suppliers not having to bankroll TPIs and compete with border-line corrupt and anti-competitive activities resulting in vast financial commitments of suppliers. It would allow new entrant suppliers to the market to enter on a level playing field with those already established. Currently the barrier to entry is caused by the requirement of multi-million-pound capital advances to fund TPI relationships. Ofgem would make considerable improvements to the aims of the proposals by taking into consideration our thoughts on each of the below points.

Whilst our ultimate preference would be to see the complete removal of commissions being added to consumer contracts, we believe this interim approach would remove the vast majority of issues seen in the industry and those raised by the consultation.

Below we address each of the six key areas raised by the consultation, with the above considerations taken into account.

1. Provision of Principle Contractual Terms

We are wholly supportive of enhancement in this area, such that many business customers do not see the full terms and conditions prior to signing an agreement with a supplier. The predominant factor in obtaining quotations from suppliers is price and this can be distracting from other important terms relating to a contract offer.

Further, many contracts are sold, particularly by TPIs, via telephone and 'verbal contracts' are established. We believe this is the cause of many complaints as only one party is prepared for what takes place on such a phone call (the broker). The consumer has not recorded or prepared themselves to listen to every word sufficiently in order to give their consent to agree. In any event the entire terms and conditions are not read aloud word-for-word and 'essential terms' only are conveyed. This has given opportunity for brokers to mis-sell or mis-lead consumers into thinking they have agreed to a certain type of product (eg fixed) to find the actual agreement is something different entirely (eg pass-through). As this is only truly realised once the contract commences and invoices are received (which could be many

months later) there is little comeback from the consumer to argue their point with confidence.

We have seen in recent press that brokers have been accused of misrepresenting themselves, with many consumers complaining they understood they were speaking to the the supplier only to find out later this was not the case.

We would propose a ban on verbal energy supply agreements and request consideration for the licence conditions to establish a clear requirement for all agreements to be in writing and signed only by the customer (not a TPI on his behalf). This would ensure that the customer has had opportunity to see, read and understand the Principle Terms prior to signing any agreement with the supplier.

In addition, this would add the requirement for Letters of Authority (LOA) to only permit a TPI to request information and not allow them to enter into legally binding agreements on a customers behalf (known as a 'Level Two LOA'). We have seen first-hand where customers have been kept at a distance from the negotiation made by a TPI only to find the LOA signed by them permitted the TPI to make all decisions and enter into energy contracts on their behalf. This allows a TPI to manipulate and take advantage of their customer, and put their own interests first, in breach of their duty of care. These are currently easily introduced by TPIs by providing only a single version of an LOA to which the consumer has no reference to establish fair (or unfair) authorities being released in the authority. It is also often the only documentary evidence of any form of relationship between a consumer and a broker.

The TPI, in most cases, has established a commercial agreement with a supplier which will allow them to add an uplift (commission) to the rates offered by the supplier, often without the customer knowing or realising this is occurring. We believe this commercial relationship is the root cause of the behaviours seen by TPIs. We are familiar with a number of claims being made against TPIs and suppliers alike for refunds relating to hidden (secret) commissions and fear that many more will arise in the coming years.

Key actions:

- Introduction of a ban on 'verbal' contracts;
- Ensure consumers see and acknowledge the full terms and conditions of supply prior to the supplier countersigning their acceptance (signed alongside contract schedules);
 - *Perhaps a clear one working day limit between consumer and supplier signatures on contracts before they become legally binding*
- Introduction of a ban on 'level two letters of authority' such that only the consumer business (eg a director or authorised employee) can sign supply contract terms.

2. Brokerage Cost Transparency

We have spent some time reviewing the relationships between suppliers, consumers and brokers. We can find evidence of a relationship between the supplier and consumer by means of an energy supply contract. We can find evidence of a relationship between the supplier and a broker by means of a commercial TPI agreement. However, we rarely find evidence of an agreement between the consumer and the broker, other than an LOA which is not a commercial agreement.

As a result of this, brokers opportune themselves to sell their services as 'paid for by the supplier' – suggesting such costs are for the suppliers account. Indeed over 90% of businesses (of all sizes) we have spoken to who have utilised the services of an energy broker, cited exactly this as the reason for using a broker in the first instance with the opinion it was a 'low or no cost option'. In each of these cases we have evidenced significant costs added to their contracts by means of a hidden commission, an amount nominated by the broker to the supplier to uplift the unit rates (and/or other charges) of the energy supply contract prior to the customer signing his agreement to it. This has, in many cases, resulted in legal action against brokers and suppliers for introducing a bribe and recovery of such amounts has often proved successful. We are now seeing many parties in the market offering claims services and we would not want to see this develop into a 'PPI-like' scheme where consumers are hounded by claims companies in place of brokers.

It is our belief that suppliers have fuelled the behaviours of brokers in that they have positioned themselves to purchase the customers of brokers by offering favourable commercial terms to brokers. This includes offering a one-off amount of cash in exchange for a certain volume of customers to be placed with that supplier, paying a significant percentage of commission in advance of a contract starting with a supplier, and provision of TPI staff benefits such as pool tables and computer gaming systems branded to increase awareness to staff as to who to favour when placing business. All of these actions are evidence of a corrupt energy market and are directly in competition with the consumers interest.

Suppliers have attempted to limit this activity by introducing maximum commission levels, and some suppliers have published these values on their website. We feel this is activity that is not required if commissions are introduced on a level playing field – that being they must be fully transparent. This would then force brokers to only introduce fair and reasonable charges, else face questions of their client or be provided with other more competitive charges from an alternative broker.

An outcome of the current state of play is that some suppliers have a higher cost to serve in order to compete with another supplier who has behaved differently with brokers. However, those suppliers who have refused such influential activity with brokers receive little to no reward and therefore find themselves suffering despite being able to offer the most favourable terms to consumers. By this we mean that although the contractual terms offered are most suited (financially at least) to the consumer, alternative suppliers are awarded the business based on the preferred commercial terms in place with that alternative supplier being in favour of the broker. This is of course a breach of the brokers fiduciary duty of care to their client.

We are therefore fully supportive of a formal licence condition for any commission or fee provided by a supplier to a broker to be clearly shown on customer documentation. At a minimum this must appear on the quotation and the contract schedule where prices are offered. In order to avoid further consequential affects, it should be a licence condition such that commission added by a broker by whatever means (unit rate, standing charge or other) shall form part of the requirement to be declared. We already see some brokers nominating their fee being added to the standing charge (to avoid clawbacks) and avoiding their fees from

being disclosed under the proposal on the basis that the majority of the market concentrates on a p/kwh uplift approach. Ofgem should be careful not to assume that all commissions are added in a standard way (to the unit rate). Any changes to the licence conditions should capture the commissions or fees charged by brokers to any element of the supply contract.

Whether this should be added to invoices, statements of account or other financial documents we are neutral on. In our opinion we would welcome it to be shown wherever the contract price is shown but appreciate the concerns raised by suppliers where investment in their billing systems would create considerable costs in development.

We would further welcome licence restrictions to prevent suppliers directly bribing brokers. To this end an annual declaration of gifts (in kind or other) made to brokers (such as pool tables or advanced financial payments) be published by the supplier. We would also welcome restrictions on how a supplier may commercially engage with a broker, such as restricting how much may be paid in advance (although we would nominate this to be zero). It is our belief that suppliers, in particular challenger brands, have been forced to play a game they are not comfortable with in order to obtain some market share and brokers have taken advantage of this.

With respect as to how commission should be identified on documents, we believe that a monetary amount would not achieve the desired outcome as this can be gamed by market participants. The way in which it is applied (eg p/kwh or £/day) should be sufficient for a consumer. If the price of the contract is for example 3.50p/kwh and the commission included is 1.50p/kwh this should be sufficient to identify the amount of commission has been added (43% of the rate to be paid in this example). Of course should a consumer accept this as fair value then we would support the concept of 'buyer beware' provided the consumer has had opportunity to consider what fair value is.

An avoidable consequence of showing the broker costs is to ensure a consistent and measurable means of the cost in relation to the spend. A proposed licence condition wording within the proposal is to show commissions as a monetary amount for the contract duration. It would be likely to see market participants avoid high values being shown by offering only short-term contracts to consumers or proposing low value annual consumption values (or both) on contracts. This would then allow them to show low costs of broker commission in a misleading way, but within the parameters of the licence condition specified.

The easiest and most clear method to identify fairness is to express any commissions as a percentage of the total cost of the contract. By adopting this method, it would not matter whether the contract was for a short or long term or the amount of anticipated consumption. This would leave open the option for Ofgem in the future to impose upper limitations on the maximum percentage rate permitted should further interactions in this space be required.

Key actions:

- Introduction of a licence condition to show broker fees (however introduced to the contract cost) to be shown on quotations and contracts expressed in a percentage of the total cost basis;

- Introduction of a regular (eg annual) declaration of suppliers to identify 'gifts' provided to brokers;
- Introduction of a restriction on commercial terms suppliers may undertake with brokers (limitation of upfront payments).

3. Broker Dispute Resolution Scheme

We would not be supportive of this from the point of view that brokers are not the core issue. There is, in the vast majority of cases, no contract between the broker and customer so there is no dispute to raise but as outlined above have been permitted by suppliers to engage in activities that are rarely in the best interests of the consumer. We feel this proposal is the result of a side-effect of the main concern. TPIs should not be required to be 'registered' in any way with a supplier.

The Ombudsman Service reports that of all complaints relating to energy just 12% are concerning the broker. Whilst we find this value on the lower end of our expectations this evidences that brokers are not the main issue to address. Whilst the report does not identify the reasons for the remaining 88% of complaints we expect the vast majority of this to be centred around transferring suppliers (switching), billing issues and a lack of engagement by suppliers in handling complaints properly which then result in the Ombudsmans involvement.

There are many excellent independent energy brokers active in the market who provide direct fee only services to consumers and do not engage commercially with suppliers (they do not have TPI agreements in place to facilitate commissions). These brokers are often rebuffed by suppliers for not engaging commercially with them. This has a detrimental impact on consumers who are then advised to engage with those suppliers directly, in direct contradiction of the consumers appointment of a broker. This is a prime example of an unintended consequence of suppliers attempting to control the behaviour of brokers and the unrequired need to have a registration process.

The suppliers primary relationship should be with the consumer and as such Ofgem should perhaps recommend standard contracts to be established between those parties (customer and TPI). This would in itself enable the establishment of consumer rights via remedies within the agreement between the parties for breaches or failures.

In our view this would introduce the 'buyer beware' concept in that a consumer entering into a commercial agreement for services (energy procurement via a TPI) will have sufficient information by means of commission transparency enforced by the proposed licence conditions in addition to contractual rights under the bilateral agreement itself. TPIs can then remain out of the regulatory scope of Ofgem.

We understand that suppliers receive complaints regarding the broker but as there is rarely a contractual relationship between the broker and the consumer and the established relationship is actually only between the consumer and the supplier this is the correct route for complaints. As one party we spoke to made clear, there is the general concept established of you complain to the person you pay regardless of the nature or industry to which this applies. In this industry setup there is only usually one party receiving payment from a consumer and that is the supplier. This therefore supports the concept and suppliers are the

correct current place to which consumer frustration and complaints should naturally be made.

Broker mis-selling activity is limited generally to mis-leading statements made by the broker such as 'we are the supplier', 'we are paid by the supplier' or mis-advising the customer into long-term contracts to secure large and long-term commissions, of which the consumer has not been made aware. These complaints will continue to be raised until such time as suppliers are limited, by means of licence condition proposals outlined elsewhere in this document, are introduced. Broker complaints will reduce in respect of the majority of those seen today if consumers understand the true cost of their broker and their part in the market is fully explained to them by the supplier. It is therefore clear to us that introduction of mandatory registrations with suppliers or a dispute resolution scheme will not directly solve the concerns to which the proposals seek to calm.

One potential option within this element would be, on the basis that advanced commissions are restricted as a licence condition, to permit a supplier under a licence condition to remove broker commissions from a consumers contract (the amount as specified in the contractual documentation) in the event the supplier receives complaints from the consumer. This would ensure the broker is engaged in resolving any dispute with the consumer as they are financially incentivised to do so. In other words, this would allow suppliers to introduce its discretion to remove the costs of the broker within its complaints policy for the remaining term of a supply contract. We would expect some limitations so as to avoid suppliers removing brokers without substantive reasons. This could be a tapered effect depending on the nature, severity and occurrence of the complaints. These could be listed within the commercial terms agreed between suppliers and brokers.

As outlined at the head of this document, this is a complexity that does not need to exist and removing commercial relationships entirely would completely remove this.

Direct fee brokers would be out of scope as these consumers would likely have agreed service agreements directly with the broker and would control the cost and payment independently of the supplier and would have other remedies for complaint resolution in place, such as legal routes for breach of contract.

Aside from the mis-selling activities currently attracting complaints against brokers, we cannot think of valid complaints a consumer would make against a broker that could not be resolved easily and quickly. By introducing the commission amounts in contractual documentation, this would dramatically remove the mis-selling claims of consumers.

Key actions:

- Not introduce a resolution scheme as brokers are outside of Ofgem's scope;
- Not introduce licence conditions that require brokers to be registered with suppliers or a specific scheme;
- Introduce broker commission removal rights to consumer contracts when complaints are made.

4. Cooling-Off Period

We are not supportive of a cooling off period for commercial energy contracts. We foresee considerable gaming here, particularly by brokers, where any downward movement of the wholesale energy cost would allow 'better' prices to be obtained and consumers persuaded to save money with an alternative supplier. The increased risks relating to hedging (or the delaying of hedging) the commodity by suppliers will increase the price charged to consumers by means of new risk premiums.

If suppliers are licenced to have more restrictive power in the way in which they are permitted to engage with brokers this should be sufficient to rebalance the relationships and remove much of the sharp practices and behaviours undertaken by brokers in this market.

If suppliers are forced to honour prices for 14 days after contracts are agreed and permit the consumer to cancel their commitment this would have a consequence of suppliers needing to increase their risk premiums to protect against market movement with a high likelihood of customer cancellations during that period. Supplier margins are already relatively thin, and this would ultimately increase the cost to consumers. We can see the rapid changing conditions in the wholesale markets during 2020 and 2021 and the assessment of the wholesale market in the consultation document covers a three-year period on only prompt seasonal products. The typical margin for a supplier is not much greater than the values stated as the average movement analysed by Ofgem in their research. Whilst 3-4% average movement over 14 days may seem insignificant, to a supplier this could differentiate between an economic and uneconomic commercial agreement. As such this would likely appear as a premium for consumers to absorb.

With the correct pre-sales information as outlined in the other elements of the proposal we believe the requirement for a cooling off period is negated.

The proposals intent of the cooling off period is to ensure consumers are given sufficient time to consider the terms and conditions to which they have agreed to. Consumers purchasing energy rarely purchase for delivery to commence in the near term and often take many weeks, if not months, before committing to a contract with a supplier. During this time the consumer has ample opportunity to fully review the contractual terms offered by suppliers. Commercial energy contracts are not undertaken as a last minute action, like in the domestic market. This is even more the case where brokers are involved in the transaction.

We feel the consideration here is replicated to that of the domestic energy market where switches are affected immediately after agreeing to contracts subject to the cooling off period expiring. This is not the same principle in the commercial energy market where switch dates are nominated typically many months in advance of the agreement date and as such view this proposal as not addressing the core concern which in itself is potentially caused by a lack of key information being presented by suppliers (and brokers) alongside quotations.

Key actions:

- Not introduce licence conditions introducing a cooling off period of any duration;
- Ensure licence conditions require contracts to have specific end dates after which time published out of contract rates shall apply;

- Ensure licence conditions require full product terms and conditions to be provided alongside any price quotation of a supplier.

5. Banning Notification Requirements

We are supportive of the principle that commercial businesses should not be required to provide notice either within a given timeframe window or a certain amount of days prior to an agreement ending.

It is now well established for all suppliers to publish out of contract rates and we are of the opinion that contracts should be fixed in terms of time and end on a specific date. Consumers should be free to seek extensions to contracts should they feel it is in their interest to do so and establish a new future contract end date. Should the contract end date be reached without a new end date being agreed, the consumer should be put on the suppliers published out of contract rates and be entitled to leave the supplier without providing any notice, save for the industry minimum switch times to register with a new supplier.

We still see evidence in contracts (including those of microbusinesses) whereby a specific 'notice' date is shown on contracts and invoices with the default position that a new price shall be elected by the supplier and this shall be binding on the consumer for a fixed term of 12 months. We would like to see this practice removed entirely from the market and in such circumstances the out of contract rate and terms to apply.

This would provide security for the consumer in that they can seek an alternative commercial relationship with a supplier quickly.

To avoid further potential gaming in this space, the supplier should be held accountable to ensure their out of contract rates are fair and not penal to consumers. We currently have no proposal on the best way to manage this and do not want to 'straitjacket' suppliers into adopting a scheme similar to the domestic price cap. One view could be to cap such rates to an annually agreed non-commodity cost (by usage/profile band) and for a more regular view on the wholesale market cost, such as an accelerator percentage to the quarter or season ahead published price. For example, the closing price of the Summer 2021 period as published by ICE (Intercontinental Exchange) multiplied by 130%.

Key actions:

- Ensure licence conditions state a contract end date is terminal and that no notice period is required by a consumer;
- Ensure licence conditions state that published out of contract rates apply to any contract that reaches its end date;
- Ensure licence conditions regulate on the maximum level to which out of contract rates apply, such they do not become penal to consumers.

6. Information and Awareness

We have no specific comment on this element of the proposal, other than to support information and awareness being present as much as possible. We would support a licence requirement for every supplier to outline how the market works and how they specifically engage with that process on their website, perhaps with a focus on their use of brokers and

how brokers are paid in order to provide an effort to highlight potential additional charges to the cost stack of their energy contract.

Suppliers should perhaps take a leading role in explaining to their customer that they cannot control the activities of brokers and that the delivery of services provided by the broker remain fully the responsibility of the broker to perform and consumers should always ensure a 'services agreement' is established with their broker for agreed service levels to be in place prior to signing a supply agreement with the supplier.

Key actions:

- Ensure licence conditions require suppliers to publish information regarding their use of brokers and how they engage with them.

Conclusion

In summary we feel some elements of the proposals are overkill, are the result of a misdiagnosed cause and may introduce unforeseen consequences to the market that will likely require further legislation to bring under control.

Whilst TPIs remain out of the direct control of Ofgem, and we do not believe that introducing TPI regulations is the correct approach, providing the correct tools for suppliers to manage TPIs will be an extremely powerful solution in itself.

Our overriding view is that broker commission transparency being introduced as a licence condition on suppliers will help the vast majority of relationship issues currently seen in the market. We would welcome a ban on 'verbal contracts' and so-called 'level two' Letters of Authority being used. It is our firm belief these measures alone will address the overwhelming majority of concerns raised by the proposals.

These steps will help rebalance the power often cited as a 'broker-controlled market' such that suppliers will be restricted by their licence in the way they are permitted to engage with brokers. Those brokers who operate good businesses, operating always in the best interests of their clients and declaring their fees will be fully supportive of the proposed changes to the licence conditions. Those that are contributing to the manner in which the market currently operates, providing services in their own interests ahead of their client, hiding commissions and insisting on commercial arrangements that pay these amounts upfront will no doubt be against any changes. We cannot see a reason as to why any supplier would be against the proposals, save for any derogations relating to time for implementing changes to systems and processes.

We are of the strong opinion that the broker dispute and cooling off period proposals will create unforeseen negative consequences for consumers and are an unnecessary requirement.

We remain supportive of the lesser impactful proposals relating to the banning of notification requirements and information awareness on the basis that contract terms should be exactly that with a clear end date and a standard 'fall over' position established being commonly

executed by all suppliers. In addition, information sharing relating to market operations and how consumers can better their experience in this market can only be of benefit to consumers.

We therefore recommend only points 1 and 2 of the proposal be upheld, suggest points 3 and 4 are removed entirely and points 5 and 6 are supported in a general sense.

We look forward to the feedback of other industry stakeholders and reviewing the formal outcome of this proposal in due course. We would also be very happy to share our experiences directly with Ofgem and answer any questions Ofgem may have from our response.

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