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RE: Improving the Non-domestic Consumer Experience. Consultation paper on proposed measures. 12th December 2024

Power 2 Business are Energy Procurement Consultants who act on behalf of our commercial clients in Northern Ireland by group tendering on their behalf for their electricity and gas supplies and reviewing suppliers offers. For further information on Power 2 Business please visit our website at www.p2bgroup.com

We welcome the opportunity to respond to Unireg's Improving the Non-domestic Consumer Experience. Consultation paper on proposed measures

Q1. 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?

Response

Our view is any scope of coverage for these measures to remain in the current status quo for consumption. As a % of the market based on the QREMM Sept 24 report 87% of the total I&C connections for Electricity and 71% for Natural gas customers would already fall into this range indicating an existing high proportion of the overall I&C market at this point.

Q2a. 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.

Response

With the ever increasing use of the internet by the public to seek out offers for any product or service it seems logical for any supplier to provide price information on their website and not supplying this information could be viewed by consumers as a stumbling block to be able to make quick decisions. However the supplier could have perfectly valid reasons for not publishing the information such as their product offering continually changing if it is for example a market tracker product or more recently in the last few years fixed energy rates having a small acceptance windows. Some products require a deeper understanding of the product by the consumer and it may not be appropriate for a supplier to attempt to present this in a way that can

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be viewed on a like with like basis of other supplier offerings. In my view suppliers should be free to provide transparent price information for small businesses through whichever channels they do so choose without the need to be mandated.

Q2b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement / Code of Practice / guidance document).

Response

N/A

Q2c. 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?

Response

If the final decision is to mandate suppliers all pricing information needs to be made available to small business customers including how any changes during the term shall effect the price paid

Q3. 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.

Response

Yes there is no reason why any relevant support or advice services should not be provided for those whom require such services. It would be logical at the point of someone needing advice to be sign-posting at the point in time of needing same.

Q3b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Response

Provision of guidance documents at the point of requiring them. Example could be those whom are being requested a deposit for supply should be provided a guidance document of the reason for requirement and how this will be held and refunded along with signposting what full alternatives are open to them.

Q4a. 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.

Response

If the customer is in a current contract no this should not be included to avoid confusion as they would not be in a position to avail of a cheaper offer. If however they are out of contract then yes an agreed standard statement should be placed on bills. However in our view it is important to not have the customer perceive that the regulator or any third party website is there to aid with price controls in a deregulated market as it would encourage them to be less engaged with educating themselves in the market and the offers that suppliers make, and furthermore could lead them to incorrectly assume that any such pricing on a third party site is to be viewed as the best offer and in particular they may view comparisons of supplier price per unit on a like for

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like basis when in fact this would not be the case with fixed energy rates / variable / trackers / wind products etc.

Q4b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Response

An agreed standard statement which is to be placed on all suppliers bills if a customer is out of contract can be formulated with the input of all stakeholders and could be a licence requirement.

Q4c. Are there any other publications that you would suggest this statement be included in?

Please provide a clear rationale to support your answer.

Response

No further publications other than a bill of a customer whom is out of contract.

Q5a. 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.

Response

Absolutely this should be the case. There is strong evidence that suppliers are deciding on level of deposits and duration held in an inconsistent manner. Suppliers should be working on clear and consistent guidelines and all options being presented to the customer. Of particular concern is the request of deposits off customers that have not shown any poor payment record to the supplier at renewal stage.

Q5b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Response

Either a licence requirement or code of practice.

Q6a. Should notice periods under deemed contracts be prohibited? Please provide reasoning to support your answer.

Response

Yes notice periods under deemed contracts should be prohibited. We have a clear example of a supplier using their long notice period as a negotiation tool where a customer had signed a contract with a new supplier to be told by the existing supplier they had to serve a 3 month working days notice period before being allowed to leave and during this time they would be charged out of contract deemed rates but if a new contract was signed this could be avoided. This was a clear use of the long notice period as leverage to retain the customer. The legality of a supplier attempting retention after knowing that a new contract is signed with another supplier is questionable as it could be deemed as tortious interference. When on deemed contracts customer tend to pay higher rates than contract rates and a supplier citing a reason of “hedging” requirements for the notice period is simply not feasible. Having no requirement for a notice period to be served when a customer is on a deemed contract we feel will aid competition within

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the market and perhaps have suppliers not look at a deemed contract as an opportunity to create higher margin on these contracts knowing they are easily exposed to customer loss.

Q6b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Response

As this involves the supplier use of the market message system when objecting to a customer on a deemed contract removing this ability by the supplier could only be a licence requirement.

Q7. Should the feasibility of an electricity prepayment meter solution for non-domestics be further explored? Please provide reasoning to support your answer.

Response

There is no reason not to explore this from a customer perspective as it can only provide a further option for customers whom are concerned at how they budget for their energy usage.

Q8a. 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?

Response

The subject matter of questions 5,6 and 7 we believe could enhance the operation of the non domestic retail energy market most at this point for those of the small business sector. We also recognise the need for and increases in passthrough costs in the electricity market but this has now got to a point that passthrough charges including government led taxes now account for in excess of 50% of the total cost of supply. In normalised times prior to the energy crisis of the previous 4 years driving up the raw energy this figure would be closer to 60%. Suppliers have taken a lot of criticism this past few years for energy prices which has led to an mistrust of suppliers for the overall high prices which we feel is somewhat unfounded. Education of consumers on passthrough costs needs to be further explored so they can grasp an overall understanding of how the total cost of supply is brought about to help manage their expectations as to what is possible in the market in terms of a good rate.

Q8b. If so, please describe the measure and how it could be implemented (for example CoP/ licence modification/ guidance document).

Response

Advice and information documents as a starting point should be made available to small business customers through various platforms including regulator, supplier, government and network operator literature and websites.



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Thank you again for the opportunity to respond to Unireg's Improving the Non-domestic Consumer Experience. Consultation paper on proposed measures and we look forward to further work in the future on this matter.

Kindest Regards,

Gareth Strain

Managing Director

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