

OFGEM Retail Market Review – Non-domestic Proposals Response

Third Party Intermediary Details

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Chapter One: Introduction and Overview

1 Are there other key issues that we should be looking into in the nondomestic sector?

Yes - Suppliers are not amending their end reads if a customer disputes them more than 12 months after moving to a new supplier. For large multisite portfolios, this is a major problem. Also, the length of time taken by suppliers to implement Change of Occupancy requests - this can take several months, and the customer may end up having to pay high out-of-contract rates throughout this period, especially if they subsequently decide to move to a new supplier who can offer better prices going forward.

2 What would stakeholders like to see on the Ofgem website to help business customers and support a competitive supply market?

Ability to monitor progress of registration from one supplier to another via web portal. Currently this requires constant checking by the customer / TPI to ensure that it is all going smoothly.

Chapter Two : Standard Licence Condition 7A – Protection for Smaller Businesses

3 Do stakeholders agree with OFGEM proposals to extend the scope of SLC 7A to include a wider small business definition, and do you agree with our proposed definition?

Yes - I agree that scope should be widened to include small businesses and the definition of small businesses seems sensible

4 Do stakeholders foresee significant costs or complications if we were to introduce our proposals? If so, please provide details and cost estimates.

Yes - See comments elsewhere about the costs for enforcing TPI Codes of Practice and voice recording

5 Do stakeholders agree with our estimates on the number of extra businesses covered by our proposed definition?

No relevant information with which to comment

6 Do stakeholders agree that we should review termination procedures and our current position that allows automatic rollovers?

Yes

7 Are there other clauses that stakeholders believe we should be reviewing, in light of our expanded definition proposal?

No comment

Chapter Three : Customer Transfer Blocking & Objections

8 Do stakeholders agree with the conclusions we have drawn

Yes

9 Do stakeholders agree that we do not need to make changes to SLC 14 governing objections to supply transfer for non-domestic suppliers?

Yes

10 Do stakeholders believe that we should publish our data relating to supplier objections on a regular basis?

Yes

11 Are there other issues with the objections procedure, other than the obligations of the licence condition, which stakeholders consider need to be addressed?

Yes - The whole transfer process is not at all transparent for the consumer. There should be some way for the consumer to monitor progress of their supply transfers (and hence any objections) via a web portal so they can see for themselves when something is going wrong and can take appropriate action to contact their old / new supplier.

12 Do suppliers who have voluntarily sent data have views on whether the data we currently ask for on a monthly basis needs to change and why

No comments

Chapter Four : Third Party Intermediaries - TPIs

13 Do stakeholders agree that the introduction of a new supply licence condition focussed on sales activities is a suitable method to prevent harmful sales and marketing activities in the nondomestic sector?

Yes - Provided that it does not have the effect of reducing the number of smaller, independent, reputable consultancies available to offer help and advice to consumers. We operate as an independent utility consultancy on a client funded model. We do not take commission from suppliers or sign clients up to contracts directly using verbal scripts of any kind. Negotiating energy contracts on behalf of our clients constitutes a relatively small part of our business, but is nevertheless often a precursor to other services which the client then takes from us. I do have concerns that under the new proposals, some suppliers may choose to deal only with larger brokers and consultancies, even if smaller consultancies have an accredited code of practice. If the latter then has to source prices via an intermediary, the consumer will end up paying for the service twice!

14 Do stakeholders agree that this licence condition is necessary if Ofgem decides not to proceed with its Standards of Conduct proposals?

Yes - Subject to my comments above

15 Do stakeholders consider the introduction of an accreditation scheme for TPI Codes of Practice will reduce harmful TPI activities across the whole market?

Yes - Provided the accreditation scheme is recognised by consumers and that it is enforced. Our company belongs to an association which already has a Code of Practice. Under the new proposals, we will have to strengthen the Code in some areas particularly wrt auditing and policing of members. I have some

concerns about the additional costs which this will entail, especially given the relatively small part of our business which is engaged in energy contract negotiation.

Similarly, I have concerns about the cost of voice recording, storage and retrieval. If I understand the proposals correctly, we will have to record all conversations with our clients which are likely to cover energy tenders. I have made enquiries about the cost to install this on our own telephone system and it amounts to several thousands of £'s plus would not cover our homeworkers who would need an independent solution.

16 What do stakeholders consider to be key criteria for an accreditation scheme for TPI Codes of Practice?

Sources and level of fees, scope of supply base covered by the TPI, method of presenting tender results to clients, availability of back up information to support tender results, complaint handling processes

17 Do stakeholders believe it is necessary for TPIs to disclose their actual fee, or would making clear the fact that the customer is paying a fee for their services be sufficient?

Yes - I have no problems with this since our clients already pay us directly for our work and therefore our fees are fully disclosed.

Chapter Five : Standards of Conduct - SOCs

18 Do you feel the revised SOCs will help to achieve our objectives?

Yes

19 Do you agree that the SOCs should be in a licence condition and enforceable?

Yes

20 Do you agree the revised SOCs should apply to all interactions between suppliers and consumers?

Yes

21 Do you have information regarding potential costs this may impose on suppliers?

No - Not explicitly. However, I can see a situation where each supplier will have to fund a programme of audits on their representatives to ensure that they are achieving a suitable standard of operation. A recognised third party auditing company eg. BSI might be able to provide a "universal" solution.

22 Do you think these proposals should apply to the whole non-domestic market, or only a sub-set of it, eg small businesses?

All non-domestic

23 Given your answers to the questions above, do we still need the licence changes proposed elsewhere in this document?

Yes