



# **Consultation on Improving the Non-domestic Consumer Experience**

**SSE Response**



## Questionnaire

- 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 current definition of Small Business and therefore coverage for these measures, with annual electricity consumption of 0-50MWh and annual gas consumption of 0-73.2MWh, is both appropriate and effective. These thresholds align with the typical consumption patterns of small industrial and commercial (I&C) electricity and gas customers, providing a practical and manageable framework for implementation.

Maintaining these thresholds ensures consistency with established network definitions, which is critical for regulatory and operational coherence. Aligning the scope with these existing parameters minimises the risk of creating discrepancies or introducing unnecessary complexities in network operations, billing processes, or customer classifications.

SSE Airtricity would recommend that the UR retains the current thresholds as they strike a suitable balance between offering meaningful protections to small businesses and maintaining regulatory and operational consistency.

- 2) a. 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.

Mandating suppliers to provide transparent price information for small businesses on their website is not suitable due to the unique and dynamic nature of non-domestic energy pricing. Non-domestic pricing structures are highly complex, influenced by factors such as cost curves, market fluctuations, and the bespoke nature of contracts tailored to individual customer needs.

Additionally, many small businesses have diverse energy needs. For example, one customer might prefer fixed-price contracts for simplicity, whereas others may benefit from bespoke or flexible pricing arrangements. Therefore, standardising price displays would not present an accurate reflection of the options available and could create confusion.

SSE Airtricity would encourage the UR to explore improvements in the existing CCNI tool in the first instance as it could provide the necessary information to non-domestic customers that allows for effective comparison their options in the market.

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

As an energy supplier, we proactively signpost non-domestic consumers to relevant support and advice services from our website where possible. We recognise that the value of helping our customers navigate to these resources and ensure that we provide clear signposts to enhance accessibility to information.

However, rather than mandating suppliers to provide disparate information, a better customer experience would be to provide a single trusted hub of information acting as a 'one-stop-shop' for all customer information. A single, trusted platform would ensure consistent, comprehensive,

and reliable information across all suppliers. It would prevent duplication of efforts, reduce the risk of conflicting advice, and simplify the process for non-domestic consumers, providing them with a clear port of call for their energy-related queries and support needs.

Suppliers could supplement this centralised approach by directing customers to the one-stop-shop through clear and prominent signposting on our website. This division of responsibility would ensure that customers are guided independently while benefiting from a streamlined, standardised source of information.

- 4) A. 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.

We do not believe that non-domestic consumer bills require an additional mandatory statement on the bill. Business customers often have bespoke contractual arrangements tailored to their circumstances and creating a universal statement will not sufficiently reflect each customer's contract. Prescriptive language on a bill may not be applicable to the individual customer and will lead to confusion for customers where their contracts have bespoke duration and prices suited to their circumstances. These contracts often have end dates, Early Termination Fees and notice periods making such promotion of switching misleading.

Additionally, the emphasis on the "cheapest" tariff could be problematic, as the cheapest option is not always the most suitable for a business' specific energy needs, risk appetite, or priorities. For example, a fixed-rate contract might provide stability and predictability, which some businesses value more than short-term cost savings.

The existing framework of information and reminders to these customers is sufficient to inform and empower business customers to re-evaluate their energy needs at the appropriate time. For example, at sign up current tariff, contract terms, and key details such as the end date are all provided to the customer. In addition, end of contract notification communications is issued to customers to prompt engagement at the appropriate time to review their tariff and consider alternative options.

In summary, while transparency is vital, a mandatory "cheapest tariff" statement could mislead consumers and undermine the tailored nature of non-domestic energy contracts. Instead, relying on the existing framework of information is more appropriate and effective in providing clear, relevant tariff information better serves the needs of non-domestic consumers.

- 5) A. 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.

The calculation methodology for security deposits for small business customers is sufficiently included in the Supply licence, detailing the calculation methodology based on consumption of the customer and our requirements to publish this for customers. While it is important to be transparent with customers regarding calculation methodology, flexibility in returning deposits should remain with suppliers as there are many more factors and customer history which need to be considered by the supplier before the deposit can be returned.

The criteria of a deposit refund are inherently tied to the customer's payment history and risk profile, both of which can vary considerably between businesses. As such, requiring a fixed timeline for repayment could create unrealistic expectations or lead to disputes if the customer's payment behaviour does not meet the required standards for a refund. A more flexible,

principle-based approach allows suppliers to manage deposits on a case-by-case basis, ensuring that decisions are fair and in line with the actual risk posed by each business.

In terms of alternative measures, we believe that these should continue to be determined on a case-by-case basis to allow for greater commercially flexibility. Suppliers should have the discretion to offer and negotiate these options based on the specific needs and circumstances of the customer.

In conclusion, while it is important to maintain transparency around security deposits (which is already in place) we advocate for a flexible, principle-based approach for the returns process that allows suppliers to assess each situation individually. This ensures that non-domestic consumers are treated fairly while maintaining the ability for suppliers to manage their own risk appropriately.

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

When supplying energy to customers, notice periods are necessary in certain circumstances to safeguard against financial exposure. For example, when customers are coming to the end of their fixed term contracts, they receive notifications in advance to make them aware of change in rates and the alternative contractual options available to them. If they choose to move to out-of-contract rates or shop around for an extended period, suppliers will continue to serve these customers and therefore a reasonable notice period should be retained in this circumstance.

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

We do not believe that further exploration of a prepayment meter (PPM) solution for non-domestic electricity customers is warranted currently. The practical challenges and potential risks associated with implementing such a system for small businesses far outweigh any perceived benefits.

PPMs are not a practical solution for most small businesses. Businesses often rely on a continuous supply of electricity to operate effectively, and running out of credit could lead to serious disruptions. For example, small businesses that handle perishable goods could suffer significant financial losses and pose health and safety risks to employees and customers if their electricity supply is interrupted by insufficient credit.

In addition to the operational risks, implementing a PPM solution would involve significant complexity and costs. Challenges include managing different VAT rules for non-domestic consumers, adapting functionality to meet the required de minimis thresholds for VAT recovery, and ensuring that the solution aligns with existing regulations. These complications could result in implementation costs that outweigh any potential benefits for both suppliers and customers.

Instead of focusing on PPMs, we recommend prioritising the rollout of the NI smart metering solution, which could potentially incorporate features to help non-domestic consumers manage their energy usage more effectively. Smart meters offer greater flexibility and transparency without the potential operational or technical complexities associated with prepayment systems.