

# **Microbusiness Strategic Review: Policy Consultation**

## **BIRA Introduction**

The British Independent Retailers Association (Bira) has been established for more than 120 years and has 4,000 members (with approximately 8,500 stores) throughout the UK. Our core membership is in hardware, fashion, cookware and homeware. We have members ranging from a small health food store to an independent department store, and the retail sectors we cover include:

- fashion and accessories
- cards & gifts
- hobby and Craft
- sports
- furniture
- carpets and flooring
- DIY, home décor
- Cookshops
- Bookshops
- coffee shops
- restaurants
- hair and beauty.

The breadth and geographical spread of our membership gives BIRA a unique insight into independent retail – both the challenges and the opportunities.

Independent retail is an important part of the overall retail sector. All the winners from the Great British High Street Awards (held in January 2020) had independent retailers at their heart – retailers that offer diversity, quality and a genuine connection with the local community.

Bira is actively engaged with BEIS, the Treasury and HCLG. BIRA was invited to join the Retail Sector Council in 2019 and has given evidence to various select committees and the Low Pay Commission over the past 18 months. BIRA is also part of the High Street Task Force group.

## **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?*

It makes sense to use the consumer groups. I would also suggest that relevant trade associations are also used to disseminate information. We communicate with our members and non-member 'guests' (former members, retailers interested in receiving information) through weekly e-mail/ newsletters and websites. BIRA is also part of the Independent Retail Consortium (an informal group of several small retail associations), and we can use this group to also disseminate information to their respective members

## **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 fully agree. I also believe that any 14 day cooling off period should not start until such documents have been sent to the consumer

*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?*

Yes fully agree. We need complete transparency

*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?*

There needs to be clarity around any administrative charges that may be imposed by the broker

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

We are not able to answer this question

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

BIRA views this as a very comprehensive document that will support positive changes in the sector

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

Creating a transparent system, supported by documented evidence should suffice

## **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?*

We suspect that it may be resisted and brokers will claim that the extra administrative burden will result in higher costs. However, BIRA believes that there should be a broker conduct principle that determines expected and acceptable minimum standards of behaviour from brokers

*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?*

BIRA entirely agrees with this proposal

*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?*

BIRA agrees that a 14 day cooling off period is appropriate and that the period should only start when the written documents have been sent to the customer

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

We are not in a position to answer this question

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

BIRA views this as a very comprehensive document that will support positive changes in the sector

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

No

## **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?*

BIRA agrees with this proposal. We know that ADR is effective in other sectors (for instance private rental sector), and when implemented well it can protect all parties

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

There will be a question of funding such a scheme.

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

BIRA views this as a very comprehensive document that will support positive changes in the sector

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

No

## **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?*

BIRA agrees with this proposal. Too often termination notices are used to deter customers switching suppliers

*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?*

BIRA agrees to this proposal and would like to see it extended to 60 days. This would ensure a focus on a smooth changeover

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

BIRA is unable to comment on this

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

BIRA views this as a very comprehensive document that will support positive changes in the sector

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

No