



Improving the Non-Domestic Consumer Experience

Response by the Consumer Council for Northern Ireland
17 December 2024

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1. Overview of our response

The Consumer Council welcomes the opportunity to respond to this consultation from the Utility Regulator: Improving the Non-Domestic Consumer Experience.

The Utility Regulator's (UR) intention is to remedy any gaps identified by respondents in the existing non-domestic regulatory framework and improve the market, aiming to ensure fair engagement and outcomes in the retail energy market for non-domestic consumers.

It is important that the non-domestic market is open and transparent to encourage competition. It is imperative that all suppliers publish their tariffs and any other associated costs on their websites in a clear and simple format. This will complement the Consumer Council's Small Business Tool which was designed to calculate tariff comparisons and empower small business customers to get a better deal by switching tariffs.

Help and advice for small business customers who are struggling with debt for instance, is crucial and suppliers should be their first point of contact. The first Small Business Energy Charter published in October 2024 is greatly welcomed¹. It is a commitment from both electricity and gas suppliers to provide extra support to small business customers this winter around payment arrears and signposting to relevant advice bodies, consumer bodies and the UR.

The Consumer Council would like to see improvements in the way that suppliers communicate with their small business customers who are coming to the end of their contracts. This will give the small business customers the opportunity to look for a cheaper tariff without the time pressures of being out of contract. The associated charges with contracts, avoiding deemed contracts and clear guidelines on security deposit all need to be clearly presented to these customers.

Many micro and small businesses share similar energy supplier experiences and often operate at similar levels of market engagement and understanding as domestic consumers. Therefore, small business customers necessitate similar protections afforded to domestic consumers.

The Consumer Council looks forward to continued collaboration with the UR in identifying potential measures to remedy gaps in the regulatory framework and introduce improvements for non-domestic consumers.

¹ [Small Business Energy Charter - Winter 2024/2025](#), 2024, Utility Regulator

2. About the Consumer Council

The Consumer Council is the statutory consumer representative body for Northern Ireland, responsible for protecting, empowering and representing consumers, and promoting their interests.

We operate under our sponsor department, the Department for the Economy (DfE), on behalf of the Northern Ireland Executive.

We are an insight-led evidence-based organisation:

- Providing consumers with expert advice and confidential guidance.
- Engaging with government, regulators and consumer bodies to influence public policy.
- Empowering consumers with the information and tools to build confidence and knowledge.
- Protecting consumers by investigating and resolving consumer complaints under statutory and non-statutory functions.
- Undertaking best practice research to identify and quantify emerging risks to consumers.
- Campaigning for market reform as an advocate for consumer choice, welfare and protection.
- Our statutory powers cover consumer affairs, energy, transport, water and sewerage, postal services, and food affordability and accessibility.

These legal responsibilities are drawn from legislation, licences given to companies working in Northern Ireland, and cooperation agreements set in memorandums of understanding. The work we carry out also aligns with a number of the Articles in the Protocol on Ireland and Northern Ireland² (NI Protocol).

Our non-statutory functions educate, empower and support consumers against discriminatory practices in any market through advocacy work, as well as education and outreach programmes covering a broad range of topics including promoting consumer rights, financial inclusion and a more sustainable energy future.

We serve Northern Ireland's 1.9 million citizens and champion consumers in everything we do. We prioritise those who are disabled or chronically sick, who are of pensionable age, who are on low incomes and who live in rural areas.

We have responsibilities under the Rural Needs Act 2016 and Section 75 of the Northern Ireland Act 1998. Our aim is to ensure government policies recognise consumer needs in rural areas and promote equality of opportunity and good relations across a range of equality categories.

² [Protocol on Ireland and Northern Ireland](#), House of Commons Library

2.1 Our role in super-complaints

We are also a designated super-complaints body set up under the Enterprise Act 2002³ and the Financial Services and Markets Act 2000 Order 2013⁴.

Under both Acts, if the Consumer Council believes any feature or combination of features of a market in the United Kingdom (UK) is, or appears to be, significantly harming the interests of consumers, we can raise a super-complaint on behalf of consumers to the following regulators:

- Civil Aviation Authority (CAA)
- Competition and Markets Authority (CMA)
- Financial Conduct Authority (FCA)
- Office of Communications (Ofcom)
- Office of Gas and Electricity Markets (Ofgem)
- Office of Rail and Road (ORR)
- Payment Systems Regulator (PSR)
- Northern Ireland Utility Regulator (Utility Regulator)
- Water Services Regulation Authority (Ofwat)

Under the Gas and Electricity Licence Modification and Appeals Regulations (Northern Ireland) 2015⁵, we can appeal to the CMA if we believe a modification by the Utility Regulator to the licence of a gas or electricity provider is detrimental to the interests of consumers.

Our role in energy

Part IV of the Energy (Northern Ireland) Order 2003⁶ (the 2003 Order) confers certain functions on the Consumer Council regarding “the interests of consumers” (that is the interests of consumers in relation to gas or electricity supplied by authorised suppliers) and “consumer matters” (that is any matter connected with “the interests of consumers”).

In considering “the interests of consumers”, we are required to have particular regard to those detailed earlier in this section, but this does not mean that regard may not be had to the interests of other descriptions of a consumer or consumer groups.

The functions of the Consumer Council under the 2003 Order (Articles 17 to 23) include the following:

- Obtaining and keeping under review information about consumer matters, and information about the views of consumers on such matters. In relation to this, where the Utility Regulator is required by any provision of the Electricity (Northern Ireland) Order 1992⁷ and the Gas (Northern Ireland) Order 1996⁸ to publish a notice or any other document, it shall send a copy to the Consumer Council.

³ [Enterprise Act 2002](#), UK Parliament

⁴ [Financial Services and Markets Act 2000 Order 2013](#), UK Parliament

⁵ [Gas and Electricity Licence Modification and Appeals Regulations \(Northern Ireland\) 2015](#), Northern Ireland Assembly

⁶ [Energy \(Northern Ireland\) Order 2003](#), UK Parliament

⁷ [Electricity \(Northern Ireland\) Order 1992](#), UK Parliament

⁸ [Gas \(Northern Ireland\) Order 1996](#), UK Parliament

- Making proposals, or providing advice and information about consumer matters and representing the views of consumers on such matters to public authorities, persons authorised by a licence or exemption under the Electricity (Northern Ireland) Order 1992 and the Gas (Northern Ireland) Order 1996, and other persons whose activities may affect the interests of consumers. This includes undertaking independent research and monitoring consumer experiences.
- Providing information about consumer matters to consumers of electricity or gas supplied by authorised suppliers.
- Publishing statistical information about certain complaints about authorised electricity and gas suppliers.
- Publishing advice and information about consumer matters to promote interests of consumers.
- Investigating certain complaints made by any customer, or potential customer of, or user of electricity or gas supplied by an authorised supplier.
- Investigating other matters relating to the interests of consumers in relation to electricity and gas supplied by authorised suppliers.

The Consumer Council also has the following statutory responsibilities in energy:

- Under the Electricity (Northern Ireland) Order 1992 and the Energy (Northern Ireland) Order 2003 regarding the standards of service, we deal with complaints and billing disputes between an electricity supplier and a customer.
- Under the Gas (Northern Ireland) Order 1996, we deal with billing disputes between a gas supplier and a customer.
- Under the Energy Act (Northern Ireland) 2011⁹, we deal with disputes of standards of performance between gas suppliers and customers in individual cases.

⁹ <https://www.legislation.gov.uk/nia/2011/6/contents>

3. Our approach

3.1 Consumer protection principles

The Consumer Council uses eight guiding principles to assess where the consumer interest lies, and develop and communicate our policies, interventions and support.

They provide an agreed framework through which we approach regulatory and policy work and ensure we apply a consistent approach across statutory and non-statutory functions, and in our engagement with consumers and stakeholders.

Figure 1: Consumer protection principles



They serve to protect consumers, setting out minimum standards expected from markets when delivering products or services in Northern Ireland.

They frame our policy position and approach to addressing emerging detriment and resolving consumer disputes with industry, offering a straightforward checklist to analyse and validate outcomes, in particular amongst vulnerable consumer groups.

3.2 Northern Ireland consumer position

Before setting out our response, we feel it is important to highlight some key considerations about the consumer position in Northern Ireland.

Northern Ireland has unique considerations with a more vulnerable population, a regional market, geographical separation from the remainder of the UK market, a land border with the Republic of Ireland (ROI) and European Union (EU), and a legislative environment impacted by regulatory divergence.

We have a unique energy market

Northern Ireland has a unique energy mix compared with the rest of the UK. Most households here (68%) use heating oil as their primary source of energy to heat their homes, rising to 82% in rural areas¹⁰. Alongside this, approximately 51% of gas and electricity customers in Northern Ireland are on prepayment meters¹¹, compared to approximately 14% overall in the UK¹².

This presents higher risks of self-disconnection, particularly amongst vulnerable consumer groups, against a continuing backdrop of high energy prices, and a unique challenge for Northern Ireland net zero ambitions.

We are a micro business economy

Northern Ireland is a micro business economy with the registered business population accounting for just under 3%¹³ of the total UK figure (2.7 million in 2023)¹⁴.

There are:

- 80,045 businesses registered for VAT and/or PAYE
- 89% or 71,425 micro-businesses with fewer than 10 employees
- Just over 2% (1,725) medium or large businesses
- Four in ten businesses (40% or 32,060) with a turnover of less than £100,000
- Just over one in ten (13% or 10,095) with a turnover in excess of £1 million.

Many micro and small businesses act like consumers. They share similar experiences, problems and concerns and can operate at similar levels of market engagement and understanding, and redress.

¹⁰ [The cost of living crisis in Scotland, Wales and Northern Ireland, 19 July 2023](#): Centre for Progressive Policy

¹¹ [Quarterly Retail Energy Market Monitoring Report for Q2 2024, September 2024](#), Utility Regulator

¹² Calculated based on the estimated number of pre-payment customers ([Ofgem launches national evidence-call on prepayment meters](#), March 2023) as a percentage of the total estimated number of UK households ([Families and households in the UK: 2023](#), May 2024, Office of National Statistics)

¹³ [Northern Ireland Business: Activity, Size Location and Ownership, 2024](#) Northern Ireland Statistics and research Agency

¹⁴ [UK Business: activity, size and location: 2024](#), Office for National Statistics

4. Our response to individual questions

In this section, we have set out our response to the Non-Domestic Consumer Experience from the Utility Regulator.

4.1 Individual 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?

The Consumer Council agrees on the suitability of coverage applied to small businesses however, we would suggest that the UR widens the scope to include micro businesses (1-4 employees) as a separate category.

UR defines small businesses by their annual gas or electricity consumption. However, research carried out by the Enterprise Research Centre¹⁵ defines businesses that have an average of three employees or fewer as micro-businesses.

Businesses of this 'micro' size make up a large portion of the small business sector in Northern Ireland, which represents 89% of the business market. Nearly one fifth of the workforce is employed by micro businesses and 78% of micro-businesses in Northern Ireland are family-owned¹⁶.

Unlike domestic consumers, small or micro-businesses have not enjoyed the same levels of regulatory protection and this consultation, particularly if it widens the scope to cover micro-businesses, will provide an opportunity for the UR to deliver these necessary improvements.

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.

Yes, the Consumer Council believes it is imperative that suppliers are mandated to provide transparent pricing information for small businesses. This information should be published on their website using a clear, concise standardised format that is easily accessible showing for example, relevant unit prices, both fixed and variable, payment methods, standing charge, exit fee and the length of contracts.

¹⁵ [Understanding micro businesses in Northern Ireland](#), ERC, 2018

¹⁶ [Understanding micro businesses in Northern Ireland](#), ERC, 2018

Research carried out in 2021¹⁷ highlighted that only 37% of respondents had switched supplier in the previous five years, and that they had little knowledge of their supplier.

Prior to this, the UR published a decision paper¹⁸ and the Consumer Council put in place the Small Business Energy Comparison Tool (SBT) in 2018. In a voluntary agreement with suppliers, it was established that they would update the tool each time they made changes to their tariffs to enable small businesses to compare prices.

However, as there was no mandatory obligation on the suppliers to share their updates or tariff changes with the Consumer Council, some did not collaborate. The Consumer Council has little confidence that the SBT is up to date and accurate, therefore we do not actively promote it with the small business sector.

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

The Consumer Council believes there should be a licence requirement for suppliers to publish their tariffs on their website and on the Consumer Council website (Small Business Tool), within one working day of any changes. All tariffs, standing charges, length of contract and associated costs need to be standardised, transparent and easily accessible.

The Code of Practice (CoP) can provide guidance on the most suitable format for the tariff information to be displayed. The Consumer Council believes clear and transparent access to price information is a basic requirement for non-domestic consumers and essential to effective market competition.

Question 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 a supply contract? Detail your response to the question here.

Yes, the Consumer Council believes that the required pricing information should include standing charges, unit rates and all other charges associated with an electricity and gas meter available for a small business customer supply contract.

¹⁷ <https://www.uregni.gov.uk/files/uregni/documents/2021-07/non-domestic-cit-survey-report-2021.pdf>

¹⁸ <https://www.uregni.gov.uk/publications/decision-measures-enhance-operation-small-business-energy-market>

This pricing information should be transparent and easily accessible, published on the supplier's website and on the Consumer Council website (Small Business Tool). Any changes must be updated within a predetermined timescale for example, the next working day.

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. Detail your response to the question here.

Yes. Energy suppliers should be the first point of contact for a small business that needs help or assistance regarding their energy usage or bill. In informing the UR's 'Review of Regulation in the Non-Domestic Energy Retail Market Review 2024'¹⁹ the Consumer Council cited that 10% of all business contacts referred to it was in relation to debt.

We welcome the UR's commitment to further explore concerns over debt which will include improving the processes for debt collection. It is incumbent upon suppliers to improve engagement with their small business customers experiencing for example bill arrears, to help them make regular payments, provide achievable payment plans and to further assist the customer with signposting to other relevant advice bodies and consumer bodies.

This engagement could also present an opportunity to provide bespoke advice on energy efficiency that may help a small business reduce its bills.

Many of these points are referenced in the UR's Small Business Energy Charter²⁰ and we believe there should be an onus on the suppliers to be more open and transparent around debt repayments.

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

If a supplier believes that a small business consumer may need additional help around payment of bills, service standards or switching tariffs, they should refer or signpost them to a relevant support or advice service.

There are currently protections in place for domestic consumers around information provision and signposting as suppliers are required to comply with the Code of Practice minimum standards on Payment of Bills²¹.

¹⁹ [Review of the Regulation of the Non-Domestic Energy Retail Market](#), Utility Regulator, 2024

²⁰ [Small Business Energy Charter](#), Utility Regulator/Consumer Council, 2024

²¹ [1b-code-practice-minimum-standards-payment-bills](#) Utility Regulator, 2022

A similar code should be implemented for non-domestic consumers which necessitates that suppliers must get consent from the relevant advice-giving organisations before publishing their contact details on the supplier websites.

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. Detail your response to the question here.

Yes, the Consumer Council believes that non-domestic consumers would benefit significantly from this type of statement. It would alert consumers that cheaper tariffs may be available with their current supplier or from other suppliers and encourage non-domestic customers to consider the possibility of switching.

According to the Quarterly Retail Energy Market Monitoring Report (REMM)²² non-domestic switching levels for electricity have dropped by 2% (1,522) in a year from quarter two in 2023. The REMM report indicates that there are 66,019 electricity consumers in the 0-50MWh category, so switching levels are very low.

A targeted communication campaign is required to raise awareness with small business customers on possible savings that can be had by switching tariff or supplier. An increase in switching could improve competition within the non-domestic market.

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

The Consumer Council believes that this measure should be implemented by introducing a new licence requirement for non-domestic suppliers that contains messaging of a cheaper tariff, similar to Principle 4 of the Code of Practice on Domestic Bills and Statements.

This Code states that the supplier will highlight to the customer that there may be cheaper tariff options available.

²²[REMM Transparency Report for Q2 2024 | Utility Regulator](#), Utility regulator, Sept 2024

However, the statement wording must be clear, so it does not create confusion, for example that a non-domestic consumer is able to switch in the middle of a fixed contract without contractual consequences.

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

This statement could also be included within the non-domestic energy bills. The information highlighting that a cheaper tariff may be available should be in the same section as the other charges. We believe that this should be a requirement contained in the Code of Practice.

This statement should also be included in the websites and newsletters of the UR, the Consumer Council, the Federation of Small Businesses and other bodies that work closely with small businesses.

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.

Yes, the Consumer Council believes there should be a requirement for suppliers to provide clear information around when the security deposit will be paid back and if there are alternative measures or options other than the deposit.

The decision of whether a security deposit is required, and its size, is the decision of the supplier, and this would vary based on the threshold or level of credit risk assessed for a specific non-domestic consumer.

To follow Ofgem best practice²³, the supplier should communicate in writing to the non-domestic consumer who has applied to enter into a contract, in a timely, clear and easy to understand way:

- That the supplier has carried out an assessment of the consumer's creditworthiness, and credit risk has been identified as they have not met the necessary threshold.

²³[Non-Domestic Best Practice Guide for Security Deposits](#), OFGEM, 2023.

- The basis under which it is requesting a security deposit and the level being requested, including how it has been calculated.
- When their security deposit will be repaid.
- Whether the supplier can offer alternative measures or options (where available) to manage the credit risk and, if so, how the consumer can request alternative measures or options to mitigate credit risk if security deposits are not preferable, including any changes to contractual terms.

The size of a security deposit can vary depending on the billing and payment terms of a consumer but typically, deposits would be calculated based on three months' estimated consumption.

It is important that suppliers are clear about what process they follow, and the implications of the factors they consider when setting their levels. This can enable conversations about options for reducing the level of security deposits, for example, through changing the billing frequency from quarterly to monthly, given that the bill values which could accrue for an unpaid bill would be greater for a quarterly-billed consumer than a monthly consumer.

A level of transparency, consistency and fairness should apply to all non-domestic consumers' security deposit contracts.

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

We suggest that this measure could be implemented via a best practice voluntary guide for non-domestic security deposits and agreed as part of UR discussions with suppliers and non-domestic consumer representatives.

It should set out best practice for suppliers' use of non-domestic consumer security deposits and how they are:

- Calculated
- Managed
- Repaid

The guide should also make the use of security deposits easier to understand and manage for both suppliers and non-domestic consumers. The guide should be based on the overarching principles of:

- Giving consumers transparency around a supplier's process and methodology
- Promoting consistency in the application of a supplier's practices, and

- Achieving fairness in the outcomes consumers receive relative to their credit risk

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

The Consumer Council agrees that notice periods under deemed contracts should be prohibited and therefore cannot be used by suppliers as negotiation tools. This is also likely to remove any ambiguity.

In our previous response to the Utility Regulator's 'Review of the Regulation of the non-domestic Energy Retail Market - call for input' in February 2024, we highlighted that the most common reason small businesses contact the Consumer Council was confusion when taking over a new supply, including issues regarding contractual terms and conditions.

When an energy contract comes to an end, it is important that the non-domestic consumer agrees a new deal with their existing supplier or switches to a better deal elsewhere as soon as possible, as deemed rates are some of the most expensive on the market.

According to Ofgem's guidance on deemed contracts²⁴ suppliers should provide up-to-date information about their deemed contract rates that are readily available for non-domestic customers.

Similar guidance should apply to Northern Ireland non-domestic consumers. The requirement for additional protection should be easily understood, easily accessible and should explicitly state that there should be no notice period under any deemed contract to ensure that competition and a non-domestic consumer's ability to switch are maximised.

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

This measure should be implemented via a guidance document for deemed contracts on Licence Conditions of the Electricity and Gas supply licences for non-domestic customers. This requirement for additional protection must 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.

Suppliers must have a process in place to review their deemed rates on a regular basis. Suppliers should ensure that where relevant they have deemed rates which are applicable to relevant classes of customers. Given that there is significant range

²⁴Ofgem Guidance on Deemed Contracts, Nov 2023

in the pricing across customers, for example, a supplier's contracted prices range significantly across their non-domestic customers.

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

As debt management remains a concern within the Northern Ireland non-domestic retail market, the Consumer Council agrees that there should be a feasibility study or a pilot scheme for at least a year to determine the suitability of electricity prepayment meters for non-domestic customers.

Prepayment meters are available to non-domestic consumers in GB. It would be beneficial for the UR to consult with Ofgem to ascertain if prepayment meters are a viable solution for debt prevention.

It would be a worthwhile exercise to also learn from Ofgem how it engaged with suppliers to offer appropriate support, on:

- How to use non-domestic prepayment meters.
- How to manage available pre-paid credit.
- How to avoid self-disconnection.

In advance of the introduction of smart meters, the Consumer Council suggests that the UR explores the feasibility of a pilot with a minimum of 100 non-domestic customers throughout Northern Ireland.

Question 8a. 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?

The Energy Charter for Small Businesses launched this winter is a significant step forward towards recognising the pressures businesses are under in managing energy bills and providing added support. It is noted that from 6th April 2025, small businesses will be subject to an increase in National Insurance payments for staff which further increases financial liability.

The Consumer Protection Programme projects will address the key themes that have been identified by our consumer empowerment directorate.

Future developments including the potential roll-out of smart meters for the non-domestic sector and low carbon technologies will require additional measures, but are not applicable for this consultation.

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

Not Applicable.

5. Conclusion

The Consumer Council would like to thank the UR for the opportunity to respond to this consultation. It is important that gaps in the existing non-domestic regulatory framework are remedied to ensure fair engagement and outcomes in the retail energy market to improve the overall experience of non-domestic consumers.

6. Contact information

If you have any questions, require further information or wish to discuss any aspect of our consultation response, please contact:

Raymond Gormley
Head of Energy Policy

Telephone: 028 9025 1521

Email: raymond.gormley@consumercouncil.org.uk

The Consumer Council consents to this response being published.

Consumer Council for Northern Ireland
Floor 3, Seatem House
28-32 Alfred Street
Belfast BT2 8EN
Freephone: 0800 121 6022
Email: contact@consumercouncil.org.uk
Website: www.consumercouncil.org.uk

