

Dennis Berg
Consumers and Competition Team
Ofgem

18th December, 2017

By email only: ConsumerPolicy@ofgem.gov.uk

Dear Dennis,

Re: Protecting Consumers who receive back bills. Statutory Consultation

The Utilities Intermediaries Association (UIA) www.uia.org.uk is a Trade Association which represents third party intermediaries (TPI's) in the utilities sector. Our members provide services to business consumers and many have been tasked with assisting their clients in resolving back-billing issues.

We agree with your assessment on consumer harm but believe that the impact of back billing affects a much wider sector than what you have covered. Many of our members will have witnessed the devastating effect back-bills can have on businesses and their employees, this is not a situation that is limited to micro business. Being treated fairly and appropriately is a principle that should be enjoyed by all.

We feel regulation is necessary as despite best endeavours, supplier representative bodies have been unable to apply a comprehensive and consistent policy. This has created a confusing landscape for consumers and done little to dispel the negative perceptions of the industry per se. It is the belief of the UIA that Ofgem, who's principle objective is to protect the interests of existing and future consumers, have fallen short by allowing this situation to continue for over ten years.

The inclusion of back-billing principles within supplier terms and conditions will give further reassurance and greater protection to consumers.

We agree with your rationale for applying a 12 month back billing limit but feel it is only fair and reasonable to build some flexibility around the smart meter rollout, which is yet to be fully tested and operational (particularly as under your proposals the supplier remains culpable for the actions of third parties). Once the systems and processes are established, we would expect to see a reduction in the 12- month time limit for smart meters.

Concerning the financial impact on suppliers, it is difficult to form an opinion. You haven't conducted a financial impact assessment, nor from what we can see, have you sought to establish from suppliers what they perceive to be the cost impacts where write-offs a concerned. We expect to see a significant increase in the number of back bills being issued ahead of the proposed deadline, with strong efforts to recover the money "owed" by consumers.

Yours Sincerely

Rachael Gladwin
Director

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