

Non-domestic supplier CEOs  
and Directors of Regulation,  
Non-domestic customer  
groups and other interested  
parties



Making a positive difference  
for energy consumers

Email: [Tim.Jarvis@ofgem.gov.uk](mailto:Tim.Jarvis@ofgem.gov.uk)

Date: 6 November 2023

Dear colleagues,

### **Preparations for Winter in the Non-domestic supply market**

As we approach winter, I know you share my hope we do not see the turbulence in our wholesale energy market we saw last year. However, we must be prepared for all outcomes. In any event, we want to ensure customers this winter receive good service and fair treatment as they engage in the energy market.

We have worked closely with suppliers and customer groups and welcome engagement with our Non-domestic market review. Following our summer consultation, we will soon publish a Statutory Consultation to take forward certain licence changes. The non-confidential responses we received are published today on our website.

Given the challenges many businesses are still facing, it is critical no customer this winter pays more than they should. Following our recent investigation into how suppliers are pricing their deemed contract rates, and after consulting on draft guidance, today we are publishing our final Guidance on Deemed Contract rules.<sup>1</sup> This means suppliers can review their current processes and satisfy themselves they comply with the licence condition<sup>2</sup> as soon as possible. The rules require suppliers to ensure their deemed contract<sup>3</sup> terms are not unduly onerous. We will not hesitate to act where we suspect suppliers are not complying with the rules.

---

<sup>1</sup> <https://www.ofgem.gov.uk/publications/guidance-deemed-contracts>

<sup>2</sup> Standard Licence Conditions 7.3 and 7.4 of the Gas and Electricity Supply Licences

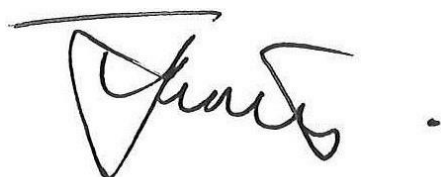
<sup>3</sup> A deemed contract exists when a customer does not have a negotiated contract with a customer, for example when they move into new premises, and starts to consume gas and/or electricity, before they have agreed a contract with a supplier or if they come to the end of a fixed term contract and the contract is silent on what happens at the end of the term.

It is more important than ever suppliers strive to adopt and embed a consumer-centric culture and ensure their conduct results in customers being treated fairly. Supply Licence Condition (SLC) 0A requires suppliers treat their Micro business customers fairly<sup>4</sup>. The rules relate to aspects of billing, contract and transfer activities, including bill accuracy, clarity of communication about contractual information and the need for a supplier to act promptly to put things right when they make a mistake. Alongside this letter we are publishing a Draft Update to our Guidance on our Standards of Conduct supply licence condition<sup>5</sup>. We are proposing adding in examples of behaviours that we do not consider is treating non-domestic customers fairly under SLC 0A, drawn mainly from our enforcement and compliance work. This is not an exhaustive list but is intended to help non-domestic suppliers understand what we do and do not expect. To comment, please email [NonDomesticRetailPolicy@ofgem.gov.uk](mailto:NonDomesticRetailPolicy@ofgem.gov.uk) by 24 November.

More broadly, as we get closer to winter it will be critical we can clearly establish the facts of consumers' and suppliers' experience to quickly and effectively resolve any challenges. We will continue to work closely with suppliers, consumers and Government to enhance our monitoring and intelligence for the non-domestic market, to ensure we have early sight of any areas of concern.

Please contact my team if you have any comments or concerns at [NonDomesticRetailPolicy@ofgem.gov.uk](mailto:NonDomesticRetailPolicy@ofgem.gov.uk). I look forward to our future engagement.

Kind regards,

A handwritten signature in black ink, appearing to read 'Tim Jarvis', followed by a period. The signature is written in a cursive, fluid style.

Tim Jarvis  
Director General, Markets

---

<sup>4</sup> Our forthcoming statutory consultation will comment more on our proposals to broaden this requirement.

<sup>5</sup> The Draft Update can be found in a link on the same webpage as this letter. The original Guidance can be found at <https://www.ofgem.gov.uk/publications/licence-guide-standards-conduct>