NonDomesticRetailPolicy@ofgem.gov.uk

16 July 2026

ICoSS response to Changes to Guidance on Deemed Contracts

The Industrial and Commercial Shippers and Suppliers (ICoSS) group is the trade body representing non-domestic industrial and commercial (I&C) suppliers in the GB energy market[i].

Please note that our response applies only to the non-domestic sector.

Q1. Do you agree with our proposal around the situations in when we generally view a deemed contract to exist depending on a customer's ability to consume energy? Please provide your reasons.

Yes. We welcome the revised guidance in this area as we believe this represents a more equitable outcome for all customers. The previous guidance, where the owner of a premises would benefit from having a connection but would not be required to pay for it, pushed the cost onto other customers or incentivised the full disconnection of the site. We do not believe either of this situations was beneficial to the market as a while.

We are mindful that this guidance changes the outcome for customers who, up to now, have benefited from a system connection without having to pay for it. It would be highly beneficial if Ofgem clarify the legal basis upon which they believe "ability to consume" rather than "consuming" should be the threshold for a Deemed contract to exist.

Q2. Do you agree with our proposal around the reasonable recovery of bad debt? Please provide your reasons.

In the non-domestic sector suppliers have the ability to manage which customers they supply, through the application of credit checking processes for example. Through the Deemed contract process, suppliers may be engaging with customers they would not ordinarily seek to supply. There is also a higher potential for non-payment. We would expect therefore for suppliers to price in that risk and seek to manage Deemed contract relationships proactively to minimise the risk of bad debt. We are comfortable that the current wording allows that approach.

Q3. Do you agree with our proposed text that reminds suppliers of their obligations around customer transfer blocking and delayed switching? Please provide your reasons.

We have not identified any concerns regarding the current text, though we would note that the licence should be seen as the key legislation in this area.

Q4. Do you agree with our proposal around the circumstances in which suppliers should ask for security deposits? Please provide your reasons.

We note the points made by Ofgem and agree that the needs of customers need to be taken into account when determining whether security deposits should be requested.

Q5. Are there any potential implications for domestic customers that the proposed guidance on deemed contract rates may impact on?

We have not considered the impact on domestic customers.

Q6. Do you have any further comments on our proposals for the deemed contract guidance?

Not at this time.

