

Ofgem
NonDomesticRetailPolicy@ofgem.gov.uk

January 2024

Dear Sir/Madam,

RE: Statutory Consultation of Licence Change

FSB is a non-profit making, grassroots and non-party political business organisation that represents members in every community across the UK. Set up in 1974, we are the authoritative voice on policy issues affecting the UK's 5.5 million small businesses, micro businesses and the self-employed.

Summary of Response

Q3 – Q6: Expanding the Standards of Conduct

FSB supports expanding the Standards of Conduct to all non-domestic consumers. The expansion would ensure that suppliers must provide clear and digestible information for SMEs who are often resource-stretched allowing them to take control of their energy consumption.

The expansion of the SoC will also ensure that members have tangible evidence for complaints taken to the Energy Ombudsman to be held against: if SMEs were provided complex, inaccurate, and misleading information by suppliers, they will use the SoC as evidence in their case.

Furthermore, FSB has received anecdotal evidence from a member (outside the current Micro Business Consumers protection) who was mischarged £250,000, taken out via direct debit by the supplier. This member, in dealing with their issue personally, found communication a major barrier for dealing with the issue directly. In turn FSB and the member's local MP had to contact the supplier to handle the complaint and deal with the issue. Due to this, FSB supports the expansion of the SoC that would ensure that suppliers act promptly when dealing with mistakes with redress and communication from the supplier providing an alternative to redressing through the Ombudsman or legal routes.

Q7 – Q9: Consumer Complaints Handling Standards

Due to FSB's support in expanding the remit of the Energy Ombudsman we believe it is imperative that the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 (CHS) is amended. As Ofgem notes in its open consultation, if the CHS were not expanded, there would be a gap in the regulatory framework where SMEs were able to access the Energy Ombudsman, but that suppliers were not required to inform their end-users of that redress avenue. FSB believes that it is vital that the Consumer Complaints Handling Standards are amended to ensure SMEs are provided with greater protection in parallel with the expansion of the Energy Ombudsman.

Q10 – Q12: Citizens Advice

FSB supports the proposal to signpost nondomestic SME end-consumers to Citizens Advice for support. SMEs operate under tight schedules, with limited resources and time. Clear and consistent signposting to Citizens Advice will reduce the burden on SMEs manually researching as well as streamlining the process in accessing valuable and tailored support and assistance. This approach may also alleviate the burden on other services; timely responses to complains may in turn reduce pressure on the Energy Ombudsman, with information provided by Citizens Advice providing an alternative to redressing through legal routes.

Q17 – Q19: TPI ADR

FSB welcomes the changes in the role Ofgem plays in ensuring consistency across the sector. Following evidence from FSB membership, navigating the non-domestic energy market can be difficult, and many of our membership turn to TPIs to ease that burden.

However, we have further received anecdotal evidence of bad practice from some TPIs. FSB welcomes the expansion of requirements for suppliers to work exclusively with TPIs who have signed up to an ADR scheme to ensure there are regulations within the sector. Due to FSB supporting the expansion of the Energy Ombudsman to include larger small

businesses, we believe the TPI ADR scheme would equally mirror this, in turn ensuring consistency within the energy market.

FSB would further recommend, in tandem with the changes outlined, that a public list of TPIs that are signed up to the ADR scheme, consolidated to include all ADR schemes that are Ofgem recognised, is released. This would provide a single point of reference for SMEs, which is easily accessible, ensuring clarity, efficiency and security when organising a contract with TPIs.

Yours sincerely,

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Federation of Small Businesses

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