

IPHAS RESPONSES TO THE Ofgem CALL FOR INFORMATION QUESTIONS.

Q1. Do you agree with our proposal to agree voluntary improved pricing transparency and if so, please include comments on the particular areas you would like to see made more transparent?

Irrespective of where their energy needs are source, all domestic energy consumers must be provided with clear and precise information about the charges made to them. To underwrite this, they must all benefit from the protections provided by Ofgem, the market regulator. Please note the following circumstances.

- a) **Electricity.** Transparency of supply contracts and pricing is limited for park home consumers (occupier). Under the written agreement (contract) between the park owner and the occupier the Park Owner (PO) must only charge the occupier the same unit tariff he is charged by his supplier and if requested by the occupier, provide (free of charge) documentary evidence in support and explanation of any charges for the supply of utilities. Of equal concern, there is no formal invoicing process in place requiring the PO to detail charging and tariff information. Many bills are on scraps of paper, undated, comprising inconsistent details e.g., overlapping charging periods.
- b) **Liquid Petroleum Gas (LPG).** As a commercial product, the LPG market isn't regulated by OFGEM, but by Liquid Gas UK, the official UK trade association for LPG and BioLPG in the UKLPG. Some occupiers with a bulk LPG tank adjacent to their property are allowed to access the market and contract for their own LPG supply. Other occupiers may be supplied from a 'shared tank' provided by the PO's supplier. Most occupiers rely on large gas cylinders being delivered to their home by a supplier. Although the occupier has the right to source their own supplier of these cylinders, many PO's refuses to allow this independent sourcing, and there are instances where suppliers have been turned away from a park by the PO. The PO will also refuse to provide the occupier with the "documentary evidence" (referred to above), for LPG supplies and will add a 'premium' to their charges for those occupiers with shared tank and cylinder supplies, 'for delivery, maintenance and insurance'.
- c) **Heating Oil.** To IPHAS knowledge, very few occupiers use heating oil and we have not been made aware of any issues arising from the supply of heating oil to occupiers.

Q2. Do you agree with our proposed definition of 'significantly exceeds'? Please provide your reasons.

That appears to be a reasonable definition in the context it is used.

Q3. Do you agree with our proposal that suppliers should review deemed contract rates quarterly? Please provide your reasons.

Any scale of charges to the consumer (and any associated unfair terms), must always be kept under regular review to the benefit of the consumer, particularly where deemed contracts have been introduced which are likely to impose higher tariffs when of shorter duration.

Q4. Are there any potential implications for domestic customers that the proposed guidance on deemed contract rates may impact on?

The tariffs associated with deemed contracts could, without notice, introduce severe financial hardship to occupiers, and should last no longer than the first 'quarterly review'.

Q5. Do you have any further comments on our proposals for the deemed contract guidance?

These contracts lack transparency and fairness, making it extremely difficult for the park home consumer to make a legal challenge where they suspect overcharging. A legal requirement to limit the duration of deemed contracts when they apply to a domestic consumer.

Q6.

Do you have any other comments on the other proposals in this Pricing and contract behaviour section?

The park home consumer will not benefit from the recently announced price cap to be introduced from October 2023.

DESNZ must agree and implement changes to the existing Ofgem remit, to enable them to extend their full protection to domestic consumers trapped in a non-domestic energy supply situation, as a top priority. This will introduce much needed governance of issues such as infrastructure and charges for the supply of Electricity and LPG. This should include the licencing of the PO regarding the safe delivery of adequate energy supplies to the occupier and most important of all, the freedom of choice for the occupier to source their own direct energy supplies from the market.

Q7. Which documents, or combination of documents do you believe would provide a robust evidence base to demonstrate a genuine CoT/CoO?

- a) Out of Contract (OoC), Change of Occupier (CoO), or Change of Tenancy (CoT) issues for occupiers arise when the site they live on is sold to a new PO. There is no legal framework in place to control this activity and protect the occupier. It is for the would-be PO to carry out due diligence and understand their obligations in owning and operating the park, but the IPHAS experience is that few, if any, checks are done at all.
- b) IPHAS has long been concerned about the lack of knowledge and training of individuals owning and selling park home sites and we regard the PO as an unlicensed and unregulated re-seller of energy. This is compounded by the evidence contained in the attached documents, the contents of which came to light when preparing the IPHAS response to the Ofgem call for evidence [Call for input on the Non-Domestic gas and electricity market | Ofgem](#).
 - 1 A protected park can change ownership at any time without notice to the occupiers or the licencing authority.
 - 2 Occupiers may only learn of a change in ownership after it has occurred leading to uncertainty about the continuance of essential services to the site, as contracts for services agreed by the previous owner are usually cancelled when he leaves the park.

- 3 Energy Companies cannot guarantee continuance of supply during transition to new ownership unless the new owner being approved.
- 4 The approval process cannot take place until the new owner has been accepted by the Licencing Authority (LA), under the Local Government Act and the Fit and Proper Person Test of the Mobile Homes Act 1983.
- 5 In most cases, the approval process cannot take place until well after the sale and transfer of the business to the new PO, has been completed, with the following consequences for the occupier:
 - i. The new owner must negotiate new contracts for site services. Lack of prior business or contract history can lead to delays in arranging new contracts quickly, putting the occupiers at risk.
 - ii. The new PO's energy contracts may be at significantly increased terms, with the inevitable financial penalty to the consumer.
 - iii. With some transactions, there is uncertainty that important business records (e.g., servicing, maintenance, and safety records), have been transferred to the new site owner.
 - iv. These circumstances very quickly lead to 'Deemed Contracts' being put in place at significantly increased tariffs.
- c. IPHAS strongly recommended that new regulation must be introduced to ensure continuance of energy supplies at a fair and reasonable tariff, as part of an urgent review of the process by which park home sites are sold to new owners, with tighter control of essential records.

[REDACTED]

Q8. Are Micro Business Consumers aware they can contact Citizens Advice for support?
Do we need to introduce a rule requiring suppliers to signpost them more specifically?

- a) Occupiers don't know if their park is designated as a micro or macro business. Park home sites are small business' but there are some ownership groups with significant levels of park ownership. At present, only Micro business have access to the Energy Ombudsman. Clearly, there needs to be a review. Occupiers must all have the same rights, irrespective of whether their park is designated as a Micro or Macro business. In past times, IPHAS has referred occupiers to Citizens Advice on numerous occasions. The answer is always the same, 'we can't help you with your problem, please speak with Ofgem'.
- b) Whether the park they live on is a micro or macro business model is a moot point for occupiers. We can't comment on signposting, but what occupiers need are clear regulations, a robust avenue to redress, and reliable decisions to protect all park home sites, irrespective of the size of the business. The concern for IPHAS is whether Ofgem can appreciate the difficulties created for park home communities due to the lack of any energy regulation of their site.

Q9. Is an obligation requiring efficient and timely complaints handling needed? If so, what are the costs and benefits associated with introducing this?

IPHAS are firmly of the view that all issues affecting the provision of safe, adequate, and reasonably priced energy supplies to the park home sector, can only be achieved by extending the protections provided by Ofgem governance, including access to the Energy Ombudsman,

Currently, the routes to redress for occupiers is either the FtT, or the Enforcement team from the Licencing Authority (LA). These bodied cannot provide complete and consistent governance redress for the occupier. For instance, the LA is only required to inspect the park once every five years, and their response to a complaint about energy services to a park is *'We're sorry, we don't have the resources'*.

Q10. Is an obligation requiring recording, handling, and processing of complaints in accordance with consistent rules needed? If so, what are the costs and benefits associated with this?

IPHAS can't comment on costs however, a proper regulatory process, including a range of sanctions and fines, up to and including access to the Energy Ombudsman for park home consumers, is the best way to address complaints in a situation where redress is currently minimal, expensive and time consuming. There is no substitute for proper regulation, inspection, accountability, and sanctions, to bring this sizeable part of the energy sector under proper control.

Q11. Do you have any views on what (if any) threshold should apply on business size for complaints handling requirements, or views on which requirements set out in the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 should not be expanded to apply to all non-domestic customers?

All energy consumers will benefit if the industry is properly regulated and policed in a timely and efficient manner, and any findings are translated into continuing best practice. Complaints and handling procedures must be at the heart of all consumer supply planning, particularly energy supply that ultimately, should result in a downward trend of arisings with related cost benefits.

Q12. We are seeking stakeholder views on our suggested proposals to government around increasing access to the Energy Ombudsman. Should there be a threshold on who can access the Energy Ombudsman? If so, where should this be set?

All Occupiers should have access to a well-managed and responsive customer service experience, including a reliable complaints and handling procedure, ultimately extending to the Energy Ombudsman, when appropriate.

Q13. We are seeking stakeholder views on the proposed changes to the rules requiring suppliers work with TPIs who members of a redress scheme are. Additionally, what are your views on the costs and benefits associated with the different proposals?

No comment

Q14. What are views from stakeholders on how long it would take to set up and register for a wider TPI ADR scheme, one that goes beyond Micro Business Consumers?

Micro and Macro business in relation to the park home sector. The obvious answer is to review existing consumer protection and complaints procedures in place in other areas of the energy supply industry (one hopes), and through a pilot program, and subsequent review, this need not be costly in time and other resources.

Q15. What are your views on our proposal to expand SLC OA (non-domestic Standards of Conduct). Do you have any views on which consumers they should or should not apply to? Please provide any views on costs and benefits of making this change.

The expansion of any Code of Conduct must be welcomed, provided it is applied equally and fairly to all consumer groups.

Q16. Do you have any further comments on the proposals in this section on Competition in the market and customer complaints?

Park home consumers must be granted access to the free market when sourcing their future energy supplies. It is also essential they are brought under the protection of the Regulator Ofgem. The introduction of a robust inspection regime and a mandatory Code of Conduct would bring a level of accountability for park owners never before seen. Historically, PO's have paid scant regard to investment in the repair and maintenance of infrastructure, and their pathetic attempts at billing the consumer, which lack any transparency or meaningful scrutiny, would become a thing of the past. For the occupier, the road to redress through the regulator and the energy Ombudsman is essential.

Q17. What are the views of Distribution Network Operators (DNOs), Independent Distribution Network Operators (IDNOs), Gas Distribution Networks (GDNs), and Independent Gas Transporters (IGTs) on the potential issues of targeting support to vulnerable end users supplied through non-domestic contracts?

Whilst IPHAS can't speak for DNO'S, targeting support to elderly and vulnerable end users supplied through non-domestic contracts must have top priority. However, as owners of the master meter on a protected site, the only name currently registered against that meter with the DNO, is the PO. A representative of one DNO has stated to IPHAS, that they see no reason why multiple names and addresses cannot be registered with the DNO, along with the PO. This one issue alone would have resolved the identification and eligibility of the park home consumer, in the distribution of the EBSS-AF and AFP-AF payments, where redemption rates have since been found to have been poor, in the event.

Q18. What changes to the Maximum Resale Price direction would improve its effectiveness and what are the potential downsides to any changes?

When bringing park home occupiers under the protection of Ofgem regulation, must include changing their current designation to 'Domestic Consumer'. This must include proper policing and would extend the benefit of MRP direction to tens of thousands of elderly and vulnerable consumers on fixed incomes.

Q19. What are the costs and benefits associated with the proposal to expand TPI commissions disclosures to all non-domestic customers? How long would it take

suppliers to implement this policy?

IPHAS Believe that creating legislation allowing all occupiers to access the energy market, will remove any potential involvement in TPI's. As some occupiers, usually with more expensive homes, already have access to the energy market, there should be little or no cost in extending this direct access to all park home consumers.

Q20. Are there views on how commissions disclosure is best presented to be understood by consumers?

All communications with consumers should be clear and simple, so everyone can understand the content.

Q21. Should we expand commissions disclosure to all non-domestic customers or a sub-set of customers, and if a sub-set do you have views on how to define this?

At present, the only places the full residential compliment of a park home site is registered, are the electoral roll and the local council tax department. Every energy consumer must be registered with an energy provider of their choice as a matter of urgency. How does the industry calculate demand when a sizeable communities of consumers go 'under the radar'?

Q22. Do you have any further comments on the proposals in this section on focused consumer support?

Focused consumer support does not exist as far as the park home sector is concerned. The only way to deliver that is to introduce the necessary legislation that will allow Ofgem to extend all their protection to the sector.

A PO, acting as a second-tier supplier is unlicensed, unregistered and untrained. This results in no recourse for these domestic consumers on issues such as, tariffs, safety of equipment and service infrastructure, continuity of supply, billing, and compensation for severe outages.

Under their local licencing authority, the current inspection regime for park home sites is no longer than once every five years. Unfortunately, there is no consistency with how different LA's approach this requirement, and record keeping by POs and some LAs is also an issue.

Another issue for occupiers, has been their exclusion from the Governments Electricity (Standards of Performance) Regulations 2015, leaving them without compensation for severe power outages. This is now the being addressed by the draft SI proposals – S.I. 2015/699 and S.I. 2015 /698.

Occupiers constantly complain that their PO, who divides his energy charges between them and adds a proportional sum to their bills, is regularly failing to negotiate the best possible unit tariff for their business *and* the residents. They also complain that they cannot obtain a detailed breakdown of the amounts they are being charged for LPG and Electricity.

IPHAS concern is that the information signposting 'non-domestic' users to where they might register complaints, does not work. LA's say their remit does not extend to infrastructure,

power outages and charging issues, and they are not resourced anyway. Citizens Advice advise calling Ofgem, Ofgem have no remit to deal with park home issues.

None of this helps the park homeowner.

Perhaps it would be more helpful to the consumer if, before sanctioning such 'helpful' statements on your website, your Executive took steps to verify that the avenues to redress you claim, are valid.

Your lead statement states -

We also are asking government to consider making changes to regulation, where we do not currently have vires to intervene or change regulation. This includes wider access to redress support and matters relating to energy brokers.

Some domestic consumers do not contract directly with a supplier, but with a third party, such as a landlord or mobile park owner who has agreed a non-domestic contract. We will work with government to get these customers more support.

That work with Government is long overdue. The energy and cost of living crisis are having a profound and damaging effect on thousands of elderly and vulnerable residents of park home sites, we appeal to you to take urgent action with Government regarding change to your remit, and for Ofgem to take the park home sector under their protection.

Ian R Pye Chair,

The Independent Park Home Advisory Service (2021) Ltd.