

Good morning,

Nationwide Energy Consultants are licensed trade specialist energy brokers. Our comments reflect our experience in supporting our customers which range from National breweries to individual operators. This sector has been one of the hardest hit by the conduct of energy suppliers:-

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.

We have evidence of security deposits of up to 80% of the annual contract cost being required.

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

The cost of any security deposit should be limited to 25% of the annual cost.

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.

Yes – more suppliers returned to market and longer contract terms being offered.

However certain sectors such as hospitality are excluded by many suppliers including REDACTED refusing to accept hospitality business regardless of their credit score. Leaving this sector with particular challenges in contracting.

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.

No comment.

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

Supplier delays or unreasonable timescales are leading to customers remaining on high rates for unreasonably long periods. These delays & unreasonable timescales mean that suppliers make excess profit from their own inefficiency. As an example REDACTED have a 60 working day timescale to process Changes of Tenancy (CoT's) which they regularly fail to meet. Standing charges are clearly a concern with charges bearing no relation to the cost – e.g. REDACTED charging £49 per day on a half-hourly meter. Some deemed rates are very high and bear no relation to the costs incurred by the supplier e.g. 52.8ppkW for gas by REDACTED.

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.

I believe it necessary for regulation in terms of how long a supplier has to do a CoT or respond to a customer or TPI query. Specifically in relation to a CoT I suggest that suppliers are obliged to offer the customer a much lower rate than their standard deemed should the exceed the prescribed period.

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?

While there has been an improvement, hospitality businesses continue to face significant barriers e.g. they won't be accepted by many suppliers regardless of their creditworthiness, or may be subject to additional risk premiums e.g. REDACTED currently charge a hospitality premium of 3.86ppkW on electricity & 1.014p on gas, though these premiums were previously much higher.

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.

No comment.

Q9. Are 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.

Yes, suppliers frustrate customers and TPI's efforts to resolve problems e.g. REDACTED refusing to deal with TPI's despite them acting directly at the customer's request. The imposition of unreasonable timescales such as of REDACTED 15 working days response times to complaints, act only to delay customers being able to achieve a resolution. In general many suppliers are very much behind their own SLA's on responses which often causes customers significant issues or costs.

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

REDACTED present deemed rate contract bills to customers which have an "Agreement end date" several months in the future which may cause customers to think they are in a fixed term contract of 12 month. As noted above these costs can be extremely high.

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?

Supplier delays or unreasonable timescales in processing CoT's are leading to customers remaining on high rates for unreasonably long periods. These delays & unreasonable timescales mean that suppliers make excess profit from their own inefficiency. As an example REDACTED have a 60 working day timescale to process CoT's which the regularly fail to meet. Standing charges are a concern with charges bearing no relation to the cost – e.g. REDACTED charging £49 per day on a half-hourly meter on deemed rates. Some deemed rates are very high and bear no relation to the costs incurred by the supplier e.g. 52.8ppkW for gas from REDACTED.

Suppliers need to do their due diligence in obtaining relevant proof in confirming the change of tenancy. However, some such as REDACTED ask for a large number of documents which appear unnecessary to establish the legitimacy of the change.

Suppliers should be challenged to meet a demanding timescale for CoT's which if they exceed they should be required to offer the customer much more competitive rates until the CoT is actioned. In doing so this would incentivise suppliers to do CoT's quickly as it is in their own financial interests, rather than the present where delay is financially rewarding.

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

No comment.

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.

No comment.

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.

No comment.

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?

No comment.

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.

No comment.

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?

No comment.

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

No comment

Kind Regards

REDACTED