



For the attention of: Andrew Burgess,
Head of Enforcement & Competition Policy
Ofgem
9 Millbank
London SW1P 3GE

8th May 2009

Dear Sirs,

Direct Debit Arrangements – Report and Consultation

Opus Energy would like to thank Ofgem for the opportunity to participate in this consultation.

Opus Energy does not think that these proposals should extend to the small business consumer as well as domestic customers.

Our reasons are as follows:

1. The problems identified in the Report and Consultation are specific to the domestic market. All discussions, exchanges and workshops described in Section 1.27 of the report have been with, or focussed on, the large domestic suppliers. Small business suppliers have not been part of this process. Therefore, the solutions proposed have been targeted at the domestic market.
2. The vast majority of direct debit invoices in the business sector are variable direct debits, invoiced in arrears, so the issues are not relevant.
3. We believe that the payment terms and methods should be dealt with as part of the Terms & Conditions between two businesses (the supplier and customer) and does not need further regulation by Ofgem.
4. Increasing the burden of regulation, especially in areas in which no material issues have been identified, simply adds costs which will need to be passed to the customer for no benefit.
5. The increased regulatory burden is a significant cost to a small supplier and disproportionately disadvantages small business suppliers as it is not work they are doing anyway for their domestic portfolio.

As Opus Energy does not think these obligations should be extended to the business consumers we are not able to recommend one of the options. However, Ofgem acknowledges that the disadvantage of Option C is “is that a code would require much more work up front.....”. For that reason we believe that Option C is the least palatable and would disadvantage both business customers and small suppliers to the greatest extent.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Charlie Crossley Cooke", written over a series of horizontal lines.

Charlie Crossley Cooke
Managing Director

powering business success

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