

POLICY CONSULTATION RESPONSE 7

Dear Ofgem.

Please find below my comments on several questions relating to your consultation on the non domestic energy market. I write specifically regarding the park home sector as I have lived on a protected residential park home site for almost 10 years. I own my home and my contract with the site owner says he is my supplier for mains electric and LPG which runs my heating and hot water. While I appreciate there are many different sites owned and managed in different ways, my site is privately owned by [REDACTED]. We have had many problems without energy provision since I moved to the site, mainly around the site owner completely ignoring complaints, refusing to provide evidence of and a methodology for what we are charged, failing to provide regular bills, and remotely disconnecting residents with little or even no notice if they refuse to pay in full, despite not having evidence of what they are being charged or any bills. My husband and I [REDACTED] feel completely powerless to do anything about these things and are left to fend for ourselves as there is little help available or regulation applying to domestic customers who buy their energy off a re-seller like us.

Responses to consultation questions

Q9 and Q10: resellers of energy should definitely be required by regulation to address complaints from those they resell to in an efficient and timely manner and there should be penalties for those that do not. Our site owner just ignored our complaints completely - he does not reply to emails or letters and yet we have to continue to pay or he disconnects us so all the power currently lies with the site owner and residents have little recourse beyond civil court which is expensive and takes many many months. Mandating that resellers like park home site owners address complaints from users and that there is consequences if they don't, including referral to an ombudsman, would encourage site owners to take our concerns more seriously and would give us somewhere to go to get problems fixed if they do not. The costs of this for site owners should not be factor as park home residents like myself already pay hundreds of pounds a month in ground rent, which is to cover, among other things, the cost of site owners running and managing the site, including residents' complaints on all issues. The problem is that the unscrupulous site owners see this ground rent as pure profit and so don't use it as intended. But since we pay already for services such as this, which can amount to tens of thousands of pounds per month for site owners, I can't see how it could be argued site owners will incur addition costs for handling complaints as they are already paid for this.

However I can't see how mandating resellers like park home site owners to record numbers and handling of users' complaints as unscrupulous site owners like mine simply wouldn't do this. He currently just ignores our letters so he'd likely

continue to do so unless there was a way Ofgem could check with users if they complained.

Q12: I think all residents in park home sites who are supplied with energy from resellers who are their site owners should have access to the ofgem ombudsman service so long as they are paying their ground rent, regardless of the size of the site. I say this because in this situation, these residents are domestic users of energy so should have the same protections. If there were a minimum limit on the size of sites before residents could go to the ombudsman service then the more unscrupulous site owners would find ways round this to avoid the regulation such as by splitting up and renaming larger sites into smaller sub-sites. For park home owners, if your contract says your site owner is obliged to supply your energy then you should have access to the same protections as other residential customers including access to the energy ombudsman to resolve complaints if site owners do not.

Q15: similarly I think park home site owners should be bound by SLC 0A for all energy users that they supply as per contractual arrangements. I say this for the same reasons as suggested above - we are domestic users and yet have very little power and very few protections when resold energy by our site owner. We should be treated the same as regular domestic users as far as is possible and making sure owners responsible for maintaining certain standards of behaviour and conduct would level this playing field for residents somewhat. Again since residents pay the site owner ground rent already that is supposed to include certain services such as the maintenance of energy supply infrastructure, complaint handling etc., then we are already paying so it shouldn't cost site owners anything extra to abide by these standards but having regulations in place mandating this would protect us better.

Q18: the Maximum Resale Price direction is useful bit I think some changes are necessary. At present, the most recent guidance document on this (from 2005) says that site owners can charge a small fee for administering billing and reading meters/admin. However, case law under the Mobile Homes Act has more recently ruled that this is only the case if a resident's contract with the site owner contains an Express Term saying such a fee can be charged (see:<https://parkhomes.lease-advice.org/article/court-of-appeal-decision-on-recovering-administrative-charges-on-utility-costs/> and <https://parkhomes.lease-advice.org/article/upper-tribunal-decision-concerning-administrative-charges-and-site-owners-entitlement-to-recoup-costs-of-electricity-lpg-and-sewage-services/>). Until the last few years, having such terms in your contract was rare as admin costs associated with site owners reading meters and preparing bills were included within residents' monthly ground rent charges, which are between £150-300/month, so not an insubstantial sum for site owners to receive each month considering the number of homes on many sites). I think ofgem needs to make clearer in its MRP guidance that such

admin charges are not always automatically permitted but are dependent on what the contractual arrangements between residents and site owners say. My own site owner has relied on the ofgem's MRP guidance to argue he can charge a 25% uplift on my electric bills [REDACTED].

In addition, while the MRP guidance makes clear residents have the right to see evidence of charges and the methodology being used by the site owner to pass these on (so they can check the MRP is being enforced), residents currently have little to no recourse if site owners refuse to provide this. They would have to go to the civil court to get this which takes many months and incurs a cost to them, which's outs many residents off taking this route. Also, during this time residents may have to continue to pay the full charges, even if they think they are being overcharged, as site owners may disconnect them remotely. This happened to a friend of mine on her site - while she was awaiting the courts ruling her site inert demanded she pay in full or she would be disconnected and when she refused, on the basis that she was in dispute and a court ruling was imminent, the site owner cut her off anyway. She was not reconnected until she paid in full. This means she will have to go to the small claims court to get the amount she has been overcharged back, which puts an unnecessary extra burden on residents and puts many off reclaiming what they are rightly owed.

My view is that regulations should allow residents to stop paying all of their energy bills until the site owner has provided the evidence and methodology if requested. After all, this is information that site owners should have to hand easily so it should not take long to provide it if they are abiding by the MRP. But if they are not and they are choosing to obfuscate and delay to put residents off challenging them or force them to go down the civil route, then residents having the right to temporarily suspend their energy payments would be a bigger incentive than currently exists to site owners to provide the information quickly. At present all residents can do in this situation is either go to civil court (which many do not wish or have the funds to do) or stop paying a tiny portion of their energy bills (which has little effect on site owners as the amounts are often negligible).

Residents should of course still be liable to pay if they are being charged correctly but if the MRP is not being followed or the information required for residents to evidence this is not being provided in a reasonable time frame (say 2 weeks) then site owners need to be sanctioned for this as the power in these situations is currently too unbalanced in favour of site owners. Allowing residents to withhold payments and ofgem sanctioning site owners who flout the MRP (though fines or even though residents not having to pay what they owed if a site owner is found to have broken these rules) would redress this imbalance and incentivise site owners to follow the MRP directions and to be transparent in their charging.

Given many park home sites use LPG for their heating, it would also be helpful if LPG was regulated in the same way.

Finally, I think the MRP direction should include clearer rules on back billing of residents if site owners have make mistakes in their billing. The direction currently allows residents to be back billed for a maximum of 12 months. However most

contracts between residents and site owner do not contain a term that allows for back billing. If site owners wish to be able to backbill residents then they should have to include an express term on this in their contracts and ofgem should make clear in their MRP guidance that backbilling is only permissible if residents' contracts contain such a term. Since the guidance does not mention this at present residents can receive bills for hundreds and even thousands of pounds from site owners and feel bullied into paying, even when their contract does not allow this, because unscrupulous site owners will disconnect them or threaten them if they do not. The responsibility for accurate billing must lie with site owners as they own the meters and make tens of thousands of pounds a month on ground rent whereas park home residents tend to be on fixed and often low incomes as they are elderly, retired and often disabled. Expecting residents to pay for some site owners' laziness or incompetence seems very unfair and can result in residents losing everything or having to sell in order to pay backdated bills. Site owners have legally binding contracts with their residents that cover what they can charge for. Ofgem makes clear already that if a supplier wishes to be able to backbill then this must be included as a term in their contract with the user. So in park homes so if there is no mention of backbilling in residents' contracts then it should not be allowed. This would protect residents from large unexpected bills that are the result of site owner error and would also incentivise site owners to be more accurate in their billing (as often they estimate bills to save time on admin knowing full well they can just backbill residents at a later date and disconnect them remotely if they don't pay up).

Or, where such a term is included in residents' contracts, ofgem guidance needs to make it clear residents have an obligation to pay this but only where there is such a term - I think it is only fair that residents know in advance what they can be expected to pay. Ofgem MRP guidance needs to make this point clear to better protect residents and better make site owners aware of what they can and cannot charge for.

Finally, I think the MRP direction needs to be clearer on what site owners need to show on customers' bills as at present there is little guidance on this and the bills park home residents receive are rarely as clear in terms of breakdown of charges as other domestic energy customers' bills. My own bill for example shows only a blended unit charge for my electric plus the standing charge [REDACTED]. My daughter who lives in a flat with the same type of tariff receives bills that break down all her charges so it is transparent and she can understand what she is paying. Park home site owners often fail to do this as it is in their interests to hide charges so residents cannot tell if the MRP is being followed or not. This is deeply unfair to park home domestic energy users and allows unscrupulous site owners to get away with overcharging.

Q22: one final point I would make in relation to park home owners and their energy is that I think residents should have the same rights over their energy consumption data as other domestic users. At present site owners can subcontract metering to third parties residents as the site owner owns the sub-meters. When they do this, residents have no

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rights to chose how or what of their consumption data from their smart sub-meters is shared with subcontractors because residnets don't own the sub-meters. So while other domestic energy users can chose which if their usage data and how often this is shared with third parties, park home owners have no such rights and the sharing of their own consumption data is effectively not within their remit. This seems very unfair.

I hope these comments are helpful and contribute to a fairer energy system for users supplied by re-sellers such as park home owners.

Thank you,
[REDACTED]

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