



Jonathan Blagrove  
Vulnerability and Consumer Policy  
Ofgem  
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London  
E14 4PU

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Dear Jonathon

We're Green Network Energy, part of a vibrant and growing Italian energy company that supplies gas and electricity to homes and businesses in Italy. We started supplying customers in Great Britain 2016 and are now supplying ca. 400k domestic customers and ca. 1k non-domestic customers.

We welcome many of the proposals put forward as part of the microbusiness review. Our key areas for consideration are:

- **Mandating suppliers to use brokers who are signatories of a common set of standards.** Similar to the proposal around using brokers subscribed to an ADR, Ofgem should create a rule that suppliers only use brokers that are signatories of common set of standards. This is rather than placing the requirement on supplier to ensure that their brokers are meeting requirements under the Standards of Conduct or Informed Choices. This will ensure all brokers are party to a set of minimum standards and minimises costs as multiple suppliers won't be undertaking detailed monitoring of the same broker.
- **Not using the Energy Ombudsman as an ADR for brokers.** We consider that this is a good opportunity to diversify the ADR services within the energy sector by using another ADR provider for this specific part of the energy market.

Yours sincerely

**Pietro Di Maria**

**Chief Operating Officer**



**Awareness: Knowing about opportunities and risks**

**Question: What are the most effective ways to ensure that microbusinesses can access key information about the retail energy market?**

A centralised website where consumers can see a list of non-domestic suppliers and TPIs with contact details. This could be through Ofgem or another independent service such as Citizens Advice.

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**Browsing: Searching for deals**

**Question: Do you agree with our proposal to strengthen the requirements to present a written version of the Principal Terms to customers?**

Yes. This provides an opportunity for the customer to review the key terms of their contract at a time that is convenient to them. Combined with the new cooling-off requirements, this enables customers to challenge broker and suppliers if they identify any issues.

**Question: Do you agree with our proposal to require that suppliers disclose the charges paid to brokers as part of the supply contract, on bills, statements of account and at the request of the microbusiness customer?**

**Question: Do you think that further prescription or guidance on the presentation and format of broker costs on contractual and billing documentation would be beneficial? If so, how should broker costs be presented?**

**Question: What challenges do you think suppliers and brokers may face implementing these proposals?**

**Question: Do you have any comments on the associated draft supply licence conditions in Appendix 1 of this document?**

**Question: Do you think there are other changes which would better address the consumer harm that has been identified?**

We agree with this proposal. We believe that the inclusion of broker charges on bills and statements may be difficult to implement, particularly if the arrangement with the broker is complex or if fees are reconciled at a frequency out with the billing frequency. We therefore



support the intent of the licence drafting. However, we believe this could be improved by making the principle more high level by removing this section “*This may be expressed in cash terms, or percentage terms if not possible given the method of billing or calculation*”. This would enable suppliers to determine the clearest way to implement this new rule for their customers.

The main challenge for suppliers would be developing the communication and system changes to accommodate this new rule.

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### **Contracting: Signing up to a new contract**

**Question: What do you think the impact of our proposal to introduce a broker conduct principle will be? Are there any particular reasons why suppliers/brokers couldn't achieve the broker conduct principle?**

A key impact of this principle is that it will add costs to all suppliers. This is due to the increased monitoring that suppliers would have to place to ensure that the interactions between brokers and consumers are meeting the relevant standards. A more cost effective approach is to create a way to ensure that responsibility for meeting these standards is placed upon the brokers themselves. This could be by following a similar approach to the ADR proposal by creating a code of conduct and mandating that suppliers can only use brokers that are signed up to this code of conduct.

This would ensure that a common set of minimum standards are applied across the broker industry and places the responsibility on the brokers to ensure compliance. This would be much more cost effective than having multiple suppliers monitoring and reviewing the same broker.

**Question: Do you agree that our proposal to introduce specific sales and marketing requirements on suppliers and the brokers they work with is important to help customers make more informed choices and increase trust in and effectiveness of the market? If so, do you agree that face-to-face marketing and sales activity should be covered alongside telesales activity under these proposals?**

We support both of these proposals for suppliers. For brokers, our position is as per the above. Ofgem needs to ensure that responsibility falls upon the brokers to deliver and monitor their practices otherwise these proposals will increase costs across industry.



**Question: Do you agree that our proposal to introduce a cooling-off period for microbusiness contracts represents an effective way to protect consumers during the contracting process? If so, do you agree that the length of the cooling-off period should be 14 days?**

**Question: What challenges do you think suppliers and brokers may face implementing these proposals?**

We support this proposal and agree with the suggested period of 14 days. There is a need for consideration on how this will work in practice and in the future with the new requirements under faster switching e.g. will the customer be switched back to their previous supplier on “equivalent terms”. Further, in the domestic space, the switch is currently completed after the cooling-off period has finished, and this would likely be reflected if cooling-off is implemented in the microbusiness space. Ofgem should consider whether microbusiness customers should be able to waive their right to cool-off and switch at the point the contract is agreed. This would be particularly important in situations where the customer is currently paying deemed rates and would be looking to switch onto a cheaper deal as soon as possible.

**Question: Do you have any comments on the associated draft supply licence conditions in Appendix 1 of this document?**

No.

**Question: Do you think there are other changes which would better address the consumer harm that has been identified?**

No.

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**Dialogue: Two-way communication with service providers**

**Question: Do you agree that our proposal for a mandated ADR scheme represents an effective way to fill the existing consumer protection gap where a microbusiness has a dispute with their broker?**

**Question: What challenges do you think suppliers and brokers may face implementing our proposal regarding dispute resolution?**

**Question: Do you have any comments on the associated draft supply licence conditions in Appendix 1 of this document?**

**Question: Do you think there are other changes which would better address the consumer harm that has been identified?**

We agree with this approach.

We consider it extremely important that Ofgem considers a number of providers for the service beyond the existing Energy Ombudsman. We see this as a good opportunity for another organisation to enter the energy ADR space. Additional ADRs will help provide healthy competition which will drive up standards and drive down costs for the industry. Multiple ADR providers have been successful in other sectors such as a telecoms and aviation, and having a different ADR organisation manage broker complaints could be a good starting point to opening up competition in the energy sector ADR space.

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**Exiting: Switching away from an old contract**

**Question: Do you agree that termination notice requirements represent an unnecessary barrier to switching and should be prohibited? If so, do you agree that a prohibition on notification periods should apply to both new and existing contracts?**

We agree with both of these proposals.



**Question: Do you agree that our proposal to require that suppliers continue to charge consumers on the basis of the rates in place prior to a blocked switch for up to 30 days represents an effective approach to limiting the financial impact of switching delays? If so, do you agree that the time period should be 30 days?**

We agree with this approach. However, we believe that the 30 days should be reviewed in line with the faster switching arrangements during which timescales for resolving switching issues should decrease.

**Question: What challenges do you think suppliers and brokers may face implementing our proposals regarding improving the switching experience?**

These proposals will require suppliers to undertake system changes. The contract extension proposal in particular will be complex to design and implement. Therefore, there will need to be significant lead time to develop and build these changes, and the implementation date will need to take into account other significant activities that may be running at the same time e.g. testing within the Switching Programme or changes required as part of the CSS and Supply Licencing Review.

**Question: Do you have any comments on the associated draft supply licence conditions in Appendix 1 of this document?**

No.

**Question: Do you think there are other changes which would better address the consumer harm that has been identified?**

No.