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for energy consumers

Gas and electricity licensees,  
potential new entrants, consumer  
groups and any other interested  
parties

Email: [licensing@ofgem.gov.uk](mailto:licensing@ofgem.gov.uk)

Date: 18 June 2019

Dear colleagues,

### **Supplier Licensing Review: Decision on new Applications Regulations and guidance document**

In April we published our final proposals on a new approach to licensing suppliers.<sup>1</sup> This is part of our wider Supplier Licensing Review, aiming to raise standards around supplier financial resilience and customer service.

To implement the new supplier entry requirements, we consulted on new Gas and Electricity Applications Regulations and an associated guidance document. This consultation included changes that impact all types of licence applicant.<sup>2</sup> As well as the new supplier-specific requirements, we proposed new requirements related to applicants' suitability to hold a licence, revised application fee levels, and some procedural and housekeeping updates.<sup>3</sup>

The new Applications Regulations have now been made and will come into effect on 5 July 2019.<sup>4</sup> This letter summarises the consultation responses and sets out our final decision.

#### ***Overview of consultation responses***

We received 16 responses to the consultation, two of which were confidential. Non-confidential responses are published on our website.<sup>5</sup> The majority of respondents were generally supportive of the changes proposed, with a number of refinements suggested. A summary of responses and our views can be found in Appendix 1.

We have taken account of all responses and made a number of amendments to both the Applications Regulations and guidance document. Appendix 2 contains a summary of amendments made.

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<sup>1</sup> <https://www.ofgem.gov.uk/publications-and-updates/supplier-licensing-review-final-proposals-entry-requirements>

<sup>2</sup> This application process does not apply to Offshore Transmission licences (OFTO) or the Smart Meter Communication licence.

<sup>3</sup> See consultation documents for full details: <https://www.ofgem.gov.uk/publications-and-updates/consultation-new-applications-regulations-application-forms-and-guidance-document>

<sup>4</sup> The Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences) Regulations 2019, SI No 1023; The Gas (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2019, SI No 1024.

<sup>5</sup> <https://www.ofgem.gov.uk/publications-and-updates/consultation-new-applications-regulations-application-forms-and-guidance-document>

## ***New Applications Regulations***

The Gas Act 1986 and the Electricity Act 1989 (the Acts) allow for an application for a licence<sup>6</sup> to be made in such form or manner as may be prescribed in regulations made by the Authority.<sup>7</sup> The current Applications Regulations<sup>8</sup> will be revoked on 5 July 2019 and replaced with the new Regulations in Appendices 3 and 4.<sup>9</sup>

The transitional arrangements allow for applications made under the 2010 Regulations to proceed provided the applicant supplements their application with the new information requirements.<sup>10</sup> The 2019 Regulations are supported by the new application guidance document in Appendix 5. This guidance will be kept under review and may be updated periodically as required.

## ***New application processing time periods***

The application guidance document contains the application processing time periods.<sup>11</sup> We have amended these since our April consultation by adding an additional 20 working days for certain licence types.<sup>12</sup> This is to ensure that sufficient time is available within the standard time periods to undertake the 'proposal to refuse' process as required by the Acts,<sup>13</sup> rather than necessitating an extension to that time period.<sup>14</sup> We do not consider this to be a material change in practice. The new guidance makes clear that any licence grants would still be expected within the time periods previously consulted on. The additional 20 working days is for instances where we propose to refuse the application.

## **Next steps**

The new Regulations will be in force on 5 July 2019 and we are transitioning affected applicants to the new arrangements.

This concludes the 'entry' workstream of our Supplier Licensing Review. As previously stated we will keep the new regime under review and make adjustments if beneficial once the new process has become established and/or in light of the wider package of reforms expected under the Supplier Licensing Review.<sup>15</sup>

Yours faithfully,

**Lesley Nugent**

Deputy Director, Licensing Frameworks

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<sup>6</sup> Or extension or restriction, or modification of an area, of an existing licence.

<sup>7</sup> Gas Act 1986 7B(1), Electricity Act 1989 6A(2).

<sup>8</sup> [SI's 2010 No. 2155](#) and [2010 No. 2154](#)

<sup>9</sup> See subsidiary documents on our website for Appendices 3-5.

<sup>10</sup> Licence applications currently submitted to Ofgem and previously confirmed as being duly made will be considered incomplete (and therefore no longer duly made) on 5 July until the new application requirements are met by applicants, as applicable.

<sup>11</sup> The Provision of Service Regulations 2009 require that the processing time periods for authorisation schemes are fixed and made public in advance.

<sup>12</sup> Supply, Shipper, Generator and Interconnector.

<sup>13</sup> In accordance with s6A(4) of the Electricity Act 1989 and s7B(2A) of the Gas Act 1986, we are required to give notice to the applicant when we propose to refuse a licence application and allow for representations to be made.

<sup>14</sup> In accordance with Regulation 19(3) of the Provision of Services Regulations 2009.

<sup>15</sup> We recently published a working paper on next steps: <https://www.ofgem.gov.uk/publications-and-updates/update-way-forward-ongoing-requirements-and-exit-arrangements-phases-supplier-licensing-review>

## **Appendix 1: Summary of Consultation Responses**

***Consultation question 1:*** *Do you agree we should extend our enhanced 'fit and proper' assessment questions to all licence application types, not just supply licence applications?*

Most respondents agreed with this change. One observed that market participants rely on the integrity of other parties, and it would send the wrong message if a person was excluded from gaining a supply licence but was able to gain a different licence because no equivalent fit and proper test existed. Others commented that while suppliers have the most direct contact with consumers, other actors in the energy market also have significant roles with potential for causing consumer detriment. It was suggested that while the case for change is greatest for suppliers, this change enhances the process for all applications without being unduly onerous.

One respondent commented that a fit and proper 'person' check may not in itself prevent or reduce failure in the future. They argued that businesses run by people assessed as fit and proper can fail due to excessive growth strategies, excessive risk taking or excessive debt. Another noted that this would create increased workload for Ofgem and could slow the application process.

### *Ofgem response*

We envisage that the workload associated with the enhanced fit and proper disclosure requirements is proportionate and justifiable. We agree with the observation that a fit and proper test does not guarantee future behaviour nor provide any assurance regarding likelihood of business success. However, an assessment of 'suitability' can prevent, where appropriate, individuals gaining new licences after serious previous misconduct and/or mismanagement of energy (or other relevant) businesses. This in turn creates incentives related to behaviours as a poor record may impact future licence applications.

***Consultation question 2:*** *Do you agree that the proposed questions in section 12 will enable applicants for a gas or electricity supply licence to demonstrate that they meet the new supply licence application criteria?<sup>16</sup>*

Some respondents agreed with the questions set out. It was commented that the proposals strike the right balance, and that the questions are broad enough to allow for the right level of information to be provided. A number of other respondents commented that, while supporting the direction of travel, our final policy proposals had not gone far enough. Some said applicants should provide details of three-year plans (instead of two), commenting that the majority of recent failures have been after more than two years' operating in the market. Several felt that the requirements for one year's proof of funding was not enough. One respondent recognised that funding plans beyond 12 months are more speculative in nature, but that information gained is still important for assessing an applicant's preparedness for market participation. Another respondent felt that evidence of the ability to finance operations is particularly important if applicants are adopting a strategy of loss making tariffs to drive rapid growth. It was suggested that any applicant that appears to be pricing significantly below cost could be requested to provide additional proof of funding and/or be subject to enhanced risk-based monitoring after a licence is granted.

One respondent suggested that we could probe applicants regarding the commercial expertise of key individuals, and introduce an independent audit requirement to ensure information provided is accurate. Another felt that there is too much reliance on statements of intent, and that applicants should back up their statements with evidence.

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<sup>16</sup> That the applicant has the appropriate resources for their proposal to enter the market, and the applicant understands their regulatory obligations and has appropriate plans in place to meet these.

Another respondent said they did not support the new application requirements because they can't be relied on over time and therefore felt this to be an administrative request that will introduce a false sense of certainty.

#### *Ofgem response*

We understand the rationale for suggesting that three-year plans should be considered as part of the licensing assessment. However, it is important to recognise that licensing involves an assessment of entrants before they commence operations, and as stated in our final proposals, we are not assessing business viability. We continue to consider that a proportionate response is to request specific information that is most pertinent to our licensing decisions, and that a two-year horizon is adequate to test preparedness for entry. Failure occurs at different timeframes for different reasons. While some recent failures have occurred 2-3 years after market entry, the underlying issues/causes of failure can be triggered sooner. We have also seen more established suppliers fail. We are considering under the 'ongoing requirements' workstream of the Supplier Licensing Review what enhanced checks/requirements may be appropriate once an entrant has commenced their operations, complemented with measures to more effectively manage the consequences where suppliers do fail.

At entry stage, we will take account of likely risks and warning signs that can be observed in the context of an applicant's plans for entry into the supply market. We have made this clear in the guidance. The guidance also states that an entrant with a plan to promote tariffs that are not reflective of costs should be able to demonstrate sufficient funding to support this strategy, in order to demonstrate that they have adequate resources for their entry plans.

The minimum application requirements do not prohibit us asking for more information from applicants where we consider it necessary in order to make an assessment against the application criteria, in accordance with the published guidance. In respect of the requirement to provide evidence of funding, we have adjusted the drafting of the Applications Regulations and clarified in the guidance document that one year's proof of funding is the 'minimum' application requirement under the Regulations, however we may request further evidence if necessary for our assessment against the relevant criteria. We do not however agree that the minimum burden of proof should be increased, as this could potentially unduly deter or act as a prohibitive barrier to some new and innovative entrants. The onus is firmly on the applicant to demonstrate that they meet the application criteria, and so they should seek to provide supporting evidence of their application submissions where available.

In regard to commercial expertise and independent audits, we don't consider that either should be a prerequisite to gaining a supply licence. However, we may ask for details of the previous experience of key individuals for applications that are assessed as higher risk (Tier 2). If an applicant has chosen to undertake an external review of the adequacy of their resources they may wish to provide a summary of this with their submission.

Finally, we agree that information supplied at entry is subject to change. However, we don't agree that this is purely an administrative exercise as the new requirements mandate a level of preparation from entrants in order to gain a licence to operate. The requirements we are introducing are designed to be a sensible threshold to ensure those entering the market are putting proper plans and provisions in place to operate in the market and service their customers. While certainty regarding future conduct or business success cannot be gained at licence application stage, the new entry information provides a stronger basis for effective ongoing oversight of the market.

***Consultation question 3:*** *Do you have any other comments on the proposed new regulations/application forms, including the updated tiered process or fees? Or, is there anything we have not included that you believe should be?*

Respondents welcomed the consolidation of the Tier 2 and Tier 3 processes as set out in the 2010 Regulations. Several, however, also felt that Tier 1 and Tier 2 should also be consolidated, and that Ofgem should interview all applicants. It was suggested this would: i) help in fostering an open and constructive relationship with the regulator; and ii) enable Ofgem to judge whether the applicant understands what is expected of an energy supplier, and that their written responses are not replications of stock answers.

Two respondents commented that there should be clearer risk assessment criteria to determine whether an application should be processed under Tier 1 or 2, and to enable entrants to understand how they can achieve low risk scores.

Another respondent highlighted that the draft Applications Regulations didn't contain a box for the applicant to state who they consider to have significant managerial responsibility or influence, and therefore Ofgem would be unable to conduct any checks on those persons. They also suggested being clearer what "significant management control" entails. That respondent also highlighted that the entity at the top of an organisational structure may not always be a 'company', and therefore the definition of 'ultimate holding company' should be widened.

There were some mixed comments regarding the new proposed fees. One respondent noted that the supply licence application fee increase is significant, although didn't disagree with it, and suggested costs should be regularly reviewed. Another questioned whether it was high enough. Others commented that the new application fees were fair.

#### *Ofgem response*

We remain of the view that a tiered, risk-based process is proportionate and efficient. Applicants should be incentivised to produce full and accurate written submissions and 'get it right first time', in order to avoid greater scrutiny and potentially an elongated timeframe under Tier 2. This risk-based approach also ensures the best use of our resources.

We acknowledge that there should be clear risk assessment criteria to determine whether an application should be processed under Tier 1 or 2, but also recognise that this cannot be absolutely prescriptive as issues identified could be diverse. We have amended the risk assessment template in the guidance document, adding further detail. Where we request further information, or propose to refuse a licence application, we will provide clear reasons to the applicant.

We don't agree that applicants should be required to attend an interview in all cases. Licence applications should be capable of being completed as a paper-based exercise. That does not preclude us from discussion with applicants on a case-by-case basis to gain clarity or further information if we consider necessary for our application assessment. Equally, we may decide to refuse an application without having interviewed or held any discussion with an applicant, if their application is evidently lacking against the stated criteria. While applicants should be prepared to attend an interview to discuss their application where we have identified this is necessary in order to inform our decision, applicants should not assume they will have the opportunity for discourse with Ofgem regarding their submissions.

We have added a box in the application form for applicants to state the name(s) of persons with significant managerial responsibility or influence and we have also amended the accompanying definition in the Regulations for greater clarity. We have not updated the definition of 'ultimate holding company' on this occasion but where there is a non-corporate entity (eg local authority) sitting above the applicant's parent undertaking, applicants can still include this information where relevant as part of their submissions.

With regard to the application fees, we have adopted the fee levels proposed and will keep the fees under review and adjust them in the future as necessary.

**Consultation question 4:** *Do you have any comments or would you suggest any changes to the section on 'Suitability to hold a licence' (Chapter 3 of the draft guidance)?*

Respondents were generally supportive of the drafting of this section, offering some suggestions for refinement. One said they agree that previous involvement in a Supplier of Last Resort (SoLR) event should not automatically preclude a new licence, but that if there was a default on industry schemes this should result in an adverse finding. It was suggested that Ofgem should not put a time limit on a person's connection to a SoLR event for the purpose of the disclosure requirements, and that applicants should declare all incidents and Ofgem apply due weight based on length of time and role the person had. It was also suggested Ofgem should consider other market exits, not only those resulting in a SoLR process.

One respondent felt that regulatory action and company insolvency in unrelated sectors should typically have no influence on applications, as this is unlikely to hold relevance to the business making the application.

Another respondent thought it would be beneficial if the applicant provided an organisation chart and that Ofgem could indicate which roles carry significant managerial responsibility.

#### *Ofgem response*

We agree that the consumer or market harm caused by a relevant SoLR event – including mutualisation of industry scheme costs – would be a relevant consideration, as stated in the guidance. We have not put a time limit on the disclosure requirement in respect of when the SoLR event occurred. We have stated that applicants must disclose a relevant individual's involvement in a failed supply business (where they were a director, shareholder or person with significant managerial responsibility or influence) within the 12 months leading up to a SoLR event. We believe this is a reasonable window to ensure that this is a clearly defined application question and that we are considering the most relevant information. Nonetheless we can take any information brought to our attention into consideration when making our assessment, regardless of whether it falls within the scope of the disclosure requirements we have placed on applicants.

We do not agree that it is for Ofgem to assess who has significant managerial responsibility or influence in a company. The applicant is aware of the nature of the business and who is in control of the organisation's operations. We may, however, make enquiries if we have reason to believe additional persons may fall under the definition of significant managerial responsibility or influence and this has not been disclosed.

In respect of previous company insolvencies, in itself this is not a barrier to obtaining a licence. However, evidence of previous company mismanagement and/or serious regulatory action in other sectors could be relevant considerations regardless of whether this was in the energy industry. We will apply appropriate weight to such considerations based on the facts and merits of the case.

**Consultation question 5:** *Do you have any comments or would you suggest any changes to Chapter 4 of the draft licence application guidance, relating to the new criteria and process for supply licence applications?*

Respondents offered various suggestions on the draft guidance for supply applicants, including:

- i. Ofgem should work with a third party to assess financial viability or request that applicants have their plan assessed by a third party;
- ii. Ofgem should make 'payments for industry schemes' more prominent in the guidance;

- iii. All new entrants should provide credit cover for the various mutualisation schemes. (The respondent acknowledged this may be considered under the next stage of the Supplier Licensing Review, but argued that new entrants should take account of this potential additional cost);
- iv. Applicants should have knowledge of significant regulatory change that will impact them within the next 24 months. Specific reference was made to the Faster Switching Programme, and that applicants should demonstrate how they will ensure their obligations to participate in the programme are factored into their early years' plans;
- v. The requirements should include how new suppliers will meet their smart meter rollout obligations, particularly the customer service aspects;
- vi. The application requirements could consider applicants' awareness of voluntary codes or other initiatives around good customer service.

It was suggested that the proposed 55 working day time period may not be long enough to make a thorough assessment of a supply licence application. It was also highlighted that the draft guidance had omitted one of the four Supplier Licensing Review 'principles'.

#### *Ofgem response*

We have made various changes to the draft guidance following consultation which are summarised in Appendix 2.

As previously stated, our application process will not include business 'viability' testing. There is no test available prior to granting a licence that would give ongoing assurance as to a company's conduct or financial stability. It is for applicants to undertake due diligence on their business.

With regard to forthcoming regulatory change, we agree that prudent entrants should be abreast of this and planning accordingly. Any new licence conditions introduced may lead to further updates of the application form and/or guidance and we will discuss our ongoing work under the Supplier Licensing Review with applicants as appropriate. We have added reference to the Faster Switching Programme to the guidance.

We have set out that entrants should provide details about how they intend to meet their smart metering obligations, though we are not specifying that provision of a rollout plan is a prerequisite to obtaining a licence.

We agree that 'payments for industry schemes' should be prominent and have amended the guidance to be clearer that this is a regulatory obligation that entrants must understand and be making provision for (where applicable). In respect of voluntary codes, we are not adopting this suggestion as it is beyond the scope of the application question and we consider that as an entry requirement it is proportionate to focus on an applicant's intent to meet their regulatory obligations.

In respect of the proposed time period for processing supply applications, we are mindful to ensure that applications are processed as efficiently as possible without an unduly elongated timeframe. We are satisfied that 55 working days is sufficient to reach a decision on a supply licence application where full and complete information has been provided at the outset. We are able to extend this timeframe where there are complex issues. Furthermore, where information is found to be missing or an application is escalated to Tier 2 based on a higher risk score, the time period will be restarted from zero once the required information is provided. As set out in our decision letter, we have however reassessed the proposed time period to ensure adequate time is allocated to undertake the 'proposal to refuse' process, where necessary. In light of this we have added an additional 20 working days which we would expect to utilise in the case of application refusals. We will monitor the time taken for supply applications over the first year and revise the standard time period if needed.

Finally, regarding the Supplier Licensing Review principles, we agree that all of these should be included and have amended the guidance accordingly.

**Consultation question 6:** *Do you have any other comments or would you suggest any other changes to any part of the draft guidance?*

Some respondents felt there should be more detail on the type and level of information Ofgem will require from an applicant, and what financial resilience/reasonableness tests will be performed. Two respondents felt that the guidance needed to adopt stronger wording, using 'must' instead of 'should', to be more rigorous. Others commented that the success of the regime depends of Ofgem's ability to assess the information provided.

One respondent sought confirmation of what point in time in the industry code accession/qualification processes a supply applicant should submit their application.

Finally, some respondents commented on areas they felt the next phase of Ofgem's Supplier Licensing Review should address, noting that entry requirements do not guarantee high standards on an enduring basis. It was also questioned how success will be measured post-implementation. It was suggested Ofgem could commit to an ongoing review of the regulatory framework to ensure it remains robust and reflective of the changing industry landscape, and/or be more specific on the timing or trigger for reviewing the new regime arrangements. Suggestions for triggering a review included: after 12 months, after a certain number of applications, or, in responses to learnings from any further supplier failures.

#### *Ofgem response*

We consider our guidance is sufficiently detailed and informative about the nature of the information that applicants are expected to provide. In line with our final proposals, our assessment of supply applications is to be qualitative in nature. There is a balance to be struck between guiding applicants on how we expect them to answer the application questions, and prescribing absolute requirements which would reduce the positive obligation on applicants to demonstrate how they meet the criteria, and may also be inflexible to different types of applicant.

We have not changed the language of the guidance from 'should' to 'must' in all areas, recognising this is guidance for applicants.

We believe that the new entry requirements in the round will increase assurance that entrants are prepared to enter the supply market and meet their obligations. The new requirements will also serve to better inform new entrants of the broad range of considerations, risks and obligations involved and help prevent any misconception that entry to the supply market can be taken lightly.

Regarding the timing of licensing, we have not been prescriptive on when an applicant should apply. Entrants should be aware of the timescales involved in both the licensing process and the other necessary market entry processes. Applications for a licence should be made at such time as the applicant considers they are prepared enough to adequately demonstrate they meet the criteria.

Finally, we are mindful of the need to adequately resource the updated licensing regime and ensure consistent assessment. We agree that the new framework should be kept under review. In the short term we may wish to make modifications/clarifications or take corrective action if beneficial. The success of the final package of reforms under the Supplier Licensing Review will be assessed over the longer term.

## **Appendix 2: Summary of changes following consultation**

A summary of changes made to the Applications Regulations and associated guidance document following our consultation is below. We have not provided details of all minor drafting revisions/corrections, but have summarised the substantive changes and areas of drafting that have been revised in response to stakeholder comments.

### **Application Regulations**

<b>Paragraph or question</b>	<b>Summary of change</b>	<b>Reason for change</b>
Gas & Electricity regulation 2(2)	Simplified wording around transition arrangements	To be clearer about the process for applications that are in progress on the date the new Regulations take effect
Gas & Electricity regulations 3(1) and 4(a)	Removed 'point of single contact' references	This requirement (Provision of Services 2009) is met by the ability to apply for a licence electronically
Gas & Electricity 3(1)	Definition of 'significant managerial responsibility or influence' amended	To provide greater clarity for applicants
Gas & Electricity regulation 3(1) and Schedule Q10.4	Revised definition and drafting re 'Supplier of Last Resort event'	To specifically link this definition to the standard licence condition terminology, and to make the application question clearer
Gas & Electricity regulation 3(4)	Added reference to Smart Meter Communication licence	To record that these Regulations are not applicable
Gas & Electricity regulation 5(1)	Amended wording around form of application	To simplify the drafting
Gas & Electricity regulation 8(1)	Amended wording around 'prescribed period'	To simplify the drafting
Gas & Electricity Schedule contents page	Added statement that applicants must refer to the guidance document	To highlight that all applicants must refer to the full published guidance
Gas & Electricity Schedule Q1.10	Removed tick box for email service	Determined that field not necessary
Gas & Electricity Schedule Q10.3	Removed reference to 'debt judgements'	To provide greater clarity for applicants
Gas & Electricity Schedule Q10.6	Changed reference to competition law infringements	To provide greater clarity for applicants
Gas & Electricity Schedule Q10.7	Added box to record persons with significant managerial responsibility or influence	To require applicants to state who their disclosures are in relation to
Gas & Electricity Schedule Q11.1	Removed 'industry code' reference	Potentially unclear as not a defined term. The associated guidance elaborates on what to include for this question
Gas Schedule Q12.6, Electricity Schedule Q12.3	Changed 'proposed arrangements' to 'proposed plans'	To provide greater clarity for applicants
Gas Schedule Q12.7, Electricity Schedule Q12.4	Changed proof of funding requirement to say 'at least' one year	To make clear that this is the minimum requirement/expectation
Gas Schedule Q12.8, Electricity Schedule Q12.5	Changed phrasing of this question	To clarify/simplify the wording. Reference to micro-businesses removed as applicants must

		refer to our guidance on this point
Electricity Schedule Q12.6	Changed phrasing of this question	Licence lite applicants must refer to the published guidance in full if making a submission here
Gas & Electricity Schedule Tier 2	Separated questions regarding attending interview and providing additional documents	To be clearer that these requirements are not necessarily linked
Gas & Electricity Explanatory Note	Added previous fee table	To show how the fees have changed

### **Application guidance document**

<b>Chapter</b>	<b>Summary of change</b>	<b>Reason for change</b>
Page 6	Moved process diagram; and clarified applicants 'must' read guidance	Diagram now sits alongside explanation of tiered process; wording better reflects final Regulations
Throughout	Changed references to 'the applicant' to 'you'	To make the guidance more user friendly
Chapter 2	Added details of 'over-riding reasons of public interest' where relevant	To ensure that rationale is clear where applicable (under the Provision of Services Regulations 2009)
Chapter 2	Amended time periods	Adjusted to better account for the proposal to refuse process, where needed (see decision letter)
Chapter 3	Updated drafting about risk assessment	To provide greater clarity for applicants
Chapter 3	Added explanation of service addresses	To provide greater clarity for applicants
Chapter 3	Added further text about licensing history, and assessment of suitability re "significant managerial responsibility or influence"	To provide greater clarity for applicants
Chapter 3	Amended Tier 2 guidance regarding interviews	Now in separate sub-section
Chapter 4	Added new text on domestic vs non-domestic only applications	To advise that a domestic licence shouldn't be applied for speculatively
Chapter 4	Inserted Supplier Licensing Review principle re oversight and exit protections	As highlighted in responses. Application information supports ongoing oversight post-licensing
Chapter 4	Added reference to Faster Switching Programme	In response to stakeholder suggestion
Chapter 4	Strengthened statements around what applicants must demonstrate as part of their financial projections	To provide greater clarity for applicants
Chapter 4	Amended wording around proof of funds and certificate of adequacy	To be clear that one year's proof of funding is the 'minimum' requirement and that a certificate of adequacy should be submitted as supporting evidence.

Chapter 4	Amended wording around 'statement of intent'	To provide greater clarity for applicants
Chapter 4	Added reference to managing customers acquired from outside target group; and signposting to Citizens Advice/Ombudsman applies re microbusinesses	In response to stakeholder suggestions
Chapter 5	New interconnector licence application information	This chapter has been revised to bring the relevant information up to date
Chapter 10	Updated refusal process drafting	To ensure that the proposal to refuse process is administered efficiently, we consider 10 working days for representations to usually be sufficient. Also added clarifications that applicants can withdraw at any time, and can reapply if refused
Appendix 1: Risk assessment template	Amended details including separating risk categories for supply criteria	To provide greater clarity for applicants