

Non-Domestic Market Review Statutory Consultation – 7 December 2023 – stakeholder factsheet

Overview

Ofgem are committed to supporting a non-domestic market where customers receive great service, pay fair prices, and rely on stable suppliers.

To that end, we have been engaging extensively and regularly with the non-domestic sector, including suppliers, business consumers, trade groups and others. Via that process, we have heard first-hand of the challenges many businesses, particularly small and medium businesses, are facing. Many stakeholders have asked Ofgem for more clarity on what the relevant rules and guidelines are – and what protection is available for businesses facing challenges with their energy provision.

To help give both suppliers and consumers that clarity, Ofgem are today announcing a [new statutory consultation on specific proposed changes to certain non-domestic licence conditions](#). The consultation will open on **7 December 2023** and close on **31 January 2024**.

The consultation follows a [Call for Input on the Non-Domestic Gas and Electricity Market](#) and a [Non-Domestic Market Review Findings and Policy Consultation](#) earlier in 2023.

We have also today published a joint DESNZ-Ofgem report into non-domestic consumer perceptions. This report shows that we are proactively listening to businesses and building their views into our mission of building a fairer and more stable non-domestic energy market.

Our announcement

You can read the full [Non-Domestic Statutory Consultation document](#) on our website. Key points include the following:

- **Ensuring suppliers treat all business customers fairly:** we are proposing that the existing rules on Standards of Conduct are expanded to all businesses. Currently, these rules only apply to interactions with Micro Business – by expanding them, we are reminding suppliers to put customers first. This change would also allow Ofgem to take action if a supplier does not behave well towards any customer, regardless of business size.
- **Greater clarity on costs for Third Party services:** we are proposing that rules on transparency on what consumers are paying for Third Party services is expanded to all non-domestic consumers. Many non-domestic consumers use Third Party intermediaries (TPIs) such as energy brokers to help find the best deal for the business – and many good energy brokers often play a valuable and vital role in helping businesses navigate the energy market with confidence. However, we believe all customers deserve transparency about what the costs of these services are. We are therefore proposing that current rules requiring a supplier to show TPI costs on the terms of a contract with any Micro Business are expanded to all customers.

Aligning rules on accessing Ombudsman services

Ofgem's statutory consultation is aligning with the Government's non-domestic consultation, which launched on 28 November 2023. This consultation includes within it a proposal to expand access to the Energy Ombudsman by non-domestic consumers.

The Government is considering a new Small Business definition, which would define a Small Business Consumer as one that:

- employs fewer than 50 employees (or their full time equivalent)
- **and** has an annual turnover no greater than £6.5 million or balance sheet total no greater than £5.0 million;
- **or** uses no more than 500,000 kWh of electricity per year; or uses no more than 500,000 kWh of gas per year.

Ofgem will support DESNZ to agree the new definition. In particular, we will:

- **Expand complaints handling rules for Micro Business to meet the government's new small business definition.** Currently, our complaint handling rules require businesses to deal with Micro Business complaints in a certain way, and to direct relevant customers to the Energy Ombudsman after 8 weeks if the issue hasn't been resolved. We will align these to meet DESNZ's new Small Business definition.
- **Introduce a new rule that ensures suppliers signpost small business customers to the support offered by Citizen's Advice and Advice Direct Scotland,** so that they can support customers as they work on resolving issues.
- **Consult on expanding our current rule that requires suppliers working with Third Party Intermediaries, or energy brokers, to secure microbusiness contracts to only with TPIs that are part of a Qualifying Redress Scheme,** to also align this to the new proposed scope of the Energy Ombudsman. This will make it clearer for customers to know when they can expect to have the option to go to a redress scheme for support, regardless of whether the issue is with their energy supplier or with a TPI.

Next steps

Ofgem's full [non-domestic statutory consultation document](#) can be read on our website. The consultation opens on 29 November 2023 and will close on 18 January 2024.

If you have any questions about the policy, or to make a submission, you can contact NonDomesticRetailPolicy@ofgem.gov.uk.