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Dear Louise,

Ofgem non-domestic market review consultation

I am responding to the above consultation on behalf of the Major Energy Users Council (MEUC), an independent body representing leading companies in the Industrial, Commercial, Retail and Public sectors of the market, for who energy is a major cost.

The electricity consumption of MEUC members is over 30% of the UK's non-domestic total demand, with all members spending many millions of pounds and in some cases many hundreds of millions of pounds on energy.

Q1. Alongside this consultation document we have published a draft impact assessment. Do you have any comments on the draft impact assessment published alongside this document, including the costs and benefits, competition impacts, and unintended consequences?

A potential impact on competition and unintended consequences could be the withdrawal of suppliers to some sectors of the market as we saw in 2022.

Aug 2022 – [REDACTED]

March 2022 – [REDACTED]

Q2. Is there anything that has not been included in the impact assessment that you believe should be included?

Nothing obvious comes to mind.

Q3. Do you agree with our proposal to expand the Standards of Conduct to all Non-Domestic Consumers? Please provide a reason for your view.

Yes, all consumers whatever their size should be protected by Standards of Conduct.

Q4. Do you have any comments on our proposed draft licence text for SLC 0A?

No, licence wording is for the legal profession.

Q5. Do you agree with our proposal to implement the SoC as soon as the updated licence condition takes effect? Please provide a reason for your view.

Yes, the protection it will/should provide must be available as soon as possible.

Q6. Do you have any views on the updated draft Standards of Conduct Guidance?

No

Q7. Do you agree with our proposal to align with government proposals and expand the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 (CHS) to apply to Small Business Consumers? Please provide a reason for your view.

Yes as an interim, however expanding it to all non-domestic consumers should be the aim.

Q8. Do you have any further comments on the proposed drafting of the CHS Statutory Instrument text?

None

Q9. Do you have any comments on the proposed implementation timeline of 3 months from the date of decision?

This timeline would suit consumers.

Q10. Do you agree with our proposal to require suppliers to inform their Micro and Small Business Consumers (if this is applied) that they can access, and how to contact, Citizens Advice and Citizens Advice Scotland? Please provide a reason for your view.

yes

Q11. What measures would suppliers intend to take to meet the obligation to signpost Small Business Consumers to Citizens Advice, and how would this impact costs?

No comment

Q12. Do you have any comments on our proposed draft licence text for SLC 20.5A and 20.4A in the gas and electricity supply licences respectively? This proposed Consultation - Non-domestic market review: Statutory consultation on licence changes 113 definition of Small Business Consumer includes Micro Business Consumers. However, do you think it would be preferable to explicitly set out in the licence condition that suppliers should signpost Micro Business Consumers and Small Business Consumers to Citizens Advice for the avoidance of doubt?

No to the draft text.

Yes, to the micro and small businesses signpost, however this leaves a gap of what redress a larger consumer has.

Q13. Do you agree with our proposed implementation timeframe of 3 months from the date of our final decision?

Yes

Q14. Do you agree with our proposed change? Please provide comments to support your answer.

Yes, I agree with the change however ultimately all TPLs in the industry should be regulated.

Q15. Do you agree with the wording of the proposed licence condition changes outlined in Appendix 1?

No, licence conditions wording is best left to the lawyers.

Q16. Do you have any comments on the suggested implementation timescale of 8 months?

If one supplier offered 6 months, I believe 8 months is a generous timescale for implementation.

Q17. Do you agree with our proposed expansion of Third-Party Cost transparency to all Non-Domestic customers? Please explain your answer.

Yes. This has seen to be necessary since first examined by an Ofgem workgroup in 2014.

Q18. Do you agree with our proposed methodology of displaying Third Party Costs? Please explain your answer.

Yes.

Q19. Do you agree that our proposed timescale for implementation is achievable? Please explain your answer.

Yes.

Q20. Do you have any views on whether to retain the presentation of a lump sum for Micro Business Consumers and to have only a cost per unit for all Non-Domestic consumers?

The proposal sounds sensible.

Q21. Do you have any views on the proposed wording of the supply licence conditions, in relation to this policy? Note that is SLC20.6 in the electricity supply licence and SLC20.7 in the gas supply licence.

No, again for the lawyers.

Q22. Do you have any other comments on our proposals not asked specifically elsewhere in this document?

None

General observations.

Since privatisation of the industry, the only redress for an SME or large consumer has been to use the suppliers own complaints procedure and if that failed, to take legal action, which in most cases was seen to favour larger supply companies with deeper pockets.

The above proposals are most welcome but still leave a significant sector of the market with no neutral arbiter to turn to with a complaint.

The TPI proposals are a major step forward and Ofgem should be congratulated for addressing the shortfalls at this time.

Yours truly

A handwritten signature in blue ink, appearing to read 'E. Proffitt', is written over a light blue rectangular background.

Eddie Proffitt.