

Call for input on the non-Domestic gas and electricity market

- Q1.** *Do you have evidence of suppliers not being proportionate or reasonable regarding charges necessary to secure a contract, including security deposits? If so, please provide us with details.*

Ofgem have decided that residents who live on mobile home parks and where they have no options but to buy their energy from the park owner are, we are told, classed as non-domestic consumers. These consumers do not currently have the opportunity of securing a contract with a licenced supplier so this question at this time does not apply to this sector. It does however demonstrate where some non-domestic areas of the market fall outside of any consideration by Ofgem's present sphere of operations.

This sector too has to accept the terms a park owner has made in negotiating energy supply contracts with his own self-interest in mind. The non-domestic consumers he then supplies, the residents, have no say in the scale of charges or other terms that are agreed. These issues need to be urgently addressed.

- Q2.** *Do you have suggested solutions to the concerns around high costs requested to secure a contract and manage risk?*

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- Q3.** *Do you believe there has been an improvement in terms to contract as market conditions start to show signs of improvement? Please explain your answer.*

Ofgem have decided that residents who live on mobile home parks and where they have no options but to buy their energy from the park owner are, we are told, classed as non-domestic consumers. These consumers do not currently have the opportunity of securing a contract with a licenced supplier so this question at this time does not apply to this sector. It does however demonstrate where some non-domestic areas of the market fall outside of any consideration by Ofgem's present sphere of operations. This needs to be urgently addressed.

- Q4.** *Do you have evidence to support the allegation that suppliers have been inflating prices in response to the introduction of the Energy Bill Relief Scheme? If so, please provide us with details.*

I am aware that sub-suppliers, that is businesses owners such as those who own residential mobile home parks, who buy energy through business contracts and resell this to their residents, in many cases, refuse to comply with the Ofgem rules for resellers such as failing to provide detailed break downs of their charges to their customer when requested to do so. IPHAS reported this during a meeting with Ofgem.

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Q5. *What issues are you aware of businesses having in relation to deemed contracts?*

This situation might occur when a residential park changes ownership while the new owner negotiates a new supply contract. I am not currently aware of any current issues with this.

Q6. *Are there any other matters not discussed above related to pricing and contractual behaviour that you would like us to explore? Please provide details and your reasons.*

Residential mobile home park owners who act as energy sub-suppliers and buy energy through business contracts and then resell this to their residents, are currently unregulated and in many cases are unaware of, or simply disregard the requirements of the Ofgem rules for resellers. There too is no current policing of this energy supply route and only very tenuous if non-existent routes to redress where non-compliance is suspected by the residents they supply. In many cases, these park owners fail to install and maintain proper distribution networks on their sites, and often have only a single meter for the whole site which means residents have to accept estimated bills which they cannot verify as being reasonable. Given that residential parks are in the main specifically occupied by those in later life, who may be vulnerable and have limited means together with possible disabilities, issues around unreliable and unaffordable gas and electricity supplies give rise to deep concerns and anxiety. These occupiers do not either have recourse to the protections and compensatory measures in the case of, for example, loss of supplies, that residents have under a domestic supply contract directly with a licenced supplier. Urgent legislation is needed to protect this forgotten non-domestic consumer base and to licence these sub-suppliers bringing them under the Ofgem umbrella for regulation.

Q7. *Do you believe there has been an increase in offers to contract in the past year as wholesale market conditions improved, or are there are segments of the market that are still struggling to secure contracts?*

Ofgem have decided that residents who live on mobile home parks and where they have no options but to buy their energy from the park owner are, we are told, classed as non-domestic consumers. These consumers do not currently have the opportunity of securing a contract with a licenced supplier so this question at this time does not apply to this sector. It does however demonstrate where some non-domestic areas of the non-domestic market fall outside of any consideration by Ofgem's present sphere of operations. This needs to be urgently addressed.

Q8. *Are suppliers following the best practice steps around debt management and disconnection that we highlighted in our December 2022 letter, or do you think that licence conditions need amending? Please provide evidence for your views and details of any specific examples.*

Residential mobile home park owners who act as energy sub-suppliers and buy energy through business contracts and then resell this to their residents, are currently unregulated and need to be licenced, policed and made to implement the protections afforded by those suppliers who are licenced.

Q9. A *re suppliers' complaints process easy to find on their websites, or elsewhere? Do you believe we need to strengthen the rules around complaints processes? Please explain the reasons for your response.*

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and need to be licenced and made to implement the protections afforded by those suppliers who are licenced such as complaints procedure and debt and hardship management.

- Q10.** *To what extent do you believe the communication you receive from your non-domestic supplier is clear and transparent? Please provide examples where possible.*

Residential mobile home park owners who act as energy sub-suppliers and buy energy through business contracts and then resell this to their residents, are currently unregulated and in many cases are unaware of, or simply disregard the requirements of the Ofgem rules for resellers. Communications from park owners are generally extremely poor if not non-existent.

- Q11.** *Do you think the issues around Change of Tenancy/Occupier are significant? What potential solutions would you suggest to address the perceived shortfalls in the existing Change of Tenancy and Change of Occupancy processes, that do not exacerbate the potential for fraud?*

Residential mobile home parks, when sold to a new owner, are plagued with many serious problems including the new park owner assuming that contracts made by the outgoing park owner for energy supplied to the site will be ongoing, which is simply not the case. An incoming site owner will need to negotiate new contracts for many services. Failure to establish new contracts quickly can impact on the residents the park owner might supply, and where new contracts are established, the terms can be more onerous.

- Q12.** *Are there any other issues you would like to highlight related to competition in the non-domestic supply market? Please provide detailed explanations.*

Park home residents should be able to access alternative sources of supply other than from their park owner.

- Q13.** *Do you believe that there are segments of the non-domestic supply market, other than microbusiness customers, where there is not sufficient market pressure to correct any potential inappropriate supplier behaviours? Please provide detailed descriptions of these customers and evidence to explain your view, including what aspects of harm the regulations would need to help protect against.*

Mobile home park residents, who buy energy from their unregulated and unpoliced park owner, need the same degree of protection afforded to those who enjoy domestic contracts including protection from; overcharging, lack of transparency of the charges they are asked to pay, unreliable and dangerous infrastructure, the lack of compensatory measures and complaints procedures, enforced single sourcing and lack of legal protections. They also need access to alternative sources of supply.

- Q14.** *If you responded yes to question 13, please suggest how these customers could be defined in the supply licence and identified by suppliers and customers.*

Residential mobile home park owners need to be classified and licensed as ‘Second Tier Suppliers.’ They need regulation to maintain accurate customer databases, records of client usage and charges made and provide the compensatory and other protection measures as currently licenced suppliers.

- Q15.** *If we expanded the definition of microbusiness customers or created a new class of customers, what are the possible implications and costs of doing this?*

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Extra resources will be needed to police these ‘Second Tier Suppliers.’

- Q16.** *What additional protections do you think might need to be put in place to protect domestic customers who are supplied via a non-domestic contract? Please provide an explanation or evidence of the areas of harm any new regulation would protect against.*

Mobile home park residents, who buy energy from their unregulated and unpoliced park owner, need protection from; overcharging, lack of transparency with regards to the charges they are asked to pay, unreliable and dangerous infrastructure, the lack of compensatory measures and complaints procedures, enforced single sourcing and lack of legal protections.

- Q17.** *Do you agree with the definition of, and clarifications around, what is a domestic customer as described in Appendix A? Are there other areas where further clarification is required?*

It would be more appropriate to define what is a non-domestic supply.

- Q18.** *Do you have any further comments about how the non-domestic market is currently segmented?*

Currently, park home residents who are supplied with energy by their park owners, are invisible to Ofgem. Park owners can, and some do, abuse this fact in suspected overcharging and failure to adopt the Ofgem requirements as a reseller. Many parks have old and failing distribution networks, defective switch gear and protective devices which can make the systems unstable, unreliable and hazardous. Many sites, which may have developed from holiday parks, have supplies inadequate for residential accommodation. In short, the sector is in many cases shambolic certainly where the provision of electrical supplies is concerned. Urgent regulation is needed.