

Rt Hon Jeremy Hunt MP  
Chancellor of the Exchequer  
HM Treasury

**BY EMAIL ONLY**

30 January 2023

Dear Chancellor of the Exchequer,

Thank you for your letter dated 9 January 2023 regarding the concerns and challenges that non-domestic consumers are currently facing. These included the pricing and availability of energy supply contracts. We welcome the Government's announcement of additional support measures for businesses. We all want a market where customers pay fair prices for their energy, receive great service, have access to services that help the transition to net zero, and where suppliers are financially resilient.

We talk to business customers and their representatives regularly. We understand the vital role they play in the UK economy and know that the cost of energy is of huge concern to them. Our role as regulator is to protect all consumers and we too are deeply concerned about the reports we have received. We are determined to root out bad behaviours and act if and where further regulatory protection for customers is needed, or signal to government where legislation or other government action may be needed that is beyond our powers to resolve.

We have initiated a review of the non-domestic market. We gathered initial responses from suppliers after writing<sup>1</sup> to and meeting with them and have followed that up with a detailed information request to analyse their actions related to pricing, offers to contract, and compliance with their EBS and other licence obligations. We have been meeting with customer representatives to collect further views and in the near future will launch a Call for Evidence to gather evidence from all stakeholders about their experiences in the market. We will look at where we may need to make changes to regulations and are also

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<sup>1</sup> [Letter to non-domestic suppliers about reports of non-domestic customer harm | Ofgem](#)

reviewing whether suppliers are complying with existing requirements, to take appropriate action where needed.

As per your request, we will update you on the progress of our work before your Budget announcement in March. The non-domestic market is characterised by a very large range of customer types, bespoke contracts, and different supplier models. The complexity of the market means that this market review will progress through this year. But we aim to get early improvements for customers, including through our compliance reviews and in facilitating customer representative and supplier discussions. There is an opportunity here for suppliers to take proactive action to improve conditions for their customers, to the mutual benefit of suppliers and customers.

This will build on some of the other steps we have taken over the past few months to support non-domestic customers. We have:

- Initiated a review of suppliers deemed rates charges, to ensure they are following the rules to not charge unduly onerous rates.
- Reminded suppliers how we expect them to behave with customers facing payment difficulties; issuing a good practice guide on debt management and disconnection practices<sup>2</sup>.
- Worked with business representatives to empower customers through issuing updated information in handbooks to support business organisations help their members, and fact sheets, explaining customer's rights and supplier's obligations, and providing contact information for assistance<sup>3</sup>.
- Introduced new licence conditions to protect microbusiness customers using the services of third-party intermediaries (TPIs), or energy brokers, including requiring suppliers to only work with TPIs who are signed up to a dispute resolution scheme for brokers, to help microbusiness customers resolve issues with brokers<sup>4</sup>.
- Supported the government in compliance and enforcement action on the EBRS.
- Embedded enhanced supplier resilience checks, to support overall market stability.

We understand that this is a very difficult time for many businesses. It is very important to me that we work with all stakeholders to understand and resolve issues in this market. I look forward to engaging further with you as we uncover where there may need to be regulatory action by Ofgem or legislative changes by government, to secure a well functioning market for non-domestic consumers.

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<sup>2</sup> [Open Letter: Non-domestic debt and disconnection | Ofgem](#)

<sup>3</sup> [Energy advice for businesses | Ofgem](#)

<sup>4</sup> [Microbusiness Strategic Review: Decision to modify the SLCs of all gas and electricity supply licences | Ofgem](#)

I have copied this letter to the Secretary of State for Business, Energy and Industrial Strategy, and the Minister of State for Energy and Climate.

Yours sincerely

A handwritten signature in black ink, appearing to be 'JBearley', written in a cursive style.

**Jonathan Brearley**

Chief Executive