

To Non-Domestic gas and
electricity suppliers, network
companies, and other interested
parties

Email:

NonDomesticRetailPolicy@ofgem.gov.uk

Date: 19 September 2024

Dear stakeholders,

Notice of Standard Licence Condition (SLC) 20.5B, 20.6, 20.6A, 20.6B, 20.6C, and 20.6D in the Gas Supply Licence, SLC 20.4B, 20.5, 20.5A, 20.5B, 20.5C, and 20.5D in the Electricity Supply Licence, and the expansion of the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 to Small Business Consumers, to take effect from 19 December 2024.

In December 2023 government consulted on expanding access to redress for small businesses and introducing a new 'Small Business Consumer' definition.^{1,2} This would be achieved via a change to the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (the "2008 Order"), which defines who can access the Energy Ombudsman.³ In April 2024 government decided to proceed with this proposal, confirming they would make a Statutory Instrument to amend the 2008 Order. This would enable Small Business Consumers to access redress via the Energy Ombudsman, which had previously only been accessible to Domestic and Micro Business Consumers.

On 5 April 2024 we published our decision on our Non-Domestic Market Review.⁴ As part of our decision we decided to modify or implement new Standard Licence Conditions (SLCs) which were aligned with government's introduction of the Small Business Consumer definition. These modifications would ensure that:

¹ www.gov.uk/government/consultations/new-threshold-for-businesses-accessing-the-energy-ombudsman

² The new 'Small Business Consumer' definition covers businesses with:

- Fewer than 50 employees or their full-time equivalent AND an annual turnover of at most £6.5 million or a balance sheet total of £5.0 million; OR
- An annual consumption of electricity of not more than 200,000 kWh; OR
- An annual consumption of gas of not more than 500,000 kWh

³ The 2008 Order can be found here: www.legislation.gov.uk/uksi/2008/2268/made

⁴ Our April Decision and Notices of modifications to the Gas and Electricity supply licences can be found here: www.ofgem.gov.uk/decision/non-domestic-market-review-decision

- suppliers are required to inform Small Business Consumers that they can access Citizens Advice and Citizens Advice Scotland
- suppliers must ensure when working with Third Party Intermediaries for Small Business Consumer contracts, that the Third Party Intermediary is registered to a Qualifying Dispute Settlement Scheme.

We also decided that the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 (CHS) would be expanded to include Small Business Consumers.⁵

These modifications were subject to government amending the 2008 Order, which was dependent on parliamentary processes. We were therefore unable to provide an exact date that the SLCs would come into effect. However, to provide sufficient time for suppliers to prepare, and provide a reasonable timeframe for parliamentary processes to be carried out, we proposed that the modified SLCs and the expanded CHS will come into effect no sooner than 1 December 2024. We stated in our decision that, once the amendment to the 2008 Order was approved, we would issue a Notice confirming the dates the CHS and SLCs will take effect, given with at least three months' Notice.

Notice of SLCs and CHS taking effect from 19 December 2024

The amendment to the 2008 Order was laid before parliament on 12 September 2024, made on 12 September 2024, and has been published online.⁶ The amended 2008 Order will come into force on 19 December 2024.

This letter is therefore Notice that the following SLCs and expanded CHS will take effect from **19 December 2024**:

- In the Gas Supply Licence, **SLC 20.5B, 20.6, 20.6A, 20.6B, 20.6C, and 20.6D**
- In the Electricity Supply Licence, **SLC 20.4B, 20.5, 20.5A, 20.5B, 20.5C, and 20.5D**
- **The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008** will apply to Small Business Consumers.

Appendix 1 sets out the above licence conditions.

⁵ The CHS can be found here: www.legislation.gov.uk/uksi/2008/1898

⁶ [The Gas and Electricity Regulated Providers \(Redress Scheme\) \(Amendment\) Order 2024 \(legislation.gov.uk\)](http://www.legislation.gov.uk/ukdsi/2024/0001/20240001)

CHS amendments

In our April decision we stated we would amend the CHS and lay it before parliament in conjunction with government's amendment to the 2008 Order. However, the amendment to the 2008 Order and the existing CHS are drafted in such a way that means the consumers who are captured within the CHS will include any consumer defined in the 2008 Order. **The CHS will therefore apply to Small Business Consumers once the amended 2008 Order takes effect on 19 December 2024**, and will not require its own amendment. We have published a separate guidance note clarifying the scope of the CHS.⁷

If you have any questions on the contents of this letter, please get in touch by emailing NonDomesticRetailPolicy@Ofgem.gov.uk.

Yours Sincerely,

Louise van Rensburg
Head of Non-Domestic Retail Policy

⁷ [Non-domestic market review: decision | Ofgem](#)

Appendix 1 – Summary of licence conditions to take effect

Gas Supply Licence

Condition 20. Safety of gas supplies, Meter Point Reference Number, advice information and dispute settlement – for Non-Domestic Customers

Advice information

20.5B The licensee must keep each of its Small Business Consumers informed:

- a. that Citizens Advice consumer service can assist in providing information and advice to Small Business Consumers; and
- b. how to contact Citizens Advice and Citizens Advice Scotland

by providing that information at least annually. “Small Business Consumer” has the meaning given in The Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (as and when amended to that effect). This Licence Condition 20.5B will take effect on a date specified by the Authority giving the licensee at least three months’ Notice, and in any event will not take effect before 1 December 2024.

Working with Third Party Intermediaries

Dispute settlement

20.6 The licensee must provide to each of its Non-Domestic Customers information concerning their rights as regards the means of dispute settlement available to them in the event of a dispute with the licensee or, in the case of a Micro Business Consumer or Small Business Consumer, any Third Party by providing that information on any relevant Promotional Materials sent to the Non-Domestic Customer and on or with each Bill or statement of account sent to each Non-Domestic Customer in relation to Charges or annually if the licensee has not sent such a Bill or statement of account to them. Such information must include, but is not limited to, how the procedures under any Qualifying Dispute Settlement Scheme can be initiated.

20.6A The licensee must ensure that in respect of a Micro Business Consumer Contract or a Small Business Consumer Contract, the Third Party is a member of a Qualifying Dispute Settlement Scheme.⁸

⁸ The wording of SLC 20.6A has since been updated by the [Decision on Statutory Consultation on consequential amendments to Standard Licence Condition 1.3 and 20.5A in the Electricity Supply Licence, and 1.2 and 20.6A in the Gas Supply Licence \(ofgem.gov.uk\)](#). We have used the updated wording here, as it comes into effect and will be reflected in the SLCs from 1 October 2024

20.6B The licensee must provide any information it holds or controls which, in the view of the provider of the relevant Qualifying Dispute Settlement Scheme, is relevant to a dispute between a Micro Business Consumer or Small Business Consumer and a Third Party, to the provider of the relevant Qualifying Dispute Settlement Scheme, on request.

20.6C The provisions in this Condition 20.6 insofar as they relate to dispute settlement between a Microbusiness Consumer and a Third Party shall take effect on and from 1 December 2022 a date specified by the Authority. The provisions in this Condition 20.6 insofar as they relate to dispute settlement between a Small Business Consumer and a Third Party, will take effect on a date specified by the Authority giving the licensee at least three months' Notice, and in any event will not take effect before 1 December 2024.

20.6D For the purposes of this Condition: **'Qualifying Dispute Settlement Scheme'** means any scheme of dispute settlement, resolution and/or redress operated by the Relevant Energy Ombudsman or such other organisation as demonstrably provides independent, fair, effective and transparent out-of court dispute settlement relating to Relevant Third Party Activities and constitutes a Qualifying Dispute Settlement Scheme in accordance with any guidance issued by the Authority,

'Relevant Third Party Activities' means any activity undertaken by a Third Party in respect of a Non-Domestic Supply Contract including (but without prejudice to the generality of the foregoing):

- (a) any written or oral communications relating to the supply of gas to a Non Domestic Customer including:
 - (i) any pre-sales communications;
 - (ii) any communications regarding Billing or Contractual Information; and
 - (iii) any matters which fall within the scope of standard condition 7A (in so far as they relate to a Micro Business Consumer) and any matters which fall within the scope of standard conditions 14, 14A and 21B (in so far as they relate to a Non-Domestic Customer); and
- (b) any processing of information relating to the supply of gas to a Non-Domestic Customer, together with any other Relevant Activities as the Authority may direct from time to time, following consultation.

'**Small Business Consumer**' has the meaning given in The Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (as and when amended to that effect).

Electricity Supply Licence

Condition 20. Enquiry service, Supply Number, advice information and dispute settlement – for Non-Domestic Customers

Advice Information

20.4B The licensee must keep each of its Small Business Consumers informed:

- a. that Citizens Advice consumer service can assist in providing information and advice to Small Business Consumers; and
- b. how to contact Citizens Advice and Citizens Advice Scotland

by providing that information at least annually. "Small Business Consumer" has the meaning given in The Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (as and when amended to that effect). This Licence Condition 20.4B will take effect on a date specified by the Authority giving the licensee at least three months' Notice, and in any event will not take effect before 1 December 2024.

Working with Third Party Intermediaries

Dispute Settlement

20.5 The licensee must provide to each of its Non-Domestic Customers information concerning their rights as regards the means of dispute settlement available to them in the event of a dispute with the licensee or, in the case of a Micro Business Consumer or Small Business Consumer, any Third Party by providing that information on any relevant Promotional Materials sent to the Non-Domestic Customer and on or with each Bill or statement of account sent to each Non-Domestic Customer in relation to Charges or annually if the licensee has not sent such a Bill or statement of account to them. Such information must include, but is not limited to, how the procedures under any Qualifying Dispute Settlement Scheme can be initiated.

20.5A. The licensee must ensure that in respect of a Micro Business Consumer Contract or a Small Business Consumer Contract, the Third Party is a member of a Qualifying Dispute Settlement Scheme.⁹

20.5B The licensee must provide any information it holds or controls which, in the view of the provider of the relevant Qualifying Dispute Settlement Scheme, is relevant to a dispute between a Micro Business Consumer or Small Business Consumer and a Third Party, to the provider of the relevant Qualifying Dispute Settlement Scheme, on request.

20.5C The provisions in this Condition 20.5 insofar as they relate to dispute settlement between a Microbusiness Consumer and a Third Party shall take effect on and from 1 December 2022 a date specified by the Authority. The provisions in this Condition 20.5 insofar as they relate to dispute settlement between a Small Business Consumer and a Third Party, will take effect on a date specified by the Authority giving the licensee at least three months' Notice, and in any event will not take effect before 1 December 2024.

20.5D For the purposes of this Condition: **'Qualifying Dispute Settlement Scheme'** means any scheme of dispute settlement, resolution and/or redress operated by the Relevant Energy Ombudsman or such other organisation as demonstrably provides independent, fair, effective and transparent out-of court dispute settlement relating to Relevant Third Party Activities and constitutes a Qualifying Dispute Settlement Scheme in accordance with any guidance issued by the Authority,

'Relevant Third Party Activities' means any activity undertaken by a Third Party in respect of a Non-Domestic Supply Contract including (but without prejudice to the generality of the foregoing):

- (a) any written or oral communications relating to the supply of electricity to a Non-Domestic Customer including:
 - (i) any pre-sales communications;
 - (ii) any communications regarding Billing or Contractual Information; and
 - (iii) any matters which fall within the scope of standard condition 7A (in so far as they relate to a Micro Business Consumer) and any matters which fall within the scope of standard conditions 14, 14A and 21B (in so far as they relate to a Non-Domestic Customer); and

⁹ The wording of SLC 20.5A has since been updated by the [Decision on Statutory Consultation on consequential amendments to Standard Licence Condition 1.3 and 20.5A in the Electricity Supply Licence, and 1.2 and 20.6A in the Gas Supply Licence \(ofgem.gov.uk\)](#). We have used the updated wording here, as it comes into effect and will be reflected in the SLCs from 1 October 2024

(b) any processing of information relating to the supply of electricity to a Non-Domestic Customer, together with any other Relevant Activities as the Authority may direct from time to time, following consultation.

'Small Business Consumer' has the meaning given in The Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (as and when amended to that effect).