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Dear Neil,

RE: Energy Supply Probe – Proposed Retail Market Remedies

The Forum of Private Business (FPB) would like to express its support for the bulk of Ofgem's proposed license requirements. The new proposals around information provision and customer transfers are very welcome, and should start to redress the balance of control between consumers and suppliers.

We are also encouraged by the additional responsibility of the supplier to make sure that third-party intermediaries (TPIs) are providing the correct information to non-domestic customers. We would also support further steps by Ofgem to mandate the Utilities Intermediaries Association's (UIA) Code of Practice, or one like it, as a requirement for all TPIs to provide a degree of certainty for small businesses negotiating their utilities through brokers.

The FPB is disappointed, however, with Ofgem's decision not to move forward with a blanket ban on rollover contracts. In the past few years, a number of the FPB's members have been rolled over into long-term contracts by their utility companies without due notification or information about terms and conditions. We firmly believe that Ofgem should have taken this opportunity to remove this expensive and unfair mechanism from the supplier's toolbox.

Consequently, it will be vitally important that non-domestic customers are aware of the proposed changes to their contracts. The timeline for implementation will also be critical, as there is still a risk that micro businesses could be taken advantage of by energy suppliers in the months before these changes are put in place. The FPB will be informing its members over the next few months and would urge that Ofgem takes whatever steps necessary to fully engage with those businesses which will be affected.

The FPB believes that Ofgem's final proposals will provide a more transparent and balanced process for most small businesses. However, these changes to the license condition should only be the first step in making sure small-business customers are treated fairly by suppliers. We would ask that Ofgem closely monitors the implementation of this decision and be prepared to make further changes to strengthen non-domestic consumers' rights, should it prove necessary.

Yours sincerely,

Matthew Goodman
Policy Representative