

As a small business we very much welcome the opportunity to respond to your consultation on rollover of electricity and gas contracts. Our experience is as follows.

We took over a new office in April 2011. We were informed that we had deemed suppliers for electricity and gas. I will focus on electricity by way of example, although the experience with gas was similar.

Our deemed electricity supplier was [REDACTED]. The out of contract rates which we were compelled to pay for at least the time it took us to switch suppliers was:

Standing Charge: 146.636 pence per day
Units: 18.030 pence per kwh

If we took out a year long contract with [REDACTED] they were willing to offer us the following prices, back dated to entry:

Standing Charge: 38.00 pence per day
Day units: 11.29 pence per kwh
Night units: 7.0 pence per kwh

Prices with a direct debit:

Standing Charge: 33.51 pence per day
Day units: 9.95 pence per kwh
Night units: 6.22 pence per kwh

Looking at other providers these were not competitive prices. In the end we took the decision to switch but had to pay the out of contract prices for about a month or so. To reiterate we paid a standing charge that was around 7 times the market rate and a unit price that was double the market rate, because we had a deemed supplier who exploited their position.

So, having switched we ended up on a pretty competitive dual fuel arrangement with [REDACTED] for a year.

[REDACTED] informed us in May 2012 that we were out of contract and had failed to notify them of wishing to renew / switch in time. They attached a renewal letter by email that they said they sent to us in March 2012, although we didn't receive it. The letter they sent by email was not on headed paper and was not addressed correctly (although it should have still got to us). I should note that their bill to us in the same period was perfectly addressed and did reach us.

The out of contract rate they said we were now on was 120p/day standing charge and 11.82p/kWh, nearly 6 times the market rate for the standing charge and about 1.2 times the market rate for kWh. This time they used their position to extract a 2 year contract from us. I complained that they had sent us the renewal letter poorly addressed, and they said, in writing by email, that "The address we have sent the renewal notice is one that the meter is registered to on the national grid". I know that this is meaningless but by this time I was worn down and just agreed to the 2 year contract. All this was done by email and we still have no written contract with terms and conditions, so I don't actually know when I need to negotiate renewal. When I asked for a contract on the phone I was told it can take months to come through, and the impression I got was that it was unlikely to appear. A year later that impression was correct.

To add insult to injury, we were contacted by [REDACTED] to install a smart meter, and they had an incorrect address for us too, despite me asking [REDACTED] to correct the address.

So, to summarise, ■■■ retained our business by being really poor at their job.

Overall we have had a very unfavourable experience and there seems to be absolutely no pressure for the suppliers to improve their service. If anything, as they may struggle to compete on price as they are effectively offering the same product, they seem to be competing on strategies to stop us from switching. I concede this may be a symptom of the market as much as anything because there is not much room for suppliers to distinguish themselves. But even so, I would at this stage be willing to switch to a company that wasn't so cynical and took some pride in customer service.