

Improving the Non-domestic Consumer Experience

Consultation paper on proposed
measures

17 October 2024



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; Markets; Consumer Protection and Enforcement. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Abstract

'Improving the Non-domestic Consumer Experience' (Consumer Protection Programme 2024-2029 (CPP24) Project #23) is a project committed under CPP24. This paper will consult on six potential measures (including the scope of these) which aim to remedy gaps identified in the existing non-domestic regulatory framework and ultimately improve the market for the non-domestic consumer, aiming to ensure fair engagement and outcomes in the retail energy market for non-domestic consumers. This consultation follows on from our 'Review of the Regulation of the Non-Domestic Energy Retail Market' conducted in May in 2024.

Audience

This document is likely to be of interest to a wide range of stakeholders, including non-domestic consumers, advice and protection agencies, non-domestic representative organisations, energy suppliers and the wider energy industry.

Consumer impact

The potential new measures identified are expected to have a positive impact on non-domestic electricity and gas consumers.

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Executive Summary

In May 2024, UR published a position paper¹ following our ‘Review of the Regulation of the Non-Domestic Energy Retail Market’ (the Review). As part of the Review, we undertook a programme of research and published a Call for Input (Cfi) to gather information on the non-domestic energy market in Northern Ireland, in order to help identify key concerns and issues within the market. This helped form the basis of what projects would be included in Consumer Protection Programme 2024 – 2029 (CPP24) regarding non-domestic consumers.

‘Improving the Non-domestic Consumer Experience’ (CPP Project #23) is one of the projects committed to under CPP24. The Review had identified several areas where non-domestic consumers were being impacted adversely and areas where there were concerns of gaps in the existing regulatory framework. Through this ‘Improving the Non-domestic Consumer Experience’ project, we will explore whether a range of options can mitigate these issues and improve the overall experience of non-domestic consumers.

These measures which we are consulting upon have been developed taking into consideration views expressed by stakeholders during the Review which encompassed a programme of research (Non-domestic Consumer Insight Tracker Survey², structured interviews, desk-top research and a Cfi). Consideration has also been given to comparable consumer experiences and measures implemented in neighbouring jurisdictions.

We are firstly consulting on the scope of coverage applicable to non-domestic consumer protection measures by considering our current Small Business Consumer licence definitions in comparison to the definitions applicable in Great Britain (GB).

We are also consulting on six potential modifications to the regulatory framework:

1. Suppliers to publish tariff rates for small businesses on their website.
2. Suppliers to publish information providing access to customer support services.
3. Mandatory statement on bills stating that the customer may not be on the cheapest tariff and how to switch.
4. Security deposits with respect to the duration these may be held for.

¹ [Review of the Regulation of the Non-Domestic Energy Retail Market - Position Paper.pdf \(uregni.gov.uk\)](#)

² [uregni.gov.uk/files/uregni/documents/2023-05/Non-Domestic Tracker Final report.pdf](#)

5. Maximum notice periods on deemed contracts.
6. Prepayment Meters for non-domestic consumers.

Following closure of the consultation period, all consultation responses that have been received will be analysed and based on that information we will then determine the appropriate next steps via publication of a decision paper in Q1 2025.

1. Introduction and Background

- 1.1 Protecting consumers is at the heart of Utility Regulator’s (UR) role and we pursue this, where appropriate, through promoting effective competition in the Northern Ireland energy markets. UR operates to ensure consumers are adequately protected in these markets through competition, alongside regulation if that competition is not deemed effective enough to adequately protect consumers.
- 1.2 UR’s Consumer Protection Programme (CPP) has played a pivotal role in ensuring domestic consumers in Northern Ireland are protected. The CPP is a central element of our Corporate Strategy and is our principal vehicle to deliver positive outcomes for electricity, gas, and water consumers in Northern Ireland.
- 1.3 CPP24³ was launched March 2024, and for the first time included themes and projects aimed at enhancing consumer protection for non-domestic consumers. This change reflects our enhanced focus on issues facing non-domestic consumers as the organisation reshapes to meet the current and future challenges of the energy market in Northern Ireland.
- 1.4 In May 2024, UR published a position paper⁴ following its ‘Review of the Regulation of the Non-Domestic Energy Retail Market’ (the Review). As part of the Review, we undertook a programme of research and published a Call for Input (CfI) to gather information on the non-domestic energy market in Northern Ireland, in order to help identify key concerns and issues within the market. This helped form the basis of what projects would be included in CPP24 regarding non-domestic consumers.
- 1.5 ‘Improving the Non-domestic Consumer Experience’ (CPP Project #23) is one of the projects committed to under CPP24. The Review identified several areas where non-domestic consumers were being impacted adversely and areas where there were concerns of gaps in the existing regulatory framework. This included—but was not limited to—areas such as tariff transparency and published information. Through this project, we will explore whether a range of options can mitigate these issues and improve the overall experience of non-domestic consumers.

Strategic Aim and Objectives

- 1.6 As this project is a continuation of the work initiated by the Review, the strategic aim and objectives of this project will remain consistent with the

³ [Consumer Protection Programme: 2024-2029 - UR](#)

⁴ [Review of the Regulation of the Non-Domestic Energy Retail Market - Position Paper.pdf \(uregni.gov.uk\)](#)

previous aims and objectives, as we work to further develop and implement measures.

1.7 Therefore, the strategic aim of this project is to:

Identify and remedy gaps in the existing non-domestic regulatory framework to ensure fair engagement and outcomes in the retail energy market for business consumers.

1.8 This aim aligns with UR's Corporate Strategy 2024-2029⁵: 'Strategic Objective 4 - Providing the highest level of consumer service and protection.'

1.9 In order to achieve the Strategic Aim, the 'Improving the Non-domestic Consumer Experience' project has the following objectives:

1. **INFORM** stakeholders of the high-level findings of the recent research related to the non-domestic energy retail market in Northern Ireland;

2. **GATHER** a broad spectrum of information relating to the current regulation of the non-domestic energy retail market in Northern Ireland;

3. **IDENTIFY** any areas where the existing regulations are inadequate or need strengthened to provide sufficient protections to non-domestic consumers;

4. **DEVELOP** a range of options for measures which could be implemented to strengthen the protections for non-domestic consumers (if required). These may range from measures which could be implemented promptly, or alternatively the identification of longer-term projects that may require further investigation (i.e. identifying future CPP projects);

5. **CONSIDER** the regulatory policy implications of any such measure (such as the requirement for consultations, licence modifications, and / or amendments to Codes of Practice); and

6. **IMPLEMENT** any required changes and monitor outcomes.

Scope

1.10 This project will focus on the experience of all non-domestic consumers of both gas and electricity; including all sizes and sectors. We are consulting on the scope of these measures and this will remain flexible for refinement as the project progresses, should evidence indicate that particular consumer

⁵ [UR Corporate Strategy 2024 – 2029](#)

groups require additional consumer protection measures or research.

Consultation

- 1.11 This consultation paper is the first step in the project and its purpose is to gather responses from a wide range of stakeholders on the questions posed within this paper; particularly from non-domestic consumers, advice and protection agencies, business representative organisations, energy suppliers, and the wider energy industry.
- 1.12 This paper consults on six measures in total; five are within the theme of ‘transparency and information’, whilst the latter is categorised as ‘prepayment meters for non-domestic consumers’.
- 1.13 The publication of this consultation will allow UR to achieve objectives one and two discussed in this section. The responses to this consultation will support the progression of objectives three-six and help shape the future regulatory framework for non-domestic consumers.

Structure of this Paper

- 1.14 Section one outlines the strategic aim, objectives, and scope of the ‘Improving the Non-domestic Consumer Experience’ project, as well as the purpose of this consultation.
- 1.15 Section two provides an overview of our non-domestic energy retail market projects to date.
- 1.16 Section three explores the proposed measures for consultation.
- 1.17 Section four provides guidance on how to respond to this consultation, including information on the next steps for mandating the measures.

2. Non-domestic Energy Retail Market Regulation

Measures to Enhance the Operation of the Small Business Energy Market

- 2.1 In 2017, we published an information paper⁶ followed by a consultation⁷ titled 'Measures to Enhance the Operation of the Small Business Energy Market'.
- 2.2 This followed on from several market changes that had impacted the non-domestic sector, including the removal of the price control from the remainder of Power NI's small business electricity customers (price deregulation).
- 2.3 In parallel, the Competition and Markets Authority (CMA) energy market review in GB noted some issues and concerns around the detrimental impacts on small businesses of some aspects of the energy market. Consideration has been given to outcomes of the CMA review of the GB energy market and where relevant to the context of Northern Ireland, findings have been used to inform any policy developed by UR in recent years.
- 2.4 Our subsequent decision paper⁸ published in 2018 introduced several measures to ensure competition was as effective as possible for non-domestic consumers in Northern Ireland.
- 2.5 A summary of the measures introduced through this decision:
- Determined the scope of coverage of the measures as being 0 – 50 MWh for electricity and up to 73.2MWh for gas small business customers.
 - Opted not to proceed with licence modifications to mandate tariff transparency at that point in time, on the basis that suppliers voluntarily committed to provide their pricing information including small business tariffs to Consumer Council for Northern Ireland (CCNI) (or another third-party provider).
 - Introduced a requirement for suppliers to provide information on their website around security deposit requirements and how they are determined for a customer.
 - Mandated that security deposits should be set at a maximum level of

⁶ [Information Paper - Measures to Enhance the Operation of the Small Business Energy Market V2.0.pdf \(uregni.gov.uk\)](#)

⁷ [Approach Consultation \(uregni.gov.uk\)](#)

⁸ [Decision Paper \(uregni.gov.uk\)](#)

three months consumption.

- Introduced a formal requirement on licensees which disallows the rollover of a contract.
- Determined that exits fees must be set at a level which is proportionate, justifiable, and reflective of the cost to the supplier of providing the fixed term contract.
- Determined that a cooling off period should not be introduced for small business consumers at this time.
- Introduced an obligation for suppliers to inform customers if their terms and conditions change, a 21-day notification of price changes and a notification of any fixed term contract periods coming to an end.

Review of the Regulation of the Non-domestic Energy Retail Market

- 2.6 In May 2024, we published a position paper⁹ following the Review. As part of this Review, we undertook a programme of research and published a Cfl to gather information on the non-domestic energy market in Northern Ireland, in order to help identify key concerns and issues within the market.
- 2.7 Four areas of focus were highlighted throughout both the programme of research and the Cfl responses as follows: operation of third-party intermediaries (TPIs), treatment of debt, transparency and information, and unfair contract terms.
- 2.8 The position paper outlined the concerns that had been raised through the research and the Cfl, and mapped how they would be addressed via a range of projects contained within CPP24, which was launched in March 2024.
- 2.9 Concerns within each of these areas of focus will be addressed in CPP24 through a combination of (i) non-domestic specific projects or workstreams, (ii) broader consumer protection projects and (iii) areas of further research.
- 2.10 The table below maps each area of focus to the relevant project(s) within CPP24 intended to address concerns within that area including the areas covered by this piece of work (Ref #23).

⁹ [Review of the Regulation of the Non-Domestic Energy Retail Market - Position Paper.pdf \(uregni.gov.uk\)](https://www.uregni.gov.uk)

Area of Focus	CPP Projects addressing area	CPP Project Ref #	Project start	Project end
Regulatory protection for engaging with TPIs	Third Party Intermediaries in the Non-domestic Retail Market	22	Y1 Q4 (Jan 2025)	Y2 Q4 (Mar 2026)
Treatment of non-domestic consumers in debt	Review of the Energy Supplier Codes of Practice	19	Y2 Q1 (Apr 2025)	Post CPP Mid review
	Consumer Energy Charter each Winter	18	Y1 Q3 (Oct 2024)	Y1 Q4 (Mar 2025)
Unfair contract terms and conditions	Improving Non-domestic Consumer Experience	23	Y1 Q1 (Apr 2024)	Y2 Q4 (Mar 2026)
Transparency and information	Energy Literacy Project	6	Y2 Q1 (Apr 2025)	Y3 Q4 (Mar 2027)
	Review of the Energy Supplier Codes of Practice	19	Y2 Q1 (Apr 2025)	Post CPP Mid review
	Improving Non-domestic Consumer Experience	23	Y1 Q1 (Apr 2024)	Y2 Q4 (Mar 2026)
	Non-domestic energy market forum	10	Y1 Q1 (Apr 2024)	Y1 Q4 (Mar 2025)
Areas of further research	Farming Sector (Engagement and Research)	12	Y2 Q1 (Apr 2025)	Y2 Q4 (Mar 2026)
	Domestic Consumers Supplied by Non-domestic Contracts	11	Y3 Q1 (Apr 2026)	Y3 Q4 (Mar 2027)

Table 1: Areas of Focus mapped to CPP24 Projects addressing area

3. Proposed market improvement measures for consultation

3.1 This section of the paper sets out the potential market improvement measures that we are consulting upon under our 'Improving the Non-domestic Consumer Experience' project. These measures have been developed taking into consideration the experiences of and views expressed by stakeholders, and other evidence provided during the Review which encompassed a programme of research (Non-domestic Consumer Insight Tracker Survey, structured interviews, desk-top research and a CfI). Consideration has also been given to comparable consumer experiences and measures implemented in neighbouring jurisdictions. These measures relate to (i) transparency and information and (ii) prepayment meters for non-domestic consumers.

Scope of coverage

- 3.2 The current scope of coverage for measures applicable to non-domestic consumers was set out in our 2018 decision paper and applied to 'Small Business Consumers', as defined in the supplier licences and described in Table 2 below.
- 3.3 For comparison, protection for electricity non-domestic consumers in GB (under the Micro Business Consumer definition) is set at an annual consumption below 100,000 kWh (100 MWh), which equates to double the consumption level of that applied within Northern Ireland under our Small Business Customer definition (50MWh).
- 3.4 Similarly, protection for gas non-domestic consumers in GB (under the Micro Business Consumer definition) is set at an annual consumption below 293,000 kWh (293 MWh), which is almost four times higher than the level of 73.2 MWh per annum applied within Northern Ireland under Small Business Customer definition.
- 3.5 However, in GB SLC Condition 7D regarding the provision of Required Price Information (as discussed under Potential Measure 1), applies only to 'Relevant Micro Business Customers' as defined in Table 1 below and this is the same level of coverage as within Northern Ireland under 'Small Business Customer' definition (50MWh).
- 3.6 Table 2 below summarises these business consumer definitions for ease of review.

Licence	Term	Definition
Northern Ireland Gas Supply	Small Business Consumers	a business consumer supplied with gas and consuming less than 73.2 MWh per annum based on the Annual Quantity of the supply meter point as defined in the Network Code. This does not include a business consumer that is a single legal entity with more than one premises where the total gas consumption of those premises is more than 73.2 MWh per annum.
Northern Ireland Electricity Supply	Small Business Customers	a Non-Domestic Customer supplied with electricity and consuming less than 50 MWh per annum based on its most recent previous actual 12 months consumption or, where such data is not available, the estimated consumption used for customer billing or the Actual or Estimated Usage Factor (AUF or EUF) as defined in the Market Registration Code approved by Authority in accordance with a condition of the Distribution Licence held by a Licensed Distributor. This does not include a non-domestic customer that is a single legal entity with more than one premises where the total electricity consumption of those premises is more than 50 MWh per annum.
GB Standard conditions of gas supply licence	Micro Business Consumer	a Non-Domestic Customer: (a) which is a “relevant consumer” (in respect of premises other than domestic premises) for the purposes of article 2(1) of The Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (S.I. 2008/2268); or (b) which has an annual consumption of gas of not more than 293,000 kWh.
GB Standard conditions of electricity supply licence	Micro Business Consumer	a Non-Domestic Customer: (a) which is a “relevant consumer” (in respect of premises other than domestic premises) for the purposes in article 2(1) of The Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (S.I. 2008/2268); or (b) which has an annual consumption of not more than 100,000 kWh.
GB Standard conditions of electricity supply licence	Relevant Micro Business Customer (Applicable under SLC Condition 7D)	means a Non-Domestic Customer that has entered their Primary Information into a licensee’s Website or a Third Party Online Platform and which the licensee has determined meets all of the following criteria: (a) the metering point at the Non-Domestic Premises falls under profile classes 1, 2, 3 or 4 as defined in the Balancing and Settlement Code; (b) has an annual consumption of electricity of not more than 50,000 kWh per Electricity Meter; and (c) has a Relevant Electricity Metering Arrangement.
GB Standard conditions of gas supply licence	Relevant Micro Business Customer (Applicable under SLC Condition 7D)	means a Non-Domestic Customer that has entered their Primary Information on a licensee’s Website or Third Party Online Platform and has an annual consumption of gas of not more than 73,200 kWh per Gas Meter.
GB- pending legislation update.	Small Business Consumer (will be applicable to ombudsman access and signposting)	A Small Business Consumer will be defined as one which meets the following criteria: uses no more than 200,000 kWh of electricity per year; or uses no more than 500,000 kWh of gas per year; or has fewer than 50 employees (or their full-time equivalent) and an annual turnover no greater than £6.5 million or balance sheet total no greater than £5 million ¹⁰ .

Table 2: Scope of coverage definitions

¹⁰ [Non-Domestic Market Review Decision \(ofgem.gov.uk\)](http://www.ofgem.gov.uk)

- 3.7 In GB, following Ofgem’s Non-domestic Market Review (July 2024) it will expand the Standards of Conduct to apply to all businesses of any size, rather than just micro-business consumers. This will give Ofgem powers to take action against suppliers that do not treat non-domestic customers fairly (SLC 0A).
- 3.8 GB government has decided to expand access to redress (to the Energy Ombudsman) for small businesses and introduce a new ‘Small Business Consumer’ definition into the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (the “2008 Order”). The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 (CHS) will also be extended to Small Business Consumers, from December 2024 at the earliest.
- 3.9 Following this, Ofgem then plan to expand their signposting requirement to include Small Business Consumers when the CHS and 2008 Order are expanded making Small Business Consumers eligible to access Citizens Advice.
- 3.10 The latest UR Quarterly Transparency Report¹¹ states that there are 66,019 electricity consumers in the 0-50MWh category and 10,472 gas consumers in the up to 73.2MWh category and therefore within the current definition of Small Business Customer/Consumer.
- 3.11 We are therefore keen to hear respondent views on the threshold applied in the ‘Small Business Customer’ definition within Northern Ireland supplier licences, if this definition should be used as a scope for the measures presented in this paper or if this should be expanded to provide protection to larger non-domestic consumers, including any suggested alternatives.

Question 1. What are your views on the suitability of the scope of coverage for these measures applying to small business defined as annual consumption of 0-50MWh for small Industrial and Commercial (I&C) electricity customers and 0-73.2MWh for small I&C gas customers?

Transparency and Information

Potential Measure 1 – Suppliers to publish tariff rates for small businesses on their website.

- 3.12 Concerns over price transparency were raised during our ‘Measures to Enhance the Operation of the Small Business Energy Market’ project in 2018, and we consulted on a measure to mandate that supplier’s publish

¹¹ [Q2 2024 Transparency report \(uregni.gov.uk\)](https://www.uregni.gov.uk/q2-2024-transparency-report)

their tariff rates. However, following consultation this measure was not implemented on the basis that suppliers commit to provide their pricing information, including small business tariffs, to CCNI (or another third-party provider) for publication on their price comparison tool.

- 3.13 At that time, we indicated that we may proceed with licence modifications to mandate tariff transparency in future if we are not satisfied that the level of transparency being provided is adequate and similar to that in GB and commensurate with the CMA Order¹².
- 3.14 However, renewed transparency concerns were highlighted during the Review. Several respondents to the Cfl noted that CCNI's energy price comparison service for small businesses is not being regularly updated by suppliers, meaning that it is not providing an accurate representation of all available tariffs. This inconsistency in the frequency of information provided was said to be potentially misleading to consumers as some tariffs were deemed out of date.
- 3.15 A lack of transparency could mean that non-domestic consumers are unable to reliably compare tariffs without approaching suppliers individually and obtaining a quote from each of them. Making numerous calls to suppliers is time consuming and resource intensive for consumers.
- 3.16 Smaller businesses often have lower resource levels which can equate to a lower level of knowledge and understanding of energy markets as they are unlikely to have a dedicated in-house energy expert. Therefore, smaller businesses may require information and support to be provided by suppliers, similar to that which is provided to domestic consumers, including transparency tariff information to aid decision making.
- 3.17 Our 2023 Non-domestic Consumer Insight Tracker Survey also showed that three quarters (74%) of non-domestic consumers said they were not aware of CCNI's energy price comparison tool, with only 11% reporting they had used it. This indicates that suppliers' websites could be a more prominent place for tariff publication.
- 3.18 Currently in GB, there is an obligation for suppliers to disclose required price information to micro-business customers on its website or on one or more third party online platforms (also linked from their website). The required price information' includes unit rates, standing charges and all other associated charges per electricity/gas meter, which a Relevant Micro-Business Customer¹³ may contract for, for an identified period. This also applies to out-of-contract contracts and all deemed contracts which may

¹² [Energy Market Investigation \(Microbusinesses\) Order 2016 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/energy-market-investigation-microbusinesses-order-2016)

¹³ As defined in Table 2

apply to a micro-business consumer.

- 3.19 In GB, this quote is a single price per fuel for a given set of information inputs for the duration of the contract. For example, in relation to annual quotes, suppliers would be required to quote a single price, and not simply a range. Suppliers would also be required to disclose a single price for the unit rates and standing charges. Suppliers must also identify what charges or costs are included in the quote (this should include clarity on 'pass-through' elements such as, but not limited to, feed-in tariffs/contracts, electricity market reform costs and renewable obligation cost.)
- 3.20 Similar transparent pricing information may be useful for Northern Ireland consumers which could include publication of each separate combination of unit rates, standing charges, and all other associated charges per electricity meter and gas meter, which is available for a small business customer to enter into a supply contract.
- 3.21 We consider having clear and transparent access to price information to be a fundamental requirement for fully effective competition. Lack of tariff transparency may hinder small non-domestic consumers particularly from engaging meaningfully in the market, which impacts switching ability and competition. The evidence outlined above suggests that the voluntary publication of non-domestic tariffs on CCNI's comparison tool is not delivering the desired, adequate level of transparency and that non-domestic consumers may benefit from implementation of a mandated requirement as described above.

Question 2a. Should suppliers be mandated to provide transparent price information for small businesses on their website? If so, please describe what format should this take? Please provide a clear rationale to support your answer.

2b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement / Code of Practice / guidance document).

2c. Do you think that this required pricing information should include standing charges, unit rates and all other associated charges per electricity meter and gas meter, which is available for a Small Business Customer to enter into a supply contract?

Potential Measure 2 – Suppliers to publish information providing access to customer support services.

- 3.22 Throughout our research, we received reports that non-domestic consumers could benefit from being specifically signposted to support services as they

may not be aware of the support available to them.

- 3.23 The findings of the latest Non-domestic Consumer Insight Tracker Survey found that 61% of small and medium sized businesses were not aware of the minimum standards of customer service (i.e. targets around complaints handling) that energy suppliers must meet. This lack of knowledge suggests that these consumers may require additional support and advice in this area.
- 3.24 In several of our 2023 interviews with business representative organisations we were informed that small businesses, in sectors such as hospitality in particular, had a similar level of resources and understanding of the energy market as domestic consumers and may require similar support services.
- 3.25 Currently, there are protections in place for domestic consumers around information provision and signposting as suppliers to these consumers are required to comply with the Code of Practice minimum standards on Payment of Bills¹⁴. This code requires suppliers to seek permission from the relevant advice-giving organisations to share their contact details and publish the up-to-date list of said contact details on their website.
- 3.26 Under both the Domestic and Non-domestic Codes of Practice on Bills and Statements¹⁵, there is a requirement for publication on the bill or statement, to include a statement to inform the customer that other electricity and gas suppliers are available, providing details of where the customer can obtain impartial advice and information about changing electricity or gas suppliers will also be provided. For most this is met by a link to CCNI website. However, this requirement would differ in that it will include additional organisations and will be on supplier websites (rather than bills or statements).
- 3.27 In relation to non-domestic consumers, relevant advice-giving organisations in Northern Ireland could include—but are not limited to—debt help from Advice NI (a registered charity which exists to ensure accessible advice services across Northern Ireland), the CCNI (an independent body which represents and protects the interests of energy consumers and has the legal power to investigate complaints) and Rural Support NI (provides impartial guidance for farmers and farm family members).
- 3.28 In GB, Ofgem’s Non-Domestic Market Review Decision has outlined the implementation of a new Standard Licence Condition in July 2024 for non-domestic suppliers which requires them to signpost micro-business consumers to Citizens Advice and Citizens Advice Scotland, that can offer support and advice when they have an issue. This will also apply to small

¹⁴ [Annex 1b Code of Practice minimum standards on Payment of Bills.pdf \(uregni.gov.uk\)](#)

¹⁵ [2017-07-05 FINAL non-domestic bills and statements CLEAN - Annex 5.pdf \(uregni.gov.uk\)](#)
[2017-07-05 FINAL domestic bills and statements CLEAN - Annex 3.pdf \(uregni.gov.uk\)](#)

business consumers from December 2024, subject to the new Small Business Consumer definition¹⁶ entering legislation.

- 3.29 We are keen to hear the views of respondents on the potential benefits of the publication of information on suppliers' websites that provides details on how non-domestic customers can access relevant customer support services.

Question 3a. Should energy suppliers be required to publish information on their websites sign-posting non-domestic consumers to relevant support and advice services? Please provide reasoning to support your answer.

3b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Potential Measure 3 – Standard, mandatory statement on bills stating that the customer may not be on the cheapest tariff and how to switch.

- 3.30 During the Review, concerns were raised over consumers' switching ability including knowledge of the switching process.
- 3.31 Our 2023 Non-domestic Consumer Insight Tracker Survey showed that over two thirds (68%) of respondents stated that they have not switched electricity supplier in the last five years. With 56% of all respondents also confirming that they "do not give much thought" to the type of energy contract they have, it is important in the current economic climate that non-domestic consumers are facilitated to assess and comprehend their energy situation to ensure they are on the best deal for them.
- 3.32 For domestic consumers, Principle 4 of the Code of Practice on Domestic Bills and Statements states that customers will be made aware that there may be cheaper tariffs available to them and that the supplier will highlight to the customer that there may be cheaper tariff options available and include the following statement:
- "Thank you for choosing... We offer a range of tariff options so please check our website or speak to one of our advisors to find out if you are on the best deal for you. You may also change your supplier. Impartial advice and information about tariffs and switching can be found at www.consumercouncil.org.uk".
- 3.33 Although a Non-domestic Code of Practice exists, it does not contain this requirement for messaging of a cheaper tariff.
- 3.34 In our 2018 decision paper on 'Measures to Enhance the Operation of the Small Business Energy Market' the decision was made not to mandate

¹⁶ See Section 3.8.

inclusion of a statement that consumer may not be on the cheapest tariff and how to switch. This followed consideration of the potential issues associated with its inclusion, such as the concern that it would create an expectation that consumers could switch in the middle of a contract.

- 3.35 However, in order to help address concerns around consumer switching ability and knowledge, we want to explore if this statement could be presented in some format which does not create an expectation of a consumer being able to switch (without contractual implications) in the middle of a fixed contract for example.
- 3.36 We are keen to receive respondents' views on the inclusion of a mandatory statement on non-domestic consumers' bills, or other suggested publications, stating that the customer may not be on the cheapest tariff and how to switch.

Question 4a. Should non-domestic consumer bills include a standard, mandatory statement stating that the consumer may not be on the cheapest tariff and information on how to switch? Please provide a clear rationale to support your answer.

4b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

4c. Are there any other publications that you would suggest this statement be included in? Please provide a clear rationale to support your answer.

Potential Measure 4 – Security deposits with respect to the duration these may be held for.

- 3.37 Electricity Supply Licence Condition 27A and Gas Supply Licence Condition 2.22 state that security deposits should not be required for small business customers where it is 'unreasonable in all circumstances' and set a cap for the security deposit amount that can be requested at the amount charged for a three-month supply average. There is also a requirement for a published calculation methodology for security deposit calculation covered here within the licence.
- 3.38 These conditions were developed following our 2018 decision paper on 'Measures to Enhance the Operation of the Small Business Energy Market' where it was decided that suppliers should provide information on their website around security deposit requirements and how they are determined for a customer.
- 3.39 However, it was decided that it would remain up to the supplier to determine when the security deposit can be returned to the customer. The reasoning

for this decision was that the restriction of the security deposit to the amount charged for a three-month supply average should ensure that even if the security deposit is held for the entire time that the customer is with the supplier, it would not be overly onerous and strikes a fair balance between protecting the consumer and allowing the supplier to cover its risk.

- 3.40 In 2023, Ofgem published a Best Practice Guide for Non-Domestic Security Deposits¹⁷ which provides detail on creditworthiness assessments and that the security deposit should only be requested where a credit risk has been identified. It sets out the information that must be provided to consumers including the level of security deposit being requested, how it has been calculated, when the security deposit will be repaid and if there are alternative measures or options available in lieu of a security deposit.
- 3.41 Ofgem guidance states that suppliers should at all times manage responsibly monies held through security deposits and have adequate financial arrangements in place to be able to return security deposits to their relevant non-domestic consumers within a reasonable timeframe.
- 3.42 We are keen to understand respondents' views on the addition of a requirement for suppliers to provide clarity to consumers on when the security deposit will be repaid to the consumer, confirmation if the supplier can offer alternative measures or options (where available) to manage the credit risk and, if so, how the consumer can request these including any changes to contractual terms.

Question 5a. Should there be a requirement for suppliers to provide non-domestic consumers with clear information around when the security deposit will be paid back to them, and require the supplier to confirm if there are alternative measures or options available other than the deposit? Please provide a clear rationale to support your answer.

5b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Potential Measure 5 – Maximum notice periods on deemed contracts

- 3.43 During the Review, issues regarding length of notice periods on deemed contracts were highlighted within both Cfl responses and our research. One respondent to the Cfl believed notice periods were used by suppliers as a negotiation tool and another commented that: "Practices like this hinder a customer's ability to engage effectively within the market and drive

¹⁷ [Non-Domestic Best Practice Guide for Security Deposits \(ofgem.gov.uk\)](https://www.ofgem.gov.uk/non-domestic-best-practice-guide-for-security-deposits)

competition”.

- 3.44 Current requirements on notice periods are set out in UR’s Electricity Supply Licence Condition 27 and Gas Supply Licence Condition 2.18 and state that where a supplier enters into a fixed term contract with a small business customer it may not include any term or condition that prevents the small business customer from terminating the contract at any time after that initial fixed term period without a notice period or payment of a termination fee.
- 3.45 This condition also notes that any such contract may not include any term or condition which has the effect of extending the length of that fixed term period or applying a consecutive fixed term period, unless the small business customer has the right to terminate the contract at any time in the extended or consecutive fixed term period without a notice period or payment of a termination fee.
- 3.46 In GB, Ofgem have similar licence conditions in place; Electricity SLC 7a.12. (No notice or termination fee during a roll over period) and Electricity SLC 7a.13 (No notice or termination fee to out-of-contract contracts).
- 3.47 Ofgem’s SLC 7.6 provides further protection, in that it states that no notice or termination fee is required during a deemed contract¹⁸ (a deemed contract is a default energy deal that a business is placed on when it hasn’t agreed a contract with an energy supplier).
- 3.48 In addition, relevant UR supplier licence conditions state that suppliers must take all reasonable steps to ensure that the terms of each of its deemed contracts are not unduly onerous (Electricity Supplier Licence Condition 28, Gas Supplier Licence Condition 2.1.3).
- 3.49 While the above conditions mean that there is no notice period permitted following a fixed contract period, we are keen to hear respondents’ views on the requirement for additional protection to explicitly state that there should be no notice period under any deemed contract to ensure that competition and a consumer’s ability to switch are maximised.

Question 6a. Should notice periods under deemed contracts be prohibited? Please provide reasoning to support your answer.

6b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

¹⁸ means, as between the Licensee and a Customer, a contract for the supply of electricity deemed to have been made under paragraph 3 of Schedule 6 to the Order.

Other

Potential Measure 6 – Prepayment Meters for non-domestic consumers

- 3.50 Our 2023 Non-domestic Consumer Insight Tracker Survey showed that over one quarter (27%) of respondents said that they sometimes struggle to pay their electricity bills and one quarter (24%) stated that they sometimes struggle to pay their gas bills but usually manage to stay on top of their bills. Over half (53%) of non-domestic consumers reported that they were concerned or very concerned about their organisations' energy bills.
- 3.51 During the Review, the importance of debt prevention continued to be highlighted, with one industry representative responding to our Cfl commenting that prepayment metering for non-domestic customers had already been explored and they were “disappointed” that it was not progressed. The respondent suggested that it might be included in the smart metering design for micro-businesses.
- 3.52 In our 2018 decision paper on ‘Measures to Enhance the Operation of the Small Business Energy Market’, we noted that the potential for an electricity prepayment meter for small businesses should be fully examined. Therefore, this proposal was referred to the industry working group (Central Design Authority¹⁹ (CDA)). This referral was for electricity only and not for gas due to the size of the gas market.
- 3.53 In June 2021 following a period of investigation, the ‘Keypad Meter for micro-business’ discussion request was withdrawn from the CDA Forum due to concerns over implementation and, in particular, how meter functionality could meet the required de minimus thresholds with regard to VAT recovery.
- 3.54 In GB, non-domestic consumers can avail of prepayment meters. Best practice²⁰ expectations for non-domestic suppliers on issues surrounding debt management and disconnection of customers include that where a non-domestic consumer uses a prepayment meter, suppliers are asked to take steps to offer appropriate support, particularly how to use their prepayment meter, how to manage their available pre-paid credit and avoid self-disconnection.
- 3.55 As debt management remains a concern within the Northern Ireland non-domestic retail market, we would be keen to hear the view of respondents on electricity prepayment meters being made available to small businesses and if this is something worth exploring in advance of the introduction of smart

¹⁹ means the body with that name which is responsible for administering the MRC Change Procedure and the other functions specified for it in Northern Ireland Electricity Networks Limited Market Registration Code.

²⁰ https://www.ofgem.gov.uk/sites/default/files/2022-12/Non-dom-disconnection-openletter-xx-xx-22_v0.1.pdf

metering.

Question 7. Should the feasibility of an electricity prepayment meter solution for non-domestics be further explored? Please provide reasoning to support your answer.

Other Potential Measures

- 3.56 It is intended that our CPP24 programme of work will remain flexible and adaptable to changing circumstances when necessary. CPP24 will be delivered across a five-year programme period between 2024 and 2029. However, to ensure that the plan is sufficiently agile to adapt to emerging challenges and changes, we also have included a mid-term review of CPP24 which would be conducted at the end of year three.
- 3.57 Therefore, taking into consideration the non-domestic upcoming CPP24 projects as set out in our position paper and measures that likely will be given considered under such projects, we would welcome your feedback on any other additional measures that you think could be given consideration during our 'Improving the Non-domestic Consumer Experience' project.

Question 8a. Are there any additional measures to enhance the operation of the non-domestic retail energy market which respondents think should be considered as part of this consultation process?

8b. If so, please describe the measure and how it could be implemented (for example CoP/ licence modification/ guidance document).

4. Responding to this consultation

- 4.1 In this section we provide information on how to respond to the consultation as well as next steps.

How to Respond

- 4.2 We are keen to receive stakeholder views on the questions posed within this paper and would welcome your views on anything else that you consider relevant to this project.
- 4.3 We welcome comments from all stakeholders on these proposals by 5pm on 12 December 2024.
- 4.4 Responses to this consultation should be forwarded to:

Lauren Skillen-Baine
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

Email: Lauren.Skillen-Baine@uregni.gov.uk

- 4.5 As a public body and non-ministerial government department, UR is required to comply with the Freedom of Information Act (FOIA). The effect of FOIA may be that certain recorded information contained in consultation responses is required to be put into the public domain. Hence it is now possible that all responses made to consultations will be discoverable under FOIA, even if respondents ask us to treat responses as confidential. It is therefore important that respondents take account of this, in particular, if asking the Authority to treat responses as confidential, should specify why they consider the information in question should be treated as such.
- 4.6 This paper is available in alternative formats such as audio, Braille etc. If an alternative format is required, please contact UR, and we will be happy to assist.

Next Steps

- 4.7 Following closure of the consultation period, all consultation responses that have been received will be analysed and based on that information we will then determine the appropriate next steps. We plan to notify stakeholders of our next steps via publication of a decision paper in Q1 2025.
- 4.8 Should the outcomes of this project conclude that any proposed measures

within this consultation are required, any new and/or amended licence conditions (including new and/or amended Codes of Practice) will require a 28-day statutory consultation. We will publish the statutory consultation notice on the proposed licence condition(s) when publishing our final decision paper on the mandatory regulatory requirements.

- 4.9 If the outcomes of this project should conclude that guidance documents are required, additional information would be published in the decision. A guidance document could provide further explanation of the expectations which underpin the regulatory framework.
- 4.10 Further details on the implementation timelines and monitoring of compliance with any new/amended licence conditions and any new/amended Codes of Practice, will be included in the final decision paper.

Annex 1 – Glossary

CCNI	The Consumer Council for Northern Ireland
Cfi	Call for Input
CMA	Competition and Markets Authority
CoP	Code of Practice
CPP	Consumer Protection Programme
CPP24	Consumer Protection Programme 2024-2029
GB	Great Britain
NI	Northern Ireland
TPI	Third Party Intermediary
UR	The Northern Ireland Authority for Utility Regulation or the “Utility Regulator”

Annex 2 – Summary of Consultation Questions

Question 1. What are your views on the suitability of the scope of coverage for these measures applying to small business defined as annual consumption of 0-50MWh for small Industrial and Commercial (I&C) electricity customers and 0-73.2MWh for small I&C gas customers?

Question 2a. Should suppliers be mandated to provide transparent price information for small businesses on their website? If so, please describe what format should this take? Please provide a clear rationale to support your answer.

2b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement / Code of Practice / guidance document).

2c. Do you think that this required pricing information should include standing charges, unit rates and all other associated charges per electricity meter and gas meter, which is available for a Small Business Customer to enter into a supply contract?

Question 3a. Should energy suppliers be required to publish information on their websites sign-posting non-domestic consumers to relevant support and advice services? Please provide reasoning to support your answer.

3b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Question 4a. Should non-domestic consumer bills include a standard, mandatory statement stating that the consumer may not be on the cheapest tariff and information on how to switch? Please provide a clear rationale to support your answer.

4b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

4c. Are there any other publications that you would suggest this statement be included in? Please provide a clear rationale to support your answer.

Question 5a. Should there be a requirement for suppliers to provide non-domestic consumers with clear information around when the security deposit will be paid back to them, and require the supplier to confirm if there are alternative measures or options available other than the deposit? Please provide a clear rationale to support your answer.

5b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Question 6a. Should notice periods under deemed contracts be prohibited? Please provide reasoning to support your answer.

6b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Question 7. Should the feasibility of an electricity prepayment meter solution for non-domestics be further explored? Please provide reasoning to support your answer.

Question 8. Are there any other additional measures to enhance the operation of the non-domestic retail energy market which respondents think should be considered as part of this consultation process?

8b. If so, please describe the measure and how it could be implemented (for example CoP/ licence modification/ guidance document).