



Dennis Berg
Consumer & Competition Team
Ofgem
9 Millbank, Westminster
London
SW1P 3GE

By email to: ConsumerPolicy@ofgem.gov.uk

18th December 2017

Private & Confidential

Dear Dennis,

RE: Response to consultation Protecting consumers who receive backbills

Tonik Energy welcomes the opportunity to respond to this consultation.

Background to Tonik Energy

Tonik Energy is an independent energy supplier based in Birmingham who exited Controlled Market Entry in Q1 2017. Our philosophy is centred around utilising technology to help consumers achieve significant savings on their energy consumption. We are committed to providing genuine alternatives for customers in the energy market. This includes more innovative tariffs, longer fixed term products and significant carbon reduction benefits. In addition to this Smart Metering and other innovative technologies are at the heart of our proposition. We are developing key products utilising domestic micro-generation, battery storage and supporting the growth of electric vehicles. We feel that we are bringing a strong consumer centric energy offering to the UK market place.

Our customer numbers are in the region of 30,000 and we have expectations for significant scaling over the coming years. Our team is made up of highly skilled industry professionals with a great deal of experience gained across many of the big 6 and independent suppliers.

Response to the questions posed in consultation document

Question 1: Do you agree with our assessment of the consumer harm? Both for domestic and microbusiness consumers?

Tonik Energy agrees with Ofgem's assessment of consumer harm. It has always been our intention to fully comply with the voluntary commitments in relation to backbilling. However, we do recognise there are a number of participants in the retail energy space that do not. We welcome this increased consumer protection across the whole market.

Question 2: Do you agree with the way we are proposing to implement a backbilling limit and the other effects of our proposed licence modification?

We agree with the proposal to implement a backbilling limit of 12 months. We feel that the drafting of the licence condition is clear and allows for easy translation into an internal policy document.

We feel that the non-prescriptive nature of the carve outs for “obstructive or manifestly unreasonable behaviour” of the customer allow for all instances where it is reasonable for the backbilling limit to not be applied.

Question 3: Do you agree with our assessment of the costs to suppliers?

We agree with Ofgem’s assessment that the cost to suppliers should be minimal. Most established companies should already have processes in place. We recognise there may be some limited initial additional costs to smaller suppliers, these should be very temporary until such time as an automated process is put in place.

Question 4: Do you agree with the proposed implementation period?

It is our position that we are fully supportive of the proposed implementation period. This is because it has always been our intention to fully comply with the current guidance on backbilling, including the 12-month limit.

Should you have any questions in relation to this response or Tonik Energy more generally please do not hesitate to contact us via dan.parry@tonikenergy.com or on 07825 302430.

Your sincerely,

Dan Parry
Regulation & Compliance Manager
Tonik Energy