

Emailed to: NonDomesticRetailPolicy@ofgem.gov.uk

30 January 2024

Ofgem Non-Domestic Market Review: Statutory Consultation on Licence Changes

Thank you for the opportunity to comment on the Ofgem Non-Domestic Market Review Statutory Consultation. Our comments are enclosed below but we welcome this development to ensure that non-domestic consumers experience better outcomes.

Standards of conduct

We support the widening of the Standards of Conduct to all non-domestic consumers. In our response to Ofgem's Non-domestic Market Review: Policy consultation in the Autumn we identified, for example, price increases on fixed term contracts as an issue faced by non-domestic consumers. Extending the Standards of Conduct to all non-domestic consumers will help to improve protections, as it has with domestic consumers.

Complaints handling standards

We support the proposals to expand the Gas and Electricity (Consumer Complaint Handling Standards) Regulations 2008 to small business consumers. We also support providing access to the Energy Ombudsman for small businesses. We have been working with the Government on potentially extending access to the Energy Ombudsman to small businesses more generally. We think it makes sense to align the proposed remit extension in relation to small business consumers of energy suppliers and energy Third Party Intermediaries (TPIs) – via the Energy Ombudsman and the Energy Broker Alternative Dispute Resolution (ADR) scheme respectively. We would advocate also for an alignment in timing of extension, though would be happy to work with Ofgem and Government to deliver within the timescales that are decided in each case.

Signposting to relevant customer support services

As a package of measures to help improve outcomes for non-domestic consumers in the energy sector, we agree that it makes sense to extend the requirement on suppliers to signpost small business consumers to Citizens Advice and Citizens Advice Scotland.

TPI redress scheme membership

We operate an Energy Broker ADR scheme for microbusiness consumers and support extending this to small businesses. This will not only improve dispute resolution but also help identify issues in the sector that energy brokers can work on to prevent complaints happening in the first place. This, in turn, should help to raise standards of complaint handling and increase the trust and confidence that non-domestic consumers have in their energy brokers and the energy sector more generally.

As the statutory consultation highlights, it makes sense for non-domestic consumers, suppliers and brokers to have consistency in extending redress to small businesses. We think ideally this should align with the Government's proposal to extend access to the Energy Ombudsman for small businesses with an unresolved complaint about their energy supplier. We agree that the same definition for small business should be used in both instances. In summary, we believe the same protections should, wherever possible, be afforded to small businesses whether or not they choose to work with a TPI.

The Energy Broker ADR scheme went live in December 2022 and is running well – we have onboarded over 1800 energy brokers and accepted over 900 disputes from microbusinesses. We have learnt a lot during its first year of operation, both in terms of the key themes and trends of the complaints. We are in the process of reviewing the first full year of the scheme, including how we can further strengthen scheme delivery and sharing insight with the sector on our learnings. We are confident in our ability to scale-up our Energy Broker ADR scheme to cover small businesses, working with Ofgem, energy suppliers and the energy TPI sector.

In terms of ensuring that all stakeholders are ready for the change, we believe it would be preferable for the timescales of scheme extensions to be the same. Ofgem's consultation proposes an eight-month timescale for the remit extension, from the decision going live to energy brokers signing up to the Energy Broker ADR scheme. We believe this is an achievable timeline for an extension of access to both our core service and to the broker scheme. We also consider this to be sufficient time for suppliers and TPIs to adjust systems and processes as necessary to make the changes.

Whilst we would advocate for consistency in the timing of scheme extensions, we will continue to work with Government and Ofgem as necessary if an earlier implementation date is desired and achievable.

We also support Ofgem's desire for better standards in the energy broker market. From our engagement in the market, we know that many operating in the sector also want to improve standards and want the sector to build a better reputation. We therefore support Ofgem's call for looking at the potential regulation of TPIs, to determine if this would benefit businesses.

TPI service fee transparency

In line with extending other protections to small businesses, we agree with extending TPI service fee transparency to all non-domestic consumers and maintain the lump sum fee transparency for microbusiness consumers.

Thank you again for giving us the opportunity to respond - please do not hesitate to contact us if you would like further information regarding our response. Our response is not confidential.

For more information regarding this consultation please contact:

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