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Improving the Non-Domestic Consumer Experience

**Click Energy Response to Consultation paper
on proposed measures**

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Introduction

The Utility Regulator has published a Consultation Paper ([Improving the Non-domestic Consumer Experience](#)) for feedback on the scope of coverage applicable to non-domestic consumer protection measures and potential modifications to the regulatory framework. As an interested stakeholder, Click Energy has compiled this response.

Scope of coverage

[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?

Click Energy feels that this level of electricity consumption is a fair representation of small businesses but would stress that businesses with multiple sites exceeding 50 MWh in total would not fall under this category.

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

[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.

Click Energy would have no objection if this were to be mandated.

We regularly provide updates to the Consumer Council NI (CCNI) in this regard and could also update our website in line with the same.

However, it is worth noting that we do have bespoke tariff offerings, and these tariffs can be negotiable (usually depending on the customer's level of demand). Price and tariff updates are changed more regularly in the non-domestic market therefore consideration should be given to the additional effort required to manage and maintain such a requirement.

If this information is being mandated, we believe that a uniform set of rules should be applied across industry. Particular attention should be given to ensuring all suppliers are advertising their pricing in a consistent manner.

For example, differentiating between 'fixed all-inclusive' prices, 'fixed energy only' prices and 'market tracking tariffs'. Uniformity and consistency (where possible) would ensure that businesses are being provided with transparent and easy to understand tariff information that will help them make sound comparisons.

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

Click Energy supports a new Code of Practice covering small businesses and feels that this could be incorporated therein.

[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?

Yes - should pricing be displayed via the supplier websites, we feel that it must include all relevant information clearly, including standing charge, unit rate and any other associated charges, avoiding any jargon so the customer can easily understand.

The customer, in our opinion, can often be potentially mislead and/or misunderstand tariff offerings unless they are provided in a clear and consistent manner, while recognising that there may be diverse solutions within the marketplace.

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

[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.

We have no strong objection to this but would be of the view that it should not be deemed an essential requirement.

If an individual chooses to open a business, they should be aware of any support available to them and fully capable of doing whatever is needed to get the support their business requires.

Whilst we will always assist customers in need and/or difficult circumstances (both domestic and non-domestic), we do not feel this should be mandated.

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

No comments to offer

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

[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

This is something that is displayed currently on all Click Energy domestic and non-domestic bills, therefore we support making this a mandatory requirement.

Similar to domestic bills, this includes a reference sign-posting to CCNI (which is also a useful avenue) especially in light of the support and advice they can provide, alongside the potential promotion of their Small Business Comparison Tool.

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

As with [2b], Click Energy supports a new Code of Practice covering small businesses and feels that this could be incorporated therein.

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

This information could also be included on price change or tariff update letters and any debt letters issued to the customer to prompt engagement.

If the customer feels that their supplier genuinely wants to help overcome a difficult period, the customer may be more likely to engage.

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

[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.

Clarity and transparency regarding security deposits should be present from the outset of any contract, however we do not feel this should be mandated.

In our experience, deposits should be held as a minimum for the duration of the contract (to mitigate risk) and can be fully repaid thereafter.

As a commercial entity ourselves, we feel that we need some level of protection, hence the requirement for security deposits in the first place (for example, where customers have no history or suitable credit rating). Although we see security deposits as the exception rather than the rule, they are there to help us prevent bad debt building up and do serve this purpose in certain scenarios.

As we understand it, some suppliers have different approaches and will have different risk appetites therefore, while we urge transparency in this area, we also urge pragmatism.

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

No comments to offer

Potential Measure 5 – Maximum notice periods on deemed contracts

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

Yes. Whilst the customer should have to pay for any electricity consumed under a deemed contract, they have not accepted any supplier terms involving minimum term or notice periods, and thus we feel this should not be required.

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

As with [2b] and [4b], Click Energy supports a new Code of Practice covering small businesses and feels that this could be incorporated therein.

Potential Measure 6 – Prepayment Meters for non-domestic consumers

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

No, Click Energy firmly believes this requires no further exploration. This solution was explored before and, following significant discussions, there was a general industry view that it would not be plausible within the current market design and any associated metering limitations.

For example, there were issues around VAT & CCL application within Secure Meters' prepayment solution, and there were several issues raised regarding single and three-phase meter requirements, shared spaces and the adverse impact on customer switching behaviour.

Thus, we feel that is something that could possibly be explored again in future, perhaps in line with a Smart Metering solution, whereby solutions to some of the highlighted examples could be sought (and solved) from the outset.

Other Potential Measures

[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?

As mentioned previously, Click Energy fully supports of a new Code of Practice covering small businesses, which could focus on a number of the key areas already mentioned.

We feel this could also include:

- total transparency on broker commissions and their associated structures
- total transparency on notice periods
- total transparency on exit fees
- total transparency on unit rate calculations and/or energy price adjustments (more prevalent to market tracking tariffs)

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

The new Code of Practice would provide protection for any non-domestic electricity customer that consumes between 0-50 MWh annually.