



Jonathan Lines  
Retail Market Functioning  
Ofgem  
9 Millbank  
London

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Dear Jonathan

## Automatic Rollovers - Call for Evidence

As the largest introducer of business customers to the UK's energy companies\*, we welcome the invitation to contribute further evidence to the debate surrounding Automatic Rollover contracts. As you well know, we have been campaigning for changes to the rules under which suppliers are permitted to re-contract their non-domestic customers for a number of years and are pleased to see some of the recommendations that we have already made, adopted in Ofgem's licence modifications. However, there is clearly still some way to go in levelling the playing field between energy suppliers and their non-domestic customers and so will be very interested to see how effective this new initiative is in tackling the issues causing frustration and detriment.

Whether banning rollovers would ultimately protect businesses from unreasonably high tariffs is questionable as you have outlined in the Call for Evidence, however we believe there are some 'quick-wins' that could be achieved without the need for a protracted consultation process (that a ban would inevitably require). The following measures address the frustrations that we have identified through our customer feedback programme - as evidenced by the customer comments - and would lead to greater engagement between business consumers and their energy suppliers:

- **Simplifying the renewal process**
- **Highlighting the importance of the renewal process**
- **Allowing engagement beyond the renewal window**

The net effect of these measures (and the desired outcome) is that far fewer businesses would end up on rollover or out of contract rates – the kind of which we have already supplied in the form of evidence to the RMR Impact Assessment for the final non-domestic proposals\*\* and are likely to see more of the following the formal information gathering process.

\* Datamonitor Energy Buyer Research 2012 & Cornwall Energy Broker Index 2013

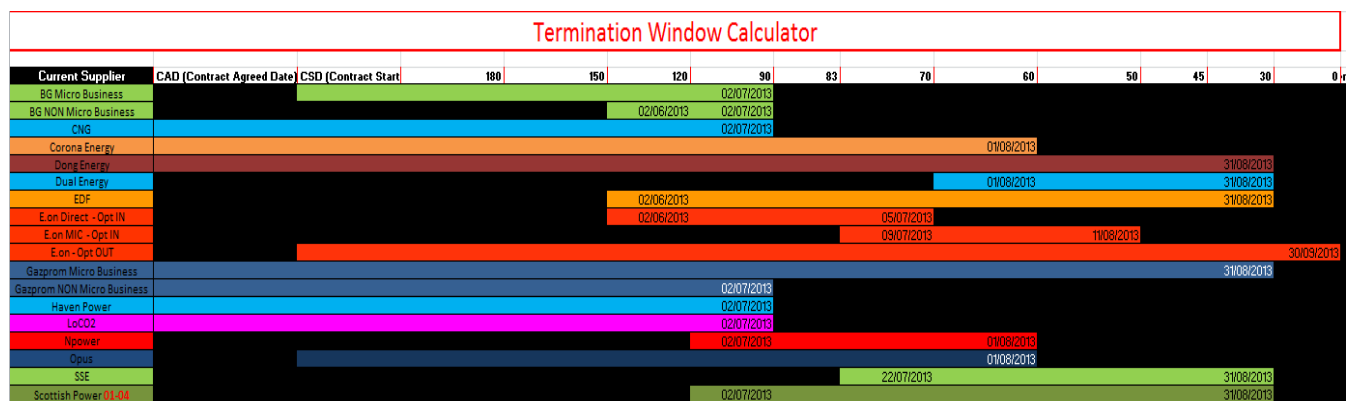
\*\* [http://www.ofgem.gov.uk/Markets/RetMkts/rmr/Documents1/RMR\\_ImpactAssessment\\_Non-Domestic\\_22032013.pdf](http://www.ofgem.gov.uk/Markets/RetMkts/rmr/Documents1/RMR_ImpactAssessment_Non-Domestic_22032013.pdf)



## 1. Simplifying the Renewal Process

Whilst the Retail Market Review has stipulated that suppliers must allow notice to be given "...any time, up to the last date of notice period (e.g. 30 days before the end of the contract)", it fails to specify when the notice periods must finish and so leaves too much open to interpretation. It is therefore unlikely to result in the last date of the notice being unified across all suppliers.

Here, according to customer analysis in July 2013, are the various renewal windows for a contract ending on 30<sup>th</sup> September 2013 (ie half of them have already closed).



The measures proposed in the RMR will extend the coloured lines to the left of the page but not the right. As such, we repeat our suggestion that it should be mandatory for all renewal windows to remain open until 30 days before the contract end date.

*"Suppliers seem to make this process inordinately difficult to the point that you avoid doing it because of the hassle. Make It Cheaper means that you don't have to deal with this rubbish and they even send you an email when your contract is up for renewal, as most companies require 90 days' notice you can soon put the reminder letter in a pile to deal with later and find you have missed the deadline. Having used make it cheaper for business electric and gas I wouldn't now do it any other way - well done for such a good service. It's an excellent service it gives me a nice warm feeling that I am sticking one in the eye of those energy companies that seem to deliberately complicate the situation for their own ends. Keep up the good work!"*

**Dr Peter Thompson at St. Michael's Dental Practice in Workington**

*"You are given such a short window of opportunity to look around before your contract renews, and renewal is months ahead of this 'window'. Good to speak to someone who obviously understands the horribly complicated world of business energy - and who can sort out making it cheaper for you!"* **Jan Howes at the Church Of The Redeemer in Harlow**



## 2. Highlighting the importance of the renewal process

To further complicate matters for business energy consumers, the renewal notices are all issued at different stages of a contract. Here is a schedule of when they are sent, again for a contract ending on 30<sup>th</sup> September 2013 (ie some have already been sent, some not).

Current Supplier	Renewal Letter Due
BG	02/06/2013
CNG	02/06/2013
Corona Energy	02/07/2013
Dong Energy	27/07/2013
Dual Energy	01/08/2013
EDF	01/08/2013
E.on	09/07/2013
Gazprom	02/07/2013
Haven Power	02/06/2013
LoCO2	02/06/2013
Npower	02/07/2013
Opus	02/07/2013
SSE	22/07/2013
Scottish Power	06/08/2013
TGP	02/07/2013

Not only should all renewal notices be sent at the same length of time ahead of a contract end date but we also propose that they should be sent twice – once at 90 days before CED and again at 60 days - by Recorded Delivery - to increase the likelihood of the business owner making an informed decision about whether to automatically renew, negotiate a retention price or switch. We know that at least one supplier, for example, issues more than one renewal reminder and this creates a good example for other suppliers to follow.

*“Had it not been for your rep contacting me and making me aware of the contract ending in a few months and demonstrating the saving I could make by switching then I would probably have continued using my present provider. It’s an invaluable service!”* **Patrick Forrest at Forrest Free Range in Perth**

*“I find the service that you offer brilliant. As we are a small business time and money are very important to us. I had no idea that our contract was due for expiry and had I not been contacted to remind me I would not have been able to switch to a really great deal.”* **Nicola Jones at The Window Centre in Swansea**

*“I am always surprised when the call comes to consider my business renewal as can’t believe the time is up so quickly and I KNOW that if left to me I would miss the deadline and end up paying full rate to existing provide so well done Make it Cheaper, once again you have saved our charity mega bucks.”* **Andrew Stilliard at St Mary Magdalene Church in Torquay**



### 3. Allowing engagement beyond the renewal window

Given the choice between a fair retention price with their current supplier and an attractive acquisition price with a new supplier, some of our customers say they would prefer to stay with their current one. Through our close relationships with suppliers we are often able to facilitate this – even with customers who come to us during the period between their renewal window closing and the new contract commencing. As well as these ‘mitigation’ prices being standardised across all suppliers, we also suggest that ‘blender’ prices be offered to customers who only engage with their suppliers once they have been rolled, more often than not in reaction to a dramatic increase in their bills. A ‘blender’ price would be a fixed price similar to a ‘mitigation’ price but perhaps includes a slightly longer contract period.

*“Excellent service, even though I wasn't changing supplier your representative still managed to get me a better deal. Highly recommended”* **Chris Lee at Crescent Metal Spinning Company Lt in Stockport**

*“I was surprised you were able to negotiate a better deal with my current supplier. Zoe was a pleasure to deal with – didn't push me in any particular direction - just clearly informed me of what you could do and then let me make the decision - very smart.”* **Geoffrey Lord at Heart To Heart in Workop**

*“I was so glad to find your web site and amazed that the rates you negotiated for me with my current provider were so much lower than their quote directly to me. I felt reassured that I had made the right decision for the business after taking advice from you.”* **Nancy Atkinson at Libertas Care Ltd in Crewkerne**

So to summarise, we feel that giving greater visibility to the renewal window as well as underlining its significance will ease the frustration caused by unexpected rollovers and lead to greater - more positive - customer engagement. Of significant importance is that these changes **can be established without the need for Regulation** by requesting voluntary compliance from suppliers and – in the same way that Back-Billing has been significantly reduced in a relatively short timeframe – by publishing the outcome in the form of a regularly-updated league table. Furthermore, engaged business energy customers will not only achieve savings but will also be in a better position to use their energy more efficiently and reduce their carbon footprint – unengaged customers won't. We see a direct correlation between those that seek to reduce their unit price and those that seek to reduce their consumption.

Yours sincerely

Jonathan Elliott  
Managing Director  
Make It Cheaper

Winner of the **SME Consumer Champion** award  
Winner of the **SME Most Trusted** award  
TELCA Awards 2013



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