

MICROBUSINESS STRATEGIC REVIEW
RESPONSE TO STATUTORY CONSULTATION TO MODIFY THE SLCs OF ALL
GAS AND ELECTRICITY SUPPLY LICENCES

ABOUT BIRA

British Independent Retailers Association (Bira) has a membership of 4,000 independent retailers throughout the UK. The members have physical premises and cover a wide range of businesses – from a small pet shop to an independent department store. This range of membership affords Bira good insight into trends on the high streets in general and the issues impacting on the individual retail businesses. A high percentage of our members are non-food

RESPONSE TO THE PROPOSALS

Bira welcomes the proposals being put forward in this consultation. It is clear that the supply of energy to microbusinesses needs changing, simplifying and with more protection afforded to the businesses. In this respect Bira believes that the proposals address our concerns about the current situation.

The main proposals which we see as positive are:

- Improving transparency by asking for all 3rd party costs to be clearly identified. This will allow business owners to make better, informed decisions
- Focus on ensuring that switching is easier and quicker. We believe that this will encourage businesses to consider changing supplier on a more regular basis, which in return should improve competition and behaviours in this market
- Introducing a form of ADR to resolve disputes between businesses and suppliers is a positive move. We believe that this will improve standards within the supply chain as ADR assesses the processes used in the contracts and previous attempts to resolve the dispute
- A 14 day cooling off period is welcome. Many businesses experience cooling off periods for other services (for instance business insurance) and this proposal is in line with business expectations

We note that the switching process will make the implementation of a cooling off period more complex and unique as the cooling off period will only apply if the contract is signed more than 28 days prior to the start of supply. In fact, to ensure the full 14 day cooling off period, the contract would have to be signed 42 days before the start of the supply, with a reduced cooling off period for contracts signed between 28 days and 42 days prior to the commencement of supply (a contract signed 35 days before start date only has a 7 day cooling off period) .

We understand that this complexity is caused by the system being developed to improve the switching process. It is important that switching is easier and that we have a cooling off period. Therefore it will be important to clearly explain the rules of the cooling off period within the contract from the supplier. This complexity within the cooling off period is unfortunate but not insurmountable. We believe it should be possible for the supplier to calculate the actual cooling off period based on the date of signing the contract, and this calculation must be very clearly stated in the proposal to supply (in line with the stated desire to improve transparency).

Ultimately we would like to see the switching systems developed so that a more standard approach to cooling off periods can be adopted.

- Awareness and engaging the consumers is obviously important when implementing these proposals. We support the proposal to work with Citizens Advice and use their skills, knowledge and network.

We would also advocate the use of membership associations such as Bira. The retail sector has many small associations representing specific sectors of retail, e.g. Booksellers Association, Master Butchers Association, Guild of Fine Foods, etc. All of these associations can help with the dissemination of these changes to microbusinesses. Within Bira we use the website, e-newsletters, webinars, etc. to communicate important information to members. This is the same for many associations. Bira would be happy to use the information provided by the Citizens Advice and work with them to engage the consumers benefitting from the proposed changes. Bira would also facilitate the engagement of these other associations

Finally, we believe that the proposed timescale for these proposals is reasonable

Andrew Goodacre

CEO

British Independent Retailers Association