



Meghna Tewari
Ofgem
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By email: nondomestic.rollovers@ofgem.gov.uk

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Dear Meghna,

Consultation on non-domestic automatic rollovers and contract renewals

Thank you for the opportunity to respond to Ofgem's consultation regarding automatic rollovers and contract renewals. It was good to meet you recently and provide you with a high level overview of our thoughts on some of the issues covered in the consultation letter.

Background

BES currently supplies electricity and gas to approximately 32,000 small and medium enterprise customers across the UK. We provide businesses with a number of fixed term contract products, which range in length from 1 to 5 years. In the interests of fairness and consistency for customers, we apply micro business protections to our entire portfolio.

Amendments to renewal letters

We fully support the need to provide consumers with the right level of detail to make an informed choice about the best energy product for their business. That said, we also appreciate that too much information can create confusion for customers.

The current rules regarding renewal letters mean that customers are told about the incumbent supplier's termination process (including key dates), proposed rates for the extended period, and details of what will happen to their prices should they take no action. We believe that the current arrangements provide non domestic customers with adequate information about their renewal, including the steps they should take to terminate their agreement at the end of the initial period.

Ofgem's proposals for adding a price comparison and consumption data to renewal letters will require us to invest further in system and process development; however, we believe we could meet the deadline of 31 March 2015.

Acknowledging termination notices

Clearly, it is important from a customer experience perspective to let businesses know that their correspondence has been received and acted upon, especially when a missed deadline could result in their contract being extended.



Ofgem's proposal for acknowledging termination requests within 5 working days is broadly in line with our current performance and we are well placed to meet this change from the end of March 2015.

Auto rollover

We do not believe that abolishing the option for auto rollover contracts is in the best interests of consumers and we were pleased to note that Ofgem has decided not to pursue this route in the immediate future. As a small, independent supplier without generation capability, auto rollover provides us with a greater ability to hedge, thereby enabling us to keep prices as competitive as possible.

We therefore feel that these contracts play a valuable part in the SME market and should remain an option for consumers.

BES also supports Ofgem's proposal to 'level the playing field' in relation to termination periods and we believe this will benefit both consumers and the industry.

General comments

On a general note, we would be keen to engage with Ofgem regarding the potential for different regulations for smaller suppliers, in line with the challenges faced in terms of trading arrangements, etc. We believe this is key to increasing entry to the market and growth for smaller, independent companies.

I trust the information in this response sets out, in broad terms, our views on and support for your proposals in this area. As ever, if you'd like any clarification then please do get in touch.

Yours sincerely,

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