

Jonathan Blagrove  
Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

9 July 2021

Dear Jonathan,

**Microbusiness Strategic Review – Statutory Consultation**

Thank you for the opportunity to respond to this stage of consultation on Ofgem's strategic review of the microbusiness market.

We continue to be supportive of Ofgem's aims as part of the Microbusiness Strategic Review, and the provision of greater protections for microbusiness customers. We note however that Ofgem continues to propose to address many of the harms identified through direct regulation of suppliers, when in fact they relate to the conduct of a small number of brokers.

We welcome however the majority of the proposed changes made following Ofgem's July 2020 consultation, and in particular Ofgem's decision not to take forward the broker conduct and informed contract choices principles in light of BEIS's Energy White Paper commitment to consult on regulating Third Party Intermediaries (TPIs) during 2021. We are fully supportive of this activity, and welcome the opportunity to engage with both BEIS and Ofgem as work in this area evolves to ensure that the harms identified by Ofgem are effectively addressed through an appropriate method of direct TPI regulation or accreditation.

Our responses to the questions in the Statutory Consultation are set out in Annex 1, and where relevant we have provided suggested amendments to Ofgem's draft licence conditions in Annex 2. We would highlight in particular the following points:

- **Cooling-off period** – As currently drafted, Ofgem's proposed cooling-off period introduces complexity for consumers and suppliers. Including a dependency on provision of the written Principal Terms effectively creates two distinct dates within one element of the obligation: the date the contract is entered into and the date the customer receives the Principal Terms. This means that the cooling-off period length will vary by customer. We believe that the dependency on provision of written Principal Terms within the cooling-off period should be removed, as the complexity

this creates in the process may lead to unintended consequences and a poorer consumer experience. We believe that Ofgem's policy intent would still be met if the cooling off period were to end 14 calendar days from the date the customer enters into a contract, which aligns to the proposal reviewed and impact assessed by suppliers as part of the February 2021 Request for Information (RFI).

Should Ofgem proceed with the cooling-off period requirements as drafted, we do not believe the 1 January 2022 deadline is achievable due to the complexity and additional system changes that would be required.

- **Alternative Dispute Resolution (ADR) Scheme** – As Ofgem acknowledges in its consultation, the structure of any ADR scheme is yet to be defined. Given the scale of the administrative activity required to implement internal supplier processes to facilitate such a scheme once defined, and onboard all TPIs, we are concerned that the proposed 1 January 2022 implementation timeline is unachievable. This is of particular concern following the workshop held on 30 June between Energy UK and its members, Ofgem, Ombudsman Services (Energy) and ICoSS, where it was confirmed that energy aggregators working on behalf of brokers, not just the brokers themselves, would be required to be covered by such a scheme. Until further details are available on the final structure of an ADR scheme, we are unable to confirm a suitable deadline for ScottishPower's compliance with this obligation.
- **Provision of written Principal Terms** – Implementing Ofgem's proposed change to require the Principal Terms to be provided within one working day of a microbusiness customer entering into a contract would, when considered alongside the obligation to include broker commission costs in the Principal Terms, be challenging to deliver. It relies not only on suppliers, but brokers themselves, to make the necessary system changes. At this stage we are unable to confirm whether brokers are technically able to deliver this change, and the associated costs and resource implications if so. Based on our own estimates however, we consider the costs and resource implications of implementation for suppliers to be disproportionate to any perceived benefit for customers. Instead, we believe that Ofgem's policy intent to ensure all microbusiness customers receive all the information necessary to make an informed choice would still be met with an "as soon as reasonably practicable" obligation, where suppliers would be required to provide Principal Terms in writing as soon as practicable after entering into a contract.

If Ofgem proceeds with the more restrictive requirements, taking aside the concern we have around the cost and resource implications, we do not believe it is possible to implement by Ofgem's proposed "Autumn 2021" deadline.

- **Disclosure of TPI commissions** – We agree that in order for microbusiness customers to fully consider the terms of an energy supply contract and make an informed choice, any commissions associated with the sale need to be understood. As such, we are supportive of Ofgem's proposal to require details of the commission paid to TPIs to be disclosed in the Principal Terms at the point of sale and to be subsequently provided in writing. As noted above however, we are concerned however that this cannot be achieved within one working day of a customer entering into a contract without suppliers and brokers incurring significant additional cost, and cannot be delivered within Ofgem's proposed implementation timescales.

If you have any questions arising from our response, please do not hesitate to contact me or Gareth Williams ([gareth.williams@scottishpower.com](mailto:gareth.williams@scottishpower.com)).

Yours sincerely,

A handwritten signature in blue ink that reads "Richard Sweet". The signature is written in a cursive style with a large, stylized 'R' and 'S'.

**Richard Sweet**  
Head of Regulatory Policy

**STATUTORY CONSULTATION - STRATEGIC REVIEW OF THE MICROBUSINESS  
RETAIL MARKET – SCOTTISHPOWER RESPONSE**

**Question 1: Do you agree that 1 January 2022 represents an achievable start date for implementing a 14 day cooling-off period for microbusiness consumers?**

We do not believe that 1 January 2022 represents an achievable start date for implementing Ofgem's 14 day cooling-off period for microbusiness consumers as currently drafted.

Suppliers were asked to provide an impact assessment of the timescales and costs required to deliver a microbusiness cooling-off period in Ofgem's February 2021 for Information (RFI). This was based on a cooling-off period which lasts until the earlier of 14 calendar days after the contract is entered into, or 28 calendar days before the date on which the contract is due to begin. However, under Ofgem's latest proposed licence conditions, the cooling-off period would not end until 14 calendar days after the contract is entered into and the customer has received written Principal Terms. This adds a level of complexity and system change which has not been factored into suppliers' existing impact assessments and will extend the deliver timescales as a result.

As the changes will be required at the same time as Faster Switching changes are being made, we estimate that implementing Ofgem's current proposal is likely to require c. [X] days of resource to deliver the necessary SME billing system changes, and cost c. £[X]. This is an increase compared to our equivalent February RFI estimates of [X] days of resource and cost of £[X]. Assuming all other associated cooling-off period costs set out in our February RFI response remain unchanged, Ofgem's revised proposal increases the total first year costs from c. £[X] to c. £[X].

If however Ofgem was to revert to its February 2021 RFI proposal (which we would be supportive of, as set out in more detail in our response to Question 3 below), we currently believe that our estimate provided in our RFI response of c. [X] days of resource would be sufficient to deliver the necessary changes. The technical work required to deliver any large scale system changes cannot commence at any significant rate until a final decision has been reached and published by Ofgem, without risk of incurring unnecessary costs through progressing with development of changes which become redundant or are no longer aligned to Ofgem's final proposal.

To enable implementation by 1 January 2022, we consider Ofgem would need to publish a final decision by early August 2021 to allow suppliers sufficient time for development and implementation of changes of this scale. An implementation date of 1 January 2022 in effect requires suppliers to have made required changes to systems and processes by end of November 2021 to ensure these are fully embedded prior to the end of year holiday period.

**Question 2: Do you agree that 1 January 2022 represents an achievable start date for fully implementing both the proposed supply licence obligation and the associated scheme needed to introduce independent dispute resolution for microbusinesses in dispute with a broker?**

As Ofgem notes on page 41 of its consultation document, implementation of a broker ADR scheme requires further development by the scheme provider(s). As such, we believe the proposed implementation date of 1 January 2022 is unachievable, given (as Ofgem also notes in its consultation) that once the eventual structure of any scheme is defined, it will require a

large volume of brokers to be fully on-boarded onto the scheme before suppliers wishing to continue working with those brokers will be able to be compliant with the new supply licence condition. We note that in the workshop held on 30 June between Energy UK and its members, Ofgem, Ombudsman Services (Energy) and ICoSS, it was confirmed that energy aggregators working on behalf of brokers, not just the brokers themselves, would be required to be covered by such a scheme. This significantly increases the volume of parties required to be on-boarded to an ADR scheme, exacerbating this issue further.

In addition to this on-boarding, we anticipate that suppliers would need to take the following actions to meet the ADR obligations once a scheme has been defined, which cannot be completed fully until the structure of the ADR scheme is formally announced:

- updating customer communications and other internal information such as web content to ensure microbusinesses are provided with the necessary signposting to the ADR scheme;
- developing and conducting staff training for responsible parties administering the scheme within suppliers;
- establishing robust internal governance processes to monitor that brokers are signed up to the scheme.

Until further details are available on the final structure of an ADR scheme, we are unable to suggest a suitable deadline for compliance with this obligation. We remain fully supportive of the proposal that suppliers should work only with brokers who have signed up to an approved ADR scheme, however strongly believe suppliers and brokers should be given adequate time to review the scheme and plan for the implementation, and we do not believe a definitive date for compliance with the new obligation can be placed on suppliers until more details are available. We are happy to provide feedback on suitable timescales for implementation once this additional detail is available for review.

### **Question 3: Do you have any other comments on our proposals?**

We have set out below our feedback on each of the proposals in Ofgem's consultation.

#### **1. Awareness raising and information provision**

We remain supportive of Ofgem's proposal to improve awareness levels and information provision for microbusinesses, and agree that this will deliver benefits for consumers and complement the other proposals Ofgem is taking forward.

We note that there are no direct obligations proposed in Ofgem's draft licence conditions in relation to this proposal. We would welcome clarity from Ofgem regarding any requirements that it may be intending to place on suppliers in relation to signposting or availability of information for microbusinesses. Should any changes be required, further engagement would be needed regarding Ofgem's proposed implementation date of "Autumn 2021" to enable suppliers to fully assess and provide feedback on the feasibility of meeting any new requirements.

#### **2. Requirement to provide Principal Terms**

ScottishPower remains supportive of the proposal to require suppliers to provide Principal Terms to microbusiness consumers in writing to ensure they always receive key information in a durable medium to assist them in their decision-making process when entering into a supply contract. We do however have concerns around the interaction between the requirement to provide written Principal Terms *within one working day of the microbusiness*

*customer entering into the contract* and the requirement to include broker costs in the Principal Terms. We consider this revised obligation will present significant implementation challenges for suppliers without offering customers any material additional benefit.

#### *Timing of the provision of written Principal Terms and disclosure of broker costs*

Ofgem's proposal to require suppliers to provide the Principal Terms in writing one working day after the contract is entered into causes challenges when considered in conjunction with the requirement to include broker costs in the Principal Terms. As set out in further detail below, we are concerned that the processes and changes required to include broker costs in the Principal Terms in a timeframe that allows those terms to be sent to a customer within one working day of the contract being entered into are challenging and costly to deliver.

We note that Ofgem's Impact Assessment published alongside this consultation document references the cost estimates provided by some suppliers in relation to the original brokerage cost transparency proposals, and states that Ofgem believes its revised proposals will result significantly lower costs to implement. While we agree with this, we do not believe that Ofgem's Impact Assessment takes account of the interaction with the new requirement introduced in this stage of the consultation process to provide this information on written Principal Terms within one working day of a microbusiness contract being entered into. Taking account of all of the proposed obligations in this area, we estimate the changes would take c. [3<] days of resource to implement, and cost c. £[3<].

This estimate does not however take account of the cost and time to deliver system changes for brokers and TPIs across the market, which are likely to further increase costs and impact on suppliers' ability to comply with the obligation. Any such changes would require further engagement with each of the TPIs we work with to understand the feasibility of making such changes, the costs of doing so, and whether amendments to contractual arrangements with these parties would be required. We do not therefore consider that Ofgem's current IA is sufficiently robust to support a licence change of this nature and we believe Ofgem needs to reissue and reconsult on its IA if it wishes to proceed with the revised obligations.

We believe however that as an alternative, Ofgem's policy intent to ensure all microbusiness customers receive all the information necessary to make an informed choice would still be met with an "as soon as reasonably practicable" obligation, where suppliers would be required to provide Principal Terms in writing as soon as reasonably practicable after entering into a contract. We think this would allow suppliers sufficient time to retrieve all the necessary information from TPIs to enable providing the Principal Terms in writing, whilst also ensuring that microbusiness customers receive this information within the 14 day cooling-off period. We have set out proposed amendments to the licence conditions in Annex 2 to reflect this.

If Ofgem proceeds with the more restrictive requirements, irrespective of the concerns we have around the cost and resource implications, we do not believe it is possible to implement by Ofgem's proposed "Autumn 2021" deadline.

#### *Unintended consequences of Ofgem's proposed licence condition drafting*

Ofgem has proposed amending the definition of Principal Terms (which applies to both Domestic and Non Domestic customers) to include details of the cancellation process as follows:

*(e) the rights to cancel the Contract or end the Contract (including any obligation to pay a Termination Fee) or the circumstances in which a Deemed Contract will end,*

As this part of the supply licence conditions applies to all customers, Ofgem's proposal would change the obligations in relation to domestic customers and non-microbusiness non-domestic customers, without any consultation process being undertaken in respect of these other customer types. It is important that Ofgem's changes are limited to those areas under consultation and we have suggested amendments to remove this unintended consequence.

### 3. Transparency around brokerage costs

We agree that in order for microbusiness customers to fully consider the terms of an energy supply contract and make an informed choice, any commissions associated with the sale need to be understood. As such, we are supportive of Ofgem's decision to require these details to be disclosed in the Principal Terms at the point a microbusiness enters into a contract, but to remove the previous proposal to apportion these costs to bills or statements of account on an ongoing basis.

We also are fully supportive of Ofgem's proposal to require this information to be issued to the customer in writing as part of the Principal Terms. However, as noted above, we anticipate significant challenges in providing this no later than one working day after entering into the contract.

In order to provide consumers with this information, ScottishPower (and likely many other suppliers) would be reliant upon brokers providing data in a timely manner to allow us to include the brokerage costs in the Principal Terms, prior to issuing them in writing to the customer. To enable these to be sent within one working day of the contract being entered into, brokers would in effect need to develop systems and processes to facilitate the transfer of this information immediately after the point of sale to allow the necessary information to be consolidated and sent to customers the following day. We are concerned that this is unachievable (particularly by Ofgem's proposed "Autumn 2021" deadline) without significant cost and system development. The associated cost and timescales cannot be confirmed by suppliers in isolation without further engagement with brokers. From our perspective alone, we estimate the changes would take c. [X] days of resource to implement, and cost c. £[X].

We believe that the proposed revisions requiring suppliers to ensure that they and their representatives bring the Principal Terms (including any brokerage costs) to the attention of microbusiness customers before they enter into a contract, alongside our proposed "as soon as reasonably practicable" obligation, would meet Ofgem's policy intent.

Regardless of whether Ofgem accepts our proposed revision or proceeds with the Principal Terms obligation as drafted, suppliers and brokers will be required to make changes to IT systems to facilitate the provision of broker costs in the necessary timescales, which are not typically able to be made quickly. As such, we do not believe that a go-live date of "Autumn 2021" is achievable. To ensure adequate time is allowed to carry out these changes, further engagement with brokers would be required to establish an achievable implementation date.

### 4. Cooling-off period

#### *Interaction of the cooling-off period and provision of written Principal Terms*

As noted in our response to Question 1 above, we are concerned about the interaction between the cooling-off period and the requirement to provide the Principal Terms of a microbusiness contract in writing, which was not considered in our impact assessment and response to Ofgem's February 2021 RFI given it is a new proposal only shared within this statutory consultation document.

As well as posing significant challenges in delivering the proposed obligation by 1 January 2022, Ofgem's proposed licence condition drafting of SLC 7A.13E.4(a) introduces two distinct dates within one element of the obligation: the date the contract is entered into and the date the microbusiness customer has been provided with a written copy of the Principal Terms. This would result in inconsistency across microbusiness customers in relation to the end date of the cooling-off period (which is measured in calendar days), particularly in respect of customers where the contract is entered into on a Friday, or just prior to any Bank Holiday (meaning the next working day falls a number of days after the contract is entered into). This would be further complicated by differences in the method of provision of the Principal Terms under Ofgem's current licence condition drafting, with this varying depending upon whether the Principal Terms have been issued by email or post.

To avoid such complexity and the potential for customer confusion, as well as simplifying the necessary solutions and systems changes required by suppliers, we believe Ofgem should amend its proposals in line with those set out in its February 2021 RFI such that the cooling-off period ends on the earlier of 14 calendar days after the date the customer agrees to enter into a contract with a supplier, or 28 days before the date the supply of energy is due to begin.

#### *Methods of cancellation*

We note that SLC7A.13E.2 allows microbusiness consumers to provide notice of cancellation by 'any' communication. However, we believe that suppliers should be able to introduce some level of control around how customers are able to cancel during the cooling-off period, so long as it is not overly burdensome for consumers and is aligned to their characteristics and preferences (for example a wholly online cancellation process would not be suitable for customers who do not engage with suppliers online). Removing the obligation to allow any means of communication would minimise administrative burdens on suppliers and ensure that they can establish a clear range of cancellation options which effectively facilitate customers' cancellation. As such, we propose that Ofgem amends the licence obligation to require suppliers to specify alternative methods of communication for cancellation as long as they are reasonably practicable for the supplier to accept and process.

### 5. Broker Alternative Dispute Resolution Scheme

In line with our response to Question 2 above, we remain fully supportive of working only with brokers who have signed up to an approved ADR scheme, however we strongly believe suppliers and brokers should be given adequate time to review the scheme and plan for the implementation. As such, we do not believe a definitive date for compliance with the new obligation can be placed on suppliers until more details are available.

### 6. Termination notices

#### *Fixed term contracts*

We are supportive of Ofgem's proposal to remove the requirements for fixed-term contract microbusiness customers to provide a notice of termination, and appreciate the clarity provided in the licence drafting allowing suppliers to continue to object to switches for other valid contractual reasons.

We note however that SLC 7A.10B(c)(i) still requires licensees to include on each bill and statement of account a statement to the effect that the microbusiness customer may send a notification in writing to terminate their contract at the end of the fixed term period, in scenarios where they have entered into a contract for a fixed term period but without the ability to extend this for a further fixed term period. Given that termination notices are no longer required, we believe that retaining the current licence condition drafting noted above could create the



unintended consequence that customers think they need to provide notice when they do not, and also would require suppliers to implement and administrate a process that does not offer additional customer benefit. We recognise that a customer in these circumstances could send such a notification, but we do not see the benefit of this additional administrative task, and would propose removing this condition.

#### *Evergreen contracts*

Ofgem is proposing to allow suppliers to require notice of termination of any Evergreen Supply Contract that is no longer than 30 days. The obligation also sets out that notice of termination includes notification from the proposed new supplier that the customer has requested to switch to them (SLC 7A.13A). We are supportive of Ofgem's intent here, however we would suggest that the requirement may result in microbusiness consumers believing they are required to submit notice of termination to their existing supplier as well as applying to switch to a new supplier, resulting in additional work and unnecessary administrative burden for customers. We would propose that to remove this potential detrimental consequence and provide consistency across the market, Ofgem should remove any ability for suppliers to require notice of termination for Evergreen Supply Contracts, as set out in our proposed licence condition drafting amendments in Annex 2.

#### **Question 4: Do you have any comments on the draft supply licence conditions at Appendix 1?**

Please see our detailed response to the drafting of the supply licence conditions below in Annex 2.

## Annex 2

### SCOTTISHPOWER COMMENTS ON APPENDIX 1 OF THE STATUTORY CONSULTATION DOCUMENT SETTING OUT THE DRAFT SUPPLY LICENCE CONDITIONS

Drafting amendments related to our responses to Ofgem's policy consultation questions, as set out in Annex 1		
Reference	Comment and/or Suggested Amendment	Rationale
1.3	<p>(e) the rights to <del>cancel the Contract or</del> end the Contract (including any obligation to pay a Termination Fee) or the circumstances in which a Deemed Contract will end, <del>and in relation to a Micro Business Consumer, the rights to cancel the Contract.</del></p> <p>(f) in relation to a Micro Business Consumer, any Brokerage Costs required to be paid or due to be paid to the Broker in respect of the full duration of a Micro Business Consumer Contract, presented as monies (whether actual or where that is not possible, estimated amounts)</p> <p>and any other term that may reasonably be considered to significantly affect the evaluation by the Customer of the Contract under which electricity may be supplied to his premises <del>including for the avoidance of doubt, in relation to Micro Business Consumers any Brokerage Costs, required to be paid or due to be paid in respect of the full duration of a Microbusiness Consumer Contract and to be presented as monies (whether actual or where that is not possible, estimated amounts).</del></p>	<p>We do not believe that the requirement to include the rights to cancel a contract should be included in the definition of Principal Terms as drafted, given its impact on all customers rather than only microbusiness customers which is the area under consultation. We have proposed wording to limit this amendment to microbusiness consumers only.</p> <p>Additionally, we propose that the revised presentation of Brokerage Costs within the Principal Terms definition represents clearer licence drafting.</p>
7A.9	<p>Where pursuant to paragraphs 7A.4 or 7A.8 the licensee is required to provide a Micro Business Consumer with any relevant Principal Terms:</p> <p>(a) it must ensure that the Principal Terms are:</p> <p>(i) set out in writing; and</p> <p>(ii) drafted in plain and intelligible language;</p>	<p>Given the new obligation for broker costs to form part of the Principal Terms (which we are fully supportive of), we are concerned that the requirement to send the Principal Terms to a Micro Business Consumer not later than one working day after the Micro Business Consumer Contract is entered into does not allow suppliers and brokers sufficient time to process</p>

	(iii) sent by it, or by the relevant Broker, to a Micro Business Consumer <del>no later than one working day as soon as reasonably practicable</del> after the Micro Business Consumer Contract is entered into.	the relevant information into an appropriate communication to meet this obligation.
7A.9A	For the purpose of this Condition 7A.9: 'providing' a Micro Business Consumer with any relevant Principal Terms means the <del>supplier Licensee</del> or the relevant <del>B</del> roker must send the Principal Terms by email or by first class post <del>(or equivalent)</del> to the Micro Business Consumer <del>on the next working day as soon as reasonably practicable</del> after agreeing the contract. <del>at the latest; and that where they are sent by email, the Principal Terms will be 'provided' on the next working day after they are sent and if sent by first class post, they will be provided on the second working day after posting</del>	As above to reflect our proposed "as soon as reasonably practicable" obligation, but also to avoid excluding suppliers from using equivalent non-Royal Mail postal services not badged as 'first class'.
7A.10B(c)(i)	<del>Where the licensee has entered into a Micro Business Consumer Contract for a fixed term period and it does not have the ability to extend that Micro Business Consumer Contract for a further fixed term period:</del>  (i) <del>a statement to the effect that the Micro Business Customer may send a notification in writing to the licensee at any time before the end of the fixed term period that currently applies in order to terminate the Micro Business Consumer Contract with effect from the end of the fixed term period which currently applies.</del>	As noted in our response to question 3 above in Annex 1, we recognise that a customer in these circumstances could send such a notification, but we do not see the benefit of this additional administrative task, and would propose removing this condition.
7A.10C.2	The licensee must ensure that the information that the licensee is required to disclose by virtue of condition 7A.10C.1: (a) is disclosed as monies, whether actual amounts or (if that is not possible) estimated amounts; (b) <del>enables a Micro Business Consumer to understand the amount of those sums that it is due to pay which are, or are attributable to Brokerage Costs due to the</del>	We believe that the drafting of this condition could be simplified to make it clearer to suppliers what their obligation is.

	<p><del>Broker, as well as any Charges (so far as they are different) or other sums; and</del> enables the Micro Business Consumer to understand, of their total contract amount, the amount attributable to broker costs.</p> <p>(c) is drafted in plain and intelligible language.</p>	
7A.11	In relation to a Micro Business Consumer Contract that contains a fixed term period, the licensee must ensure that, a Micro Business <del>Customer</del> Consumer is not required to give any form of notice to terminate the Micro Business Consumer Contract or to switch supplier from the end of the Initial Period (or earlier, if the Contract allows for this), subject always to paragraphs 14.2-14.3 of Standard Licence Condition 14.	The defined term in SLC7A is Micro Business Consumer.
7A.13A	<p>If the licensee supplies electricity to a Micro Business Consumer's premises under an Evergreen Micro Business Consumer Contract, the licensee must ensure that:</p> <p>(a) <del>a Micro Business Consumer is not required to give any form of notice to the licensee in order to terminate the Evergreen Micro Business Consumer Contract the notice period for termination of any Evergreen supply Contract with a Micro Business Consumer is no longer than 30 days;</del> and</p> <p>(b) a Micro Business Consumer is entitled to take steps to facilitate changing to any other Electricity Supplier at any time without having to pay a Termination Fee</p>	We believe that Ofgem's proposed licence condition may result in Evergreen Micro Business Consumers incorrectly interpreting that they are required to provide notice to terminate a contract even where they have applied to switch to another supplier. We believe that to remove this potential consumer detriment and provide consistency across the market, Ofgem should align the requirements for Evergreen Micro Business Consumer Contracts to those for fixed term contracts as set out in SLC 7A.11, and remove any requirement for notice to terminate the contract.
7A.13AB	<del>Where paragraph 7A.13A applies, notice of termination must include but is not limited to notice given by the proposed new Relevant Electricity Supplier in respect of a Proposed Supplier Transfer.</del>	
7A.13AC	<del>If the licensee receives notice of termination in accordance with 7A.13A it must take all reasonable steps to notify the</del>	

	<del>Micro Business Consumer in Writing within 5 Working Days of receipt of such notice of termination, or as soon as reasonably practical thereafter, that such notice of termination has been received.</del>	
7A.13E.2	Notice of cancellation includes any communication by the Micro Business Consumer to the licensee <del>in a format specified by the licensee (such formats to include any that it is reasonably practicable for the licensee to accept)</del> , made in the cancellation period, setting out the Micro Business Consumer's decision to cancel the Contract.	We believe that there should be an element of control for suppliers to allow efficient processing of cancellation notifications, and as such we propose that the licence condition allows for suppliers to dictate how consumers communicate their cancellation to suppliers as long as there are a reasonable range of options available for customers. We anticipate that the proposed amendments to the draft licence conditions would still ensure that there would be sufficient options available to consumers to use in line with their characteristics and preferences, whilst allowing for the efficient processing of the cancellation.
7A.13E.3  7A.13E.4	<p>The cancellation period begins the day on which a Micro Business Consumer enters into a Contract with the licensee</p> <p>The cancellation period ends at the earlier of:</p> <ul style="list-style-type: none"> <li>(a) 14 days after the day on which the Contract is entered into <del>and the Micro Business Consumer has been provided with a written copy of the Principal Terms as required under 7A.9;</del> or</li> <li>(b) 28 calendar days (or such other period as the Authority may specify from time to time) before the date on which the supply of electricity/gas under the terms of that contract, is due to begin.</li> </ul>	<p>As well as posing significant challenges in delivering the proposed obligation by 1 January 2022, Ofgem's proposed licence condition drafting introduces two distinct dates within one element of the obligation: the date the contract is entered into and the date the Micro Business Consumer has been provided with a written copy of the Principal Terms. This would result in inconsistency for Micro Business customers in relation to the start/end date of the cooling-off period, particularly in respect of customers whose Principal Terms will be issued by post where the contract is entered into on a Friday, or just prior to any Bank Holiday.</p> <p>To avoid such complexity and the potential unintended consumer detriment it may cause, as well as simplifying the necessary solutions and systems changes required by suppliers, we believe Ofgem should amend its proposals in line with those set out in its February 2021 RFI such that the cooling-off period ends the earlier of 14 calendar days after the date the customer agrees to enter into a contract with a</p>

		supplier, including verbal contracts, or 28 days before the date the supply of energy is due to begin.
20.5	The licensee must provide to each of its Non-Domestic Customers information concerning their rights as regards the means of dispute settlement available to them in the event of a dispute with the licensee or, in the case of a Micro <del>B</del> usiness Consumer, any Broker...	Minor typographical amendment.
20.5D	<p>'Qualifying Dispute Settlement Scheme':</p> <p>means any scheme of dispute settlement, resolution and/or redress operated by the <del>Relevant</del> Energy Ombudsman or such other organisation as offers, and may be demonstrated to provide, independent, fair, effective and transparent out of court dispute settlement relating to Relevant Broker Activities and constitutes a Qualifying Dispute Settlement Scheme in accordance with any guidance issued by the Authority.</p>	There is no definition of 'Relevant Energy Ombudsman' in the Licence. There is an existing definition of 'Energy Ombudsman', so this should perhaps be used here instead.
20.5D	<p>'Relevant Broker Activity':</p> <p>(a)(ii) any communications regarding Billing or Contractual Information; and</p> <p>[See comment in right hand column]</p>	The only definition for 'Billing' or 'Contractual Information' is within SLC 0A, and it is not clear if these definitions extend to Ofgem's proposed SLC 20.5D. If so, Ofgem may wish to make this clearer in its drafting of SLC 20.5D, or by amending SLC 0A accordingly.