

Licence changes statutory consultation – UKHospitality response

About UKHospitality

- UKHospitality is the leading trade body for hospitality, representing more than 740 members and 130,000 venues across the UK. As a sector, hospitality contributes £93 billion to the economy, employs 3.5 million people and generates £54 billion of tax for the Treasury.
- The body speaks on behalf of a wide range of leisure and 'out-of-home' businesses, from FTSE 100 enterprises to medium-size groups and independent single-site operators, as well as 6,000 affiliated operators.
- Engaging with government, the media and the public, UKHospitality works to develop a robust case on how to unlock the industry's full potential as the biggest engine for growth in the economy and ensure that the industry's needs are effectively represented.
- Hospitality represented 10% of UK employment, 6% of businesses and 5% of GDP in 2019.

UKHospitality response

Whilst not responding to the consultation in its entirety, we would like to make the following points related to a number of the proposals outlined:

We now propose to expand the Standards of Conduct rule to include all customers, to better reflect the fact that all customers, regardless of size or energy use, should expect fair treatment.

We strongly support expanding the Standards of Conduct rule to include all customers. As is set out within the consultation document, it is important to recognise that throughout the recent (and ongoing) energy crisis, many hospitality businesses have experienced several issues with energy suppliers, who have, in instances, hiked standing charges, charged high deposits and in some cases refused to supply the sector. These issues have been experienced by hospitality business of all sizes, and therefore it is right that the Supply Licence Condition is expanded to mandate suppliers to treat all customers fairly.

Whilst this is undoubtedly a positive measure, it is important that expanding the scope is accompanied by increased powers to penalise energy suppliers with the appropriate action, should they fail to act in a consumer-centric manner.

We are proposing to widen the Complaints Handling Standards to the same Small Business Consumer Definition.

We strongly support widening the Complaints Handling Standards. Whilst increasing the scope to the Small Business Consumer Definition is a positive step, we believe businesses of all sizes should be covered by the Complaints Handling Standards. Being able to raise a complaint against your energy supplier in an efficient way – and get a quicker resolution – is crucial for businesses of all sizes, as part of resolving disputes. As highlighted

within our response to the consultation on increased access to the Energy Ombudsman, if expanding this to businesses of all sizes is not possible, at the very least, the scope should be brought in line with the commonly used SME definition (up to 250 employees, an annual turnover of up to £36 million and an annual balance sheet total of up to £18 million).

We are proposing to require suppliers to signpost the relevant statutory customer support services, including Citizen's Advice and Citizen's Advice Scotland.

Yes, we support this approach.

We have asked government to consider regulation of TPIs.

We strongly support regulation of TPIs, as a means of delivering better behaviours in this area of the market. We would ask the government to look into a more formal regulation of the market, including the need for a formal redress scheme, as there is in other sectors. Whilst some hospitality businesses have had positive experiences when dealing with TPIs (brokers), it is important to spotlight the bad actors, as a means of increasing the standard of the industry and providing greater protections to business customers.

We are proposing to expand the existing rule to require clarity about Third Party Costs for all business customers, not just Micro Business customers.

We support any attempts to improve clarity around Third Party Costs. It is right that this is expanded to all business customers, irrespective of size and we would urge a similar approach to be taken for some of the proposals outlined above.