

Stakeholder fact sheet: Decision on Non-Domestic Statutory Consultation

On **5 April 2024** we announced our decision on non-domestic policy changes that we had previously consulted on. This factsheet sets out the details and background for our decision.

Context

We know that wider volatility in the market over the past few years has impacted businesses across the country. Ofgem are committed to developing and expanding our support for the non-domestic market to ensure we are an effective regulator for all energy consumers.

The decisions referenced in this document are an important part of that journey.

Following extensive consultation with businesses, trade associations, consumer groups, energy suppliers and others, we have decided on several policy changes that will provide more protections to small businesses – and greater clarity and transparency to all businesses.

Since early 2023, we have engaged widely with non-domestic stakeholders, and have run a [call for input](#), [policy consultation](#) and [statutory consultation](#), the latter of which closed on 31 January 2024. This announcement represents the end of that process, and confirms our decision on those policies.

Simultaneously, the Government has also been consulting on policies within their purview that cover related issues. Their decision on these consultations is available on Gov.UK, and connections between our decisions and theirs are referenced below.

These changes will provide significant support to businesses who are facing real challenges with their energy provision.

However, we know that significant challenges remain that require further combined action from Ofgem, Government, suppliers and consumer representative groups to resolve.

What have we announced?

A full summary of the changes we have announced are available on our website.

Under the changes, Ofgem will from 1 July 2024:

- Expand the Standards of Conduct to apply to all businesses of any size, rather than just Micro Business customers. This will give Ofgem powers to take action against suppliers that do not treat non-domestic customers fairly.
- Introduce a new supply licence rule for non-domestic suppliers which requires them to signpost Micro Business customers to Citizens Advice and Citizens Advice Scotland, who can offer support and advice when they have an issue.

Further changes, that Ofgem expects to be in place by the end of the year, include:

- Expanding the requirement for principal terms to clearly display any broker fees from Micro Business customers to all non-domestic customers. This will apply to contracts signed on or from 1 October 2024 and suppliers must make this information available upon request.

From December 2024, in line with government's proposed new Small Business customer definition entering legislation, Ofgem will also:

- Update the Complaints Handling Standards to ensure suppliers put in place suitable complaints processes for Small Business consumers and point them to the Energy Ombudsman when a customer does not feel the issue has been resolved.
- Implement a requirement for suppliers to only work with Third-party Intermediaries (TPIs), often referred to as brokers, that are members of a redress scheme when securing Small Business contracts. This change will take effect no sooner than December 2024 and will help businesses achieve fair and suitable outcomes when working with brokers.
- Introduce a new supply licence rule for non-domestic suppliers which requires them to signpost Small Business customers to Citizens Advice and Citizens Advice Scotland, who can offer support and advice when they have an issue.

Other work - voluntary action

We are also publishing our Best Practice Guide on Non-Domestic Billing Transparency. This document has been developed in our voluntary group of non-domestic suppliers and consumer groups. It is the first part of a staged approach to improving bill transparency in the non-domestic market.

The next step will be working with non-domestic suppliers and consumer groups to implement agreed actions and develop how this information is best made available to customers.

Actions and next steps

We will be continuing to actively engage with our stakeholders to explain and promote understanding of these policies, both via our routine channels and via dedicated briefing sessions.

For any queries or clarifications on the policy, please email:

nondomesticretailpolicy@ofgem.gov.uk.

To set up a meeting or request further engagement with Ofgem on this topic, please email:

marketsstakeholderteam@ofgem.gov.uk.