

Mr Blagrove,

I am writing regarding your recent [Ofgem publication of proposed modification for SLCs](#) in the energy market for Micro businesses.

While these changes are welcome and long overdue; additional elements are required to provide better protection for microbusinesses.

In addition to your proposals, please find further recommendations as follows;

Banning Notification Requirements

I would disagree with your proposals banning notification requirements to suppliers. This provides suppliers with the opportunity to retain business or have ample time for the closure of the micro-business account. I would, however, suggest the cessation of unjustifiable objections by suppliers that insist on placing microbusinesses on non-contractual rates for an unnecessary amount of time after the contract end date.

If a microbusiness customer has provided notice, the supplier has a duty to ensure this is acknowledged. Should the supplier decide to hold the supply beyond the contract end date, this should be an extension of originally contracted rates until they release the supply.

Point of Acquisition

It should be a mandatory requirement for all micro-business supply contracts submitted to energy suppliers to be accompanied by a letter of engagement. LOAs can either be a physical copy from the customer or electronic. Electronic documents must comply with a minimum standard of the eSign Act (International) or European Union eIDAS (EU No.910/2014)

The immediate cessation of verbal contracts for micro-business energy contracts. Oral contracts are the primary conduit for abuse in the energy sector, as a select number of "rogue elements" are adept at manipulating phone calls. The integrity of phone calls cannot always be relied on. The situation will only worsen with the addition of machine learning, which can now clone voices with only 5 seconds of audio. see link <https://bit.ly/3cX5Yy1> . With the addition of carefully crafted scripts, AI now presents the opportunity for further abuse in the market.

Training

There should be a minimum standard of training for all broker participants in the UK energy market. It is not enough to understand sales and marketing without the fundamental aspects of how energy works. It then would be up to the individual brokerage to undertake further or periodic training suited to their particular circumstances or target market. Several organisations provide reasonably priced courses for brokers to undertake. The Energy Institute or Cornwall Insight, I am sure, can assist with these aspects.

<http://learning.energyinst.org/>

<https://www.cornwall-insight.com/training>

Register

There should be a voluntary register of all broker participants that engage with micro businesses regarding their energy contracts. There are many non-UK based entities taking advantage of the lax requirements for brokerage requirements. A register could work on a basis similar to the telecommunications RID system. In telecoms, each telecom reseller is assigned an ID. A nationally recognised broker ID system makes each contract signed accountable to an individual brokerage/agency. The Utilities Intermediaries Association or Energy Institute could provide a framework of how this could work/administered.

I trust you would consider adding these recommendations to your consultation and look forward to your update next month.

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Many thanks,
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Director

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