



Small Business Energy Stress: A Lived Experience Report

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**Utility
Regulator** 

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Executive summary

The small business consumer experience of energy stress report aims to better understand the lived experiences of small business electricity and gas consumers who are concerned about their energy payments and may have struggled to pay recently. For the purposes of this report, small businesses were defined as those with less than 50 employees. Participants had experience of either being in debt to their energy supplier or financial institutions, had reduced their energy usage because of affordability (self-rationing or through improved energy efficiency measures), or made changes to their business management to improve their profit margins. The report will provide evidence to inform the Utility Regulator's policies, regulatory decisions and projects or interventions aimed at supporting small business consumers, in line with their Consumer Protection Programme 2024-29¹.

The study was qualitative in nature using a lived experience approach, which is a first-hand account of a person's experience, perspective, and choices of a particular circumstance. In total, 42 small businesses were interviewed; 16 in-depth and 26 using a semi-structured topic guide. The consumers were located across Northern Ireland, and the interviews were conducted between November 2025 and April 2026. The findings outlined below are reflective of the participants' lived experiences.

The report is structured around the following themes – situations and circumstances affecting energy spending, impact of struggling to pay for energy, coping strategies, and engagement with existing support and future needs. The key findings from the research are outlined below.

Situations and circumstances affecting energy spending

Participants were asked about their businesses' energy usage, changes in their energy spending, and circumstances that have made their energy bills more concerning. All those that took part in the research were concerned about their energy bills alongside other rising costs to their business. Participants' outlook and confidence levels generally fell into the following categories:

- Roughly a third of participants admitted to struggling to pay their bills and were reducing or anticipating closure as a result, with one having already closed a location;
- Others were making the changes necessary to continue trading at their current levels but demonstrated concern for the future; and
- Another third of participants claimed their businesses were stable but also reported having made changes to reduce their outgoing expenses or improve their sales, in order to reduce the stress on their businesses' profit margins.

¹ [CPP 2024-2029 Decision Paper.pdf](#)

Every participant outlined that their energy usage was a necessity for the business and left them with little ability to reduce their usage without energy efficient equipment or technology solutions. Most of the participants' energy usage was affected by the winter months and specific heating or cooling requirements for their type of business due to health and safety obligations or the likes of product storage requirements. Some industries were particularly high users of electricity, with those in the manufacturing and production sector in particular having to supplement their usage with generators. Energy usage was also dependent on factors such as busier seasons, which created issues with fluctuations in their bills, resulting in participants needing to monitor their accounts closely to avoid falling into arrears or experiencing a build-up of credit.

Participants also detailed external circumstances affecting their business that caused them financial stress. This was due to the rising costs or price fluctuations in the energy markets and the uncertainty caused by world events, which resulted in a substantial rise in the cost of doing business. Examples of the most often cited events that had affected business finances included:

- Covid-19 pandemic;
- The cost-of-living crisis;
- The Russia-Ukraine conflict;
- Recently imposed trade tariffs by the United States;
- Government price increases (minimum wage, National Insurance, rates, etc.); and
- The conflict in the Middle East.

A few personal factors also contributed to business owners' outlook and reduced confidence levels on the situation. Older businesses asserted that current circumstances are the worst they have been, referencing the 2007-2008 financial crash and Covid-19 pandemic. Similarly, newer businesses shared that they are struggling to get established in light of the increased energy and business costs. In addition, poor health and carer responsibilities put additional financial stress on participants or reduced their time available to manage the business.

Impact of struggling to pay for energy

Participants reflected that the cost of their energy bills used to be so minor that they were unconcerned by them previously. However, the price has since risen to the point where they have had to make adjustments in order to manage the costs. Nearly everyone explained that the price increases did not accurately reflect any increases in their energy usage, and pointed to the rising tariff prices as the main concern. While everyone was dissatisfied with their energy spending in relation to their usage, participants stated that they had to use what they needed, as it is essential to operating the business. Other participants frankly stated that they would like to increase their energy usage, to either grow the business or work more comfortably, but were prohibited from doing so based on the price fluctuations and uncertainty.

Amongst their bills, participants maintained that their energy costs were a high priority due to it being a necessity to running the business. For some participants, their electricity bills were a higher priority than their oil or gas heating, while others rationed their heating to save on costs.

In order to afford energy, and electricity in particular, it was common for participants to postpone improvement or expansion plans due to limited funds. The uncertainty in the global and geopolitical landscape and how they might disrupt the economy further also affected participants' risk levels. Most participants admitted to being stressed due to their energy and business price increases, as well as the uncertainty in world events. For some, this has negatively impacted their sleep, relationships and physical health. Several participants reported that the stress has risen to a point where they feel isolated from their friends and family, with a few seeking professional help.

Coping strategies

In order to cope with these increasing costs and reduced profit margins, business owners were trying to save money or increase their profits primarily through business management strategies. These included:

- Shopping around and negotiating with inventory suppliers, to get cheaper products and save on costs. This was especially evident in the leisure and hospitality sector;
- Changing what they sell by either reducing products/services to lower their bills or trying to increase impulse buying to improve their profits and attract new customers;
- Outsourcing to other businesses to save on a variety of business expenses through subcontracting or developing collaborations and partnerships; and
- Reducing business hours or making staffing changes to save on wages and the cost of electricity when open. Business owners reported trying to be strategic with their hours to maximise customer footfall. Staffing changes included cutting hours of part-time workers or reducing staff levels altogether. It also resulted in business owners working longer hours to make up for the reduction in staff.

While the above strategies reduced their outgoing costs, participants were often hesitant to raise their prices to improve their profits. Having already seen a reduction in spending due to the cost-of-living crisis, participants worried that increasing their prices would drive customers away. However, with the increased costs in energy and other business operating costs, it was becoming an inevitable decision if they wanted the business to remain open. Participants raised further concerns over the impact these changes could have to their quality and standards of business. Participants stressed these needed to be maintained in order to remain competitive and attract customers.

Several participants admitted to borrowing money, either formally or informally to help manage their expenses during difficult times. Informal borrowing included using personal savings and borrowing from family or friends. Formal borrowing included credit cards and business loans, with a few mentioning their bank overdraft. Another common strategy was to work longer hours to reduce their payroll expense, with a small number of participants reporting that they were taking a reduced wage or no wage at all.

To cope with the increased energy costs, some participants, began to practice the cost-saving method of rationing their energy usage in ways that do not negatively affect the business. The most common form of rationing energy consumption was to turn off lights and appliances that

were not in use, and training their staff to follow these protocols. In other instances, some participants admitted to rationing their heating or instead choosing to rely on electric heaters to save on gas or oil prices.

Energy efficiency changes were also made by participants, with many having switched or in the process of switching to LED lighting. Other examples included implementing energy saving machinery or appliances, motion sensors, timers and thermostats to reduce and help monitor their energy usage. Solar panels were being considered by many participants. It was widely acknowledged that improving their businesses' energy efficiency could help reduce their energy bills. However, the costs of making these changes were considered the main barrier to their implementation.

In general, participants reported positive feedback when reaching out to their suppliers for support. Nearly everyone who asked for support reported that they received an extension on their payments. However, issues did arise for several who struggled to get out of arrears. Other participants had not reached out to their suppliers and admitted that they did not think this would be useful, as they would still have to pay the price for their usage. They elaborated that they felt their suppliers:

- Were businesses and needed to make a profit, therefore would be uninterested or unable to reduce the price;
- Had poor communication practices that required the business owners to reach out in the event of any bill irregularities. This was made worse by business owners having little available time in their day to really monitor their usage/bills; and
- Were not acting in the businesses' interest, citing issues with meter readings and automatic tariff increases when their contract expired with no notice.

In fact, it was reported that financial difficulties were experienced by a few participants due to issues with their suppliers. Participants shared how additional payments had been taken out of their accounts without notification, for various reasons. In one extreme case a participant stated that they were "financially ruined" by their supplier charging them double for over a year and planned to close their business soon as a result. Participants wished their suppliers had been more pro-active and transparent in their communication about energy bills as they felt these issues could have been avoided.

Engagement with existing support and future needs

The rise in energy costs and business expenses resulting in reduced profit margins has impacted small business owners' confidence and interest in seeking support. Some expressed they were confident in being able to afford their bills, depending on the success of the business. Most respondents were not fully confident, explaining that they had done all they could to reduce their energy usage and other business expenses. Participants were therefore unsure of how long they could continue, especially if the prices continued to increase.

Most participants were not aware of any advice or support services for businesses, stating that they were not interested or did not know where to look. As a result, closure or selling was

discussed by many participants if costs were to continue as they were, or if they were to get worse. A few suggested that they would look to their accountants, banks or online for more information on the matter. Participants who had accessed support had done so through business organisations with mixed feedback.

Participants felt that there needed to be more awareness of what support is available, such as a business support directory that could simplify and streamline the process of finding support. Pro-active support was also highlighted as a need by participants who felt they did not have the time to seek support. Similarly, there was a need for more clear and transparent communication on their energy usage, participants suggested that a better understanding of this would help them make better decisions on financing energy efficient technologies.

In terms of support from the Utility Regulator, participants would appreciate if they improved education and communication with consumers, such as further information on tariff use or strengthening communication assistance and advocacy between consumers and their energy suppliers. Additionally, many felt that the lowering or capping of tariffs was essential for maintaining the existence of small businesses in Northern Ireland, particularly in the leisure and hospitality industry, as well as those in the community and voluntary sector.

Furthermore, participants suggested the need for any financial support to help mitigate the rising energy costs and business expenses. Government support was suggested by many participants as they felt it could do more to help small businesses. This included government funded grants for improving energy efficiency, through the installation of solar panels and other energy efficient equipment. A reduction in VAT and tax rates was suggested by participants, as it would further reduce tight profit margins.

Recommendations

Small businesses increasingly need support with energy costs and wider operating expenses to help them avoid hardship. For their energy bills specifically, most participants referenced reduced or capped energy tariffs that could help them manage their expenses. Fixed rates and contracts were also a barrier to business owners reaching out to their suppliers for support. Reduced rates, an awareness of consumer's ability to negotiate the price when signing up or the ability to negotiate energy rates while in contract may help businesses pay for and seek support for their energy costs, while also reducing the risk of uncertainty that many participants felt.

In addition, improved communication between the Utility Regulator and business owners is recommended. Most participants were unaware of what the Utility Regulator could offer besides regulating energy tariffs. Improved awareness of the Utility Regulator's capabilities and outreach may help improve business owners' awareness of available support. Similarly, interviews revealed specific areas where the Utility Regulator could provide support with supplier and consumer communications:

- Support services for businesses in arrears with their suppliers;
- Help new businesses by providing guidance around what standards of service they should expect when dealing with energy suppliers; and

- Information to help businesses navigate seasonality in relation to their energy usage and contract types.

Energy suppliers' communication with businesses could also be improved through providers supplying rate transparency, including upcoming price changes and future forecasting.

Consumers would also benefit from clear guidance on energy efficiency and their individual equipment usage to help save on their energy bills. More information on the energy consumption of business equipment and other energy saving measures would help business owners assess the potential return on their investment if replaced with more energy efficient equipment. This could be supplied through easily accessed information on average usage amounts or consultation services where a representative would come to measure a businesses' equipment energy usage.

While not directly under the Utility Regulator's remit, business owners would also benefit from increased advocacy from business support organisations in the following areas relating to energy:

- Improved network capacity, especially in rural areas, to help businesses grow. The manufacturing and production sector would especially benefit from upgrades to the network; and
- Government grants to improve businesses' energy efficiency. The community and voluntary sector were particularly vulnerable with relation to funding that could improve or maintain their buildings.

Introduction

Utility Regulator background

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries. As part of its mission, the Utility Regulator aims to protect the short and long-term interests of consumers of electricity, gas and water, with a vision to ensure value and sustainability in energy and water. The Utility Regulator recognises that 'starting with the consumer is paramount and consumer needs will be at the centre of our strategy'².

Background

Wholesale energy prices peaked in July 2021³ and were 630% higher compared to July 2020. Although wholesale energy prices have since fallen, this has continued the trend of high energy prices in terms of historic norms. In addition to rising energy costs, businesses are currently facing an incredibly challenging landscape amid increases across a range of outgoings including National Insurance, living wage and business rates. This maintains a challenging environment for non-domestic consumers in Northern Ireland.

Research indicates that smaller businesses often operate with limited resources, which can result in lower levels of knowledge and understanding of energy markets. These businesses are also less likely to have access to dedicated in-house energy expertise. This means that they may be more likely to benefit from regulatory interventions and support.

Aim of the study

The aim of the study was to better understand the lived experiences of small business owners navigating the energy markets. This included:

- Businesses' experiences of developments in the energy market including energy price rises and increased market volatility;
- Coping strategies adopted by businesses to manage their finances amidst high energy costs;
- The broader effects of energy hardship on the individuals behind the businesses, such as the impact on personal life, financial stress, mental health;
- The experiences of businesses falling behind on energy bills; and
- The present and future needs and priorities of non-domestic energy consumers.

² [Corporate Strategy final published.pdf](#)

³ [energy-prices-in-ni-ur-briefing-august-2021.pdf](#)

Terms of reference

The Utility Regulator identified the need to better understand the experiences of small business consumers dealing with financial stress due to the rising costs of doing business. The aim was to fully understand their experiences of navigating the energy markets. In order to do this, the Utility Regulator commissioned Perceptive Insight to undertake qualitative research with small businesses who are electricity and gas consumers in Northern Ireland who have encountered these issues. The findings helped inform the Utility Regulator's interventions to help support non-domestic consumers, in line with their Consumer Protection Programme 2024-29.

The research study included 26 semi-structured interviews of 40 minutes (three in each of the six counties of Northern Ireland, plus two boosters in the four areas of Belfast – North, South, East and West as defined by the electoral commission) and 16 in-depth interviews/case studies of 60 to 90 minutes, that provided more detail on the lived experiences of participants (two in each of the six counties of Northern Ireland, plus one in each of the four areas of Belfast). The findings from these interviews are reflective of these participants' lived experiences.

Participant scope

Energy hardship covers participants experiencing financial stress due to the rising costs of doing business. To ensure this, we screened all potential participants to make sure they were:

- Not in a period of growth;
- Are concerned with the rising costs of energy; and
- Are concerned about paying their energy bills.

Methodology

This section provides an overview of the methodology used in this study from recruitment of participants to the qualitative analysis of the data.

As a qualitative study, the findings outlined in this report are reflective of the participants' experiences. The study used a lived experience approach, which is a first-hand account of a person's experience, perspective, and choices in their particular circumstance.

Recruitment of participants

We developed and agreed a screening questionnaire, participant information leaflet and consent forms alongside the UR. The screening questionnaire was used to recruit participants to take part in the research. Recruitment was undertaken by our team of experienced qualitative recruiters, who work to the standards of the Interviewer Quality Control Scheme and the Market Research Code of Conduct. They were fully briefed on the requirements of the research.

A total of 42 participants were recruited, which included 26 who took part in a semi-structured interview and 16 who participated in in-depth case studies. The following tables detail the primary criteria that were applied to the recruitment process, alongside the secondary criteria that we endeavoured to achieve.

Primary criteria

Participants were small business gas and electricity customers who were experiencing energy hardship, as defined in the participant scope. Participants were recruited based on their location to ensure opinions across Northern Ireland were recorded.

Table 1: Primary criteria – county

	Semi-Structured quota	Semi-Structured achieved	In-depth quota	In-depth achieved	Total
Antrim	3	3	2	2	5
Armagh	3	3	2	3	6
Derry/Londonderry	3	3	2	2	5
Down	3	3	2	2	5
Fermanagh	3	2	2	1	3
Tyrone	3	3	2	2	5
North Belfast	2	2	1	1	3
East Belfast	2	2	1	1	3
South Belfast	2	3	1	1	4
West Belfast	2	2	1	1	3
TOTAL	26	26	16	16	42

Secondary criteria

In addition, we monitored and aimed to achieve a spread of responses across business size, sector, location and heating type. The breakdowns for these are detailed below.

Table 2: Secondary criteria – size, location, heating type, sector and business tenure

	Total achieved
Size	
0-9 employees	26
10-20 employees	7
21-49 employees	9
Location	
Urban	24
Rural	18
Heating type	
Gas	17
Oil	14
Electricity	10
Other	1
Sector	
Leisure and hospitality	13
Manufacturing and production	8
Retail	6
Community and voluntary	7
Other	8
Business tenure	
Own property	20
Rent property	22
TOTAL	42

Implementation

The semi-structured and in-depth interviews were conducted face-to-face and online to facilitate business owner schedules. Interview topic guides were developed and agreed with the Utility Regulator research team, which formed the basis of each discussion. The topic guides covered the following:

- Businesses' experiences with the energy market, including energy price rises, dealing with energy suppliers, company deals, and increased market volatility;
- Coping strategies adopted by businesses to manage their finances amidst high energy costs, including sustainability measures, operational adjustments, etc;
- The broader effects of energy hardship on the individuals behind the businesses; i.e. the impact on personal life, financial stress, etc; and
- The present and future support needs and priorities of non-domestic energy consumers, including barriers to accessing support.

Qualitative analysis

Upon completion of the semi-structured and in-depth interviews, we undertook thematic analysis of the qualitative feedback received from participants. This involved reviewing the transcripts to identify key findings and trends across the interview types, sector, size and location. The field notes and transcripts were reviewed and the content allocated to each of the identified themes.

We undertook a number of steps to analyse the data from the discussions and to bring the key findings together. These included:

- Each audio-recording was reviewed and electronically transcribed using specialist software;
- The transcriptions were initially reviewed to identify the key themes from the research;
- The transcriptions were analysed further to identify the range of views expressed around each of these themes. In particular, we compared and contrasted the findings from each interview; and
- We identified quotes from the discussions to substantiate the range of points that had been made around each theme.

In addition, each of the in-depth interviews were written into case studies. The case studies were summarised under the key themes and presented in an anonymised and concise format.

The remainder of this report is structured around the key themes, including:

- Situations and circumstances affecting energy spending;
- Impact of struggling to pay for energy;
- Coping strategies; and
- Accessed support and future needs.

Ethical considerations & safeguarding

No interviewing was attempted without the informed consent of the participant. Prior to commencement of an interview, we outlined to a potential respondent the nature of the research, the purpose for which their data is being collected and provided assurance of the confidentiality of the interview.

Perceptive Insight has safeguarding measures and procedures in place, including a traffic light system for raising alerts. All interviewers and recruiters receive safeguarding training and are Access NI checked.

Situations and circumstances affecting energy spending

The following section reviews the reported energy needs and usage of participants interviewed during this study. It covers the following themes:

- Circumstances that impact energy need and use; and
- Changing circumstances and experiences that impact spending.

Circumstances that impact energy need and use

Respondents were asked about their regular energy usage throughout the day and year. This included their payment method and the amount of regular spending. The main themes that impacted energy use included:

- Time of year;
- Legal temperature obligations; and
- Energy requirements for specific businesses.

Participants explained that they had to use the energy they needed in order to run their businesses. While some external factors affected their usage, other businesses were affected by specifications to their sectors.

Time of year

Nearly everyone interviewed reported that the winter months influenced their energy usage. This was explained by participants as increased use of heating in the colder months and electricity usage during busy periods that increased their business's overall energy usage. Participants described that this was prevalent during the Christmas holiday season but also included the summer months for certain businesses.

Cold temperatures

Most of the participants explained that the winter made them more reliant on heating and electricity to counter the colder temperatures. It was common for businesses to run their heating during the winter months, even if it was stringent. The degree to which they ran their heating in the winter and throughout the year was also affected by their legal and sector specific requirements that are explored further in the sections that follow. A few also noted turning lights off when the sun was shining. The businesses explained that the increased energy usage at this time made their bills more expensive, but the amount to which they increased was dependent on their business's energy needs.

"[We would be using more energy] that later part of the year, which would be coming into the darker months, August to December"

(Community and voluntary, 0-9 employees, Fermanagh)

"We need to change the timing on our heating system for winter and summer. Usually, it is more expensive during wintertime because, obviously, it's colder and we need more heat"

(Other, 21-49 employees, Fermanagh)

"We're more than double [the price] during the cold winter months than during the summer. I turn off the heat in May to maybe September. We don't even have the heat on unless it's a really freakishly cold [month] or something like that [...] Our bill during June, July, was about £100 pound or £200, and then last month [for December, our bill] was £1,500"

(Community and voluntary, 0-9 employees, Derry/Londonderry)

"Obviously, whenever it's darker in the mornings and nights, you're using a bit more electricity, the lights have to be on and things like that, the heating's on and all those things. So, we would be using a bit more in the winter months, if you like, the autumn/winter months"

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

Seasonality of business

In addition, participants noted how their energy usage was dependent on the seasonality of their business. As such, busy periods varied based on the type of business but included the holiday season or summer months as more product needed to be preserved or created during these periods.

"Well, Christmas, obviously, we work longer hours and we're pushing more stuff out, so we would use, probably, another 15% more energy at Christmas"

(Leisure and hospitality, 10-20 employees, Fermanagh)

"You would see [the electricity] jump up in the summertime as well, whenever you have the aircon on. Plus, because we have so many freezers, they're all giving off so much heat. And in the summertime, because the shops are quite compact, the heat is pretty hot. So like, if we get a spell where it's properly warm all the time. Well, our aircon has to be on through the night, all day, because the freezers, just the room gets too hot and it melts all the chocolate"

(Leisure and hospitality, 21-49 employees, South Belfast)

For some, the increased bills balanced out against their increased profits. Whereas other participants noted that the slow period was harder to maintain because of the decrease in profits.

"August to December is definitely manic, so production triples, classes triple, and [the equipment is] non-stop really. And we obviously do more classes, so we have more private bookings, we're in more, the lights are on more, the wheels are being used more during that time, obviously it's cold, so then the heating has to be on, and the A/C has to be on as well. It would be the time that we would spend probably the most money on electric. So, the only good thing is that because we are selling more products or we are teaching more classes, then the cost is getting covered by that"

(Manufacturing and production, 0-9 employees, Armagh)

"The freezers are constant. So, we're getting our money's, or values, worth out of it in the summer. Whereas in the wintertime, we're not really able to"

(Leisure and hospitality, 21-49 employees, South Belfast)

In a few instances, these seasonal businesses reported that because their energy bills were based on the previous bill's usage, it presented problems with credit build up during their low-periods and busy periods. For some participants, their busy periods resulted in a credit that could be spent during their low periods, whereas others found themselves constantly needing to top up their standing order payments during their busy periods. As a result, participants explained that they are billed for a higher usage during their slower season, which they reported was sometimes difficult due to their reduced cash flow during these times or their availability to monitor their payments each month.

"We're actually £5,000 in credit at the moment. So, what they do is, they base it on what you were using over the past 12 months and pull money out. You use it again, but I need to get on to [the supplier] because it's too much to have in credit"

(Leisure and hospitality, 21-49 employees, South Belfast)

"Our November to February bills will be higher, normally, than our May to August bills, because it will be busier at that time of the year [...] You're nearly paying more [for energy] when it's quieter and less when it's busier. But that means because when it's quieter, we're bringing less money in, but we're having to pay more money out. But vice versa, when it's busier, we're bringing more money in and paying less out"

(Other, 0-9 employees, Down)

Legal heating obligations

Several businesses explained that they had heating obligations, which were usually in relation to their work with younger or older people who would be on the premises. In some instances, this meant the business needed to run their heating throughout the year.

"Because we work with the elderly, even if we find it warm, the elderly people would find it cold. So even in summertime, we still turn on the heating for them. It has to be within 19 to 20 or 19 to 22 [degrees], I think. Something like that. I'm not fully sure, but roughly that range"

(Other, 21-49 employees, Fermanagh)

"Because I work with older people, I need the place to be warm. It's really a hub for older people to come in. So, I need the building to be warm. We take that this is our biggest expense, and that we just have to do it. Even whenever things were really, really tough after Covid, and we were really in dire straits, financially, we still had to have the heat on because otherwise people wouldn't have come, and they wouldn't have anywhere to go"

(Community and voluntary, 0-9 employees, Derry/Londonderry)

"Well, from a safeguard point of view, and the health and well-being of young people. In the evening time, we would have the heating on. We'd [have it on for] an hour in the evening time to make sure that the building is at a certain level for them coming in. Then when we think it's comfortable enough, we'll turn it off"

(Community and voluntary, 10-20 employees, South Belfast)

"We have oil, but it's on 24/7. It has to be a certain temperature. So, the heat will come on if it drops below 21"

Energy requirements for specific businesses

Certain sector participants highlighted certain specifications about their businesses that have certain demands on their energy usage. As a result, these requirements restrict their ability to reduce their energy usage. This is explored below in regards to their electricity, heating and cooling requirements.

Energy and electricity usage

Participants with businesses in leisure and hospitality, manufacturing and ceramics noted heavy energy usage associated with their businesses. For leisure and hospitality, their energy usage was heavily influenced by the number of appliances and cooking equipment that they needed to service their customers. Manufacturing and production also have equipment and machines that are heavy energy users. Likewise, ceramic businesses explained that kilns need to run during the day and through the night to produce the products. Many of these businesses explained that they are not in a position to turn their equipment off if the demand is reduced for a day, citing the use of appliances, such as freezers that need to keep food fresh or machines that take time to be ready to use. Energy usage then becomes an essential cost to their production.

"The kiln takes seven hours to reach the temperature. There were two settings. One setting is for the clay to be polarised so it takes 7 hours to reach it [...] And then it takes 12 hours to cool, but it's on. And then the second setting is for the clay. It takes 12 hours to reach 1,200 degrees [...] and takes about 15 to 16 hours to cool before we can open it. So, it's running for 24 hours each time, effectively. And that could be, depending on how busy we are, two to four, two to five times a week"

(Other, 0-9 employees, Down)

"I mean, we basically have to turn everything on to be effective in manufacturing. Unfortunately, that requires us to then pay whatever the usage is. And obviously, those costs have gone up substantially over the last number of years"

(Manufacturing and production, 0-9 employees, Down)

"We're always conscious about the bottom line. In the food game we're heavy energy users. If it's not gas, it's electric [...] It's not like an office where it just runs with a water heater, a heater, and a laptop or a computer, you know? We have a lot more, like if it's not fridges, it's gas for the cooker and if it's not gas for cookers, it's appliances. We use quite a lot of energy in our industry"

(Leisure and hospitality, 0-9 employees, Tyrone)

Use of generators

Those interviewed in the manufacturing and production sector reported using generators to gain additional power that was not available to them through the power lines. These participants explained that since their equipment and machines use so much power, they quickly found themselves using the maximum capacity allowed by Northern Ireland Electricity

Networks (NIE Networks) at their locations. Some of these participants have reached out to NIE Networks to try and increase their capabilities, but found that the costs were prohibitive.

"We have 139kva coming into our premises, which is not enough for what we need. So I have to run a 500kva generator as well. The reason why it's a 500kva generator is we used to use a thing called a spiral freezer. To start it up you needed 700 KVA. Then it would run about 450 KVA all day long. But the way business has been going, I had to stop using it, cause it's far, far too expensive. But we're still using the generator, as well as electricity"

(Manufacturing and production, 0-9 employees, Down)

"We've had to bring in generators to service the machines at peak hours because it kept throwing trips [...] The generators will be going all day because we don't have the power. If we were to run all the power as it is, at the moment, [the network] wouldn't cope"

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

"I rented a premises before and they had a power problem, and the landlord, I kept on assuming he was going to fix it and he never did. So, we worked on a generator. Now I want to grow the business and move into this [new product] and I knew I couldn't do that unless I was on the grid, [because a] generator wouldn't support it"

(Manufacturing and production, 10-20 employees, Antrim)

A few other participants in the manufacturing and production sector in rural areas indicated that they have generators in the event of storms or adverse weather causing unplanned power cuts. They described that the use of generators provides them with assurances that they will be able to continue working as normal if the power lines are affected for several days.

"We got a generator because of the storms. Otherwise, we might as well close down without electric"

(Manufacturing and production, 0-9 employees, Tyrone)

"We have a generator, it does kick in because I go out and test it every month or so, but luckily we haven't really used it"

(Manufacturing and production, 21-49 employees, Antrim)

Among other sector participants, generators were less common, with some thinking they would be good in the event of outages. However, there were some assumptions that using a generator would be less expensive than using the electricity available through the supplier. As the conflict in Iran developed during the time of interviewing, there was also speculation whether this would change.

"We run on a generator because the landlord, he said that it was cheaper to run this way. So, he fuels a generator to try and cut the cost. And it runs everything else"

(Leisure and hospitality, 0-9 employees, Tyrone)

"I often have considered that it might be cheaper to buy oil and run on a generator. I don't think it would be much more expensive"

(Other, 0-9 employees, Antrim)

"We find that the electricity, over the last few years, we've had more power outages than we've had in a long time, to the point where we have looked to see if we can get a backup generator because we're going out three or four times a year"

(Leisure and hospitality, 10-20 employees, Fermanagh)

Heating necessity

Other businesses noted additional heating requirements that were not necessarily legal obligations. For some participants this related to improving the customer experience or meeting their expectations, while others noted equipment that had to be kept at a certain temperature to remain operational.

"We can't really reduce the energy usage because there's no way you can do it. You just can't turn off the heating because the residents will be affected. You have to wash their clothes, so you have to use the tumble dryer and washing machines. Everything needs to be done"

(Other, 21-49 employees, Fermanagh)

"Clients [would] have wet hair. So no matter how warm you think it is, clients are sitting there with wet hair. So it has to be warm. And you don't want to go somewhere [that's not warm]. It has to be comfortable all the time. So I have to maintain a warm, nice environment"

(Other, 0-9 employees, East Belfast)

"There are certainly machines and sprayers and equipment in one of our sheds that [requires a specific temperature]. We do have a fire [from a mass boiler] within it, and it heats the shed. So it's just to protect our tools and equipment. Anything that would be sensitive to freezing"

(Other, 0-9 employees, Antrim)

Conversely, it was also noted by a few participants in the leisure and hospitality sector that due to the number of ovens, fryers and other kitchen appliances that are on and generate heat throughout the day, that they do not need to turn on their heating system as much. Although a few also had issues balancing the heating needed for the customer experience with the cooling needs of their staff.

"Heating-wise, it's not really on very often, to be honest. It's only on when it's incredibly cold outside. Because there's a lot of equipment in the business, there's no real need to actually have it on until it's incredibly cold"

(Leisure and hospitality, 0-9 employees, North Belfast)

"We have electric heaters and we heat a bit of hot water, but we don't really have heating. We don't need it"

(Leisure and hospitality, 0-9 employees, West Belfast)

"I have four fryers. I have a three-phase hot plate. I have a panini machine. It's pretty heavy duty, especially with the fryers going, you know? [...] No heating. In the winter we use these electric heaters if we need them [...] It's pretty warm. And thank God, because the heaters really can be costly"

(Leisure and hospitality, 0-9 employees, North Belfast)

"We don't have anything gas. It's all electric. With the ovens on, we don't really need heating. Whenever it's actually too warm, there's a fan, but it's not on all the time"

(Leisure and hospitality, 0-9 employees, North Belfast)

"Heating the business it is a concern in one way, but it's a sort of a double-edged sword because we have extractor fans to pull out the heat from the kitchen and the smells. Heating the shop becomes a bit of a problem because at one end you're [spending to] heat up and at the other end you're literally pulling out money with the extractor fan. And especially in the wintertime. We try to heat it up as best as we could for customer comfort and staff comfort as well. But they both don't go hand in hand"

(Leisure and hospitality, 0-9 employees, Tyrone)

Cooling necessity

In other instances, businesses required their goods and products to be kept at a cooler temperature for preservation.

"We can't have heat because we've got flowers. Because flowers bloom and then they die. So, flowers need to be kept at a cooler temperature. All we have for heating are portable heaters around the place, for the people that's making the flower arrangements in the shop"

(Retail, 0-9 employees, Armagh)

"Our usage would probably be higher in the summer because the A/C and fridges are working harder because of the temperature"

(Retail, 10-20 employees, Derry/Londonderry)

"We have a small oil burner for hot water, and then in the canteen there's a radiator, too. And in the office, there's an electric heater but that would be it, really. We prefer [the factory floor] cold anyway if you're working with food, you know?"

(Manufacturing and production, 0-9 employees, Down)

"To be honest, we need it cooled down in production. Because like if the food's too warm, then we can't wrap. Like obviously everything's getting baked. But if it's too warm, you can't wrap pancakes with them at 20°. They have to be sitting at room temperature"

(Manufacturing and production, 21-49 employees, Antrim)

Changing circumstances and experiences that impact business spending

Participants were asked about changes to their energy spending over the last few years. They were also asked about circumstances that have made it more difficult for them to manage their business's payments. The categories of responses are reviewed in the sections to follow:

- Changes in energy spending;
- Changes in the cost of doing business; and
- Personal circumstances and length of time in business.

Overall, participants felt that they were experiencing increased pressure due to the rising costs in energy and the uncertainty caused by the global and geopolitical landscape; coupled with the increases in minimum wage, participants explained how their costs of doing business have

risen as a result. These increased costs have diminished their profit margins and have led some to question if it is worth continuing the business.

Changes in energy spending

The business owners interviewed were generally aware of their usage amounts in relation to standard hours of operation and the number of machines, appliances or other devices that used energy. They explained that throughout their time in business, they were usually able to average what their energy spending should equate to through the tariff prices. As a result, they were able to calculate if they could afford to increase their usage to improve the business. However, recent changes in the prices going up or fluctuating as a result of the global and geopolitical landscape has led participants to express that it has become more difficult to calculate their energy spending, and therefore felt more risky to make changes.

"We try and budget for it as best as we can, but that's just something with the prices going up and with these new machines, you know, we really don't have any idea how much this next bill is going to be"

(Leisure and hospitality, 0-9 employees, North Belfast)

Energy prices steadily going up

Many participants noted that their energy prices have risen since the Covid-19 pandemic. In particular for their electricity bills, they explained that they used to not think about it much but that it has increasingly become a bill they need to monitor and account for in their outgoing costs.

"Because our bill are so high, I've actually had to change it to a repeat standing order. Rather than paying monthly. My latest bill for my month was £1,536. For a small business to have that huge of a chunk go out of the bank is a killer"

(Leisure and hospitality, 0-9 employees, North Belfast)

"I did notice before, the electric would just be £1,500 a month and now it's got up to £1,800. And recently this month, it was £2,300. So it has been going up. [It's going up] slowly but constantly"

(Other, 21-49 employees, Fermanagh)

"We're all electric. We have no gas whatsoever. So it's very, very hard on us. I literally just got my electric bill [...] You're talking over a £1,000 and sometimes £1,400 month ...which is hard for a small business"

(Leisure and hospitality, 0-9 employees, North Belfast)

Similarly, those who have gas heating or appliances running on gas for the business have noted an increase in their bills. They explained that the initial increases were the worst, as they were unexpected. However, while they may now be moderating their gas usage, it is still rising and causing concern.

"It was scary. I mean, we've learned from experience and from other things, but you could spend thousands on gas [...] literally, you could spend thousands. We've got regular staff here now who understand the costs. So again, we are frugal. We stopped leaving the heat on. We just can't afford to do it. We just boost every now and again, like in the mornings or if we know we've got a customer coming in to showroom, we'll stick the heat on for an hour before, because the costs are just outrageous"

(Retail, 0-9 employees, East Belfast)

As the conflict in Iran began during the time of interviewing, the rise and uncertainty in the oil prices also became a discussion point for participants who have oil heating.

"It feels like such a jump. It was like £400 and something, and then the last one we did was £600 and something"

(Manufacturing and production, 0-9 employees, Armagh)

"My bills have increased. Especially the oil. I'm sure you're aware [of the conflict in Iran]? So the oil and then the fuel for the cars, things like that, it's all increased. But then you can't change your prices midway, so you just basically have to suck it up"

(Other, 21-49 employees, Tyrone)

Participants also reported that the conflict in the Middle East has affected the costs of fuel, including petrol and diesel. This was described by those with generators or transportation requirements, such as distributors or those with multiple sites, particularly in the manufacturing and production sector.

"It went up a wee bit at the start of [the Iran conflict], so we filled up, and I think it's at £150 or £160 now, so yeah, the next time we go to fill, which is probably in the next 3 or 4 weeks, it'll be— well, hopefully it'll come down a wee bit from that, but it'll probably be [expensive]"

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

"The diesel [increase] has definitely affected us, but then we have to still service each of the shops, so what are we to do?"

(Manufacturing and production, 21-49 employees, Antrim)

Price fluctuation

While other participants acknowledged there had been price increases in their energy bills, they explained that it was the fluctuation of the prices going up and down that made the energy bills harder to manage.

"My usage is always the same. That's the price fluctuating"

(Leisure and hospitality, 0-9 employees, North Belfast)

"It always gets me by surprise, and it's always a large bill. We always make sure we have the money available to pay it, but you don't know what it may come in at. It's big normally"

(Manufacturing and production, 0-9 employees, Armagh)

"The [electricity] rate has kind of fluctuated, and our usage kind of would [stay the same]"

(Manufacturing and production, 21-49 employees, Antrim)

"It's completely bonkers. Like, we have a shop [...] the last [electricity] bill in 2025 was £1,700. And then the next bill jumped to £3,000. But like, we're not using anything more, nothing has changed. In fact, like, January, February, March were quieter so I don't understand that"

(Leisure and hospitality, 21-49 employees, South Belfast)

"I just don't like the way it can be £600 one month, it could be £400 the next month, it could be £2,000. I just don't like that they can just [raise the tariffs]. It's hard to budget if it's going up so much and with no pre-warning"

(Other, 0-9 employees, East Belfast)

Global and geopolitical events causing uncertainty

Most of the participants expressed that the energy price increases and fluctuations were a direct result of the conflicts in the Middle East and Europe. A few other participants noted events like the Covid-19 pandemic, Brexit and the trade tariffs introduced by the United States that have affected the economy and their businesses.

"It's doubled. They were blaming all sorts, they were blaming the war, Brexit, Ukraine. Every time there was an extreme incident like Covid, every time it was a lot different. And the prices kept going up. It's doubled over the last six years"

(Leisure and hospitality, 10-20 employees, West Belfast)

"You see that happening sometimes. It jumps, like it can jump fast. And more so probably in generally with all that madness, remember when all the electricity went up with Ukraine and that kind of stuff? Around that time in fairness it just jumped, and God knows what it's going to do now with this current situation"

(Leisure and hospitality, 21-49 employees, South Belfast)

"Literally the last time we got [fuel], they said 'We can't give you a price now, it'll be around this, but we can't give you a price until we actually do deliver it, to see what we're buying it in at.' So, we had to just go with it"

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

"Obviously, the time the war in Ukraine kicked off we had seen quite a hike in raw materials. But it seems to have settled. Even like, we've got seven company vehicles. Obviously, this past couple of weeks [with the conflict in Iran] the price of diesel has been an issue"

(Manufacturing and production, 21-49 employees, Antrim)

"There are obviously the wars happening at the moment. There is even like Brexit was a big one as well. It impacted us. It's quite tricky to get supplies from the mainland over to us. So sometimes it just isn't an option, or it's very complicated, or there's lots of extra costs"

(Manufacturing and production, 0-9 employees, Armagh)

Altogether, businesses reported that the uncertainty in their energy bills is contributing either to their reluctance to take risks and grow their business or is making them reconsider their business model.

"If you end up having where you need to renew and the world is in crisis and the supply is not there, you're just going to have to accept this higher amount and then you have to then try and work out how are we getting that extra income to cover all those bills?"

(Manufacturing and production, 0-9 employees, Armagh)

"If things were to continue the way they have the last week or two [the business could lose customers]. I know it's only a short space of time, but hopefully I'm wrong. But I think there's a lot of people holding back because the oil [prices and conflict in Iran], which is essential at this time of year, petrol too, people have priorities [...] And it's seen as a luxury service as such. And it's things like that, that get cut back on when things are tight or more expensive. So I suppose it's just a waiting game to see what happens"

(Other, 0-9 employees, Down)

"To be honest with you, gas and electricity have sort of just became a factor over the last few years really. I mean, the Ukraine war has just accelerated everything [...] So you can't really plan, you know? Food, travel, you have to pass it on or you're not going to get any money"

(Leisure and hospitality, 10-20 employees, Tyrone)

"Then you have energy, then you have uncertainty. No one wants to invest in their business. No one wants to take on more staff because they're so uncertain about what's coming around the corner. And Trump, I watch the news, it's going to get crazier. You just have to watch what's going on in Westminster right now"

(Leisure and hospitality, 10-20 employees, Fermanagh)

Changes in the cost of doing business

Businesses have also reported being severely impacted by the rising costs associated with adhering to the government's rise in minimum wage and National Insurance. These rising costs and energy increases have resulted in many suppliers and other business-to-business sellers putting their prices up. When coupled with reduced sales due to the cost-of-living crisis, small businesses reported that their profit margins have become exceedingly narrow in recent years.

Government price increases

Small business participants in this study expressed that the cost of employment is one of the biggest issues they are facing. Recent changes in the government's minimum wage requirements and National Insurance contributions have reinforced this concern for participants. Many explained that wages were their largest outgoing cost each month and elaborated that the increase also affected other employee costs, making these monthly payments all the more expensive and stressful. While they want their employees to have a

living wage, they also felt that this put them under increased financial pressure. Some also referenced that they are trying to cut down on employee's part-time hours or have no plans to hire due to these increases. This will be explored further on the section on businesses coping strategies.

"I was doing well before the pandemic. I was doing actually well [...] Then when the pandemic came on, nobody came in [to the shop]. They'd only come out once a week. They would buy groceries, probably. Well, they can buy them online now. But things changed drastically. It took a long time for it to pick back up again. A long, long time [...] And then all of a sudden, then we got a new Prime Minister, and we put the wages up, we put the stamp duty up, we put the taxes up. Everything went up"

(Retail, 0-9 employees, Armagh)

"If you look at the price of everything going up, and up, and up, and up, that was another big factor. Then you look at the wages going up as well. That was another big factor. So the government are great to say, 'We're going to put wages up to £12,' but they're not the ones paying it. So, they look good and they get more tax, they get more money, and it makes it harder for us"

(Manufacturing and production, 0-9 employees, Armagh)

"Like the way the national minimum wage is going up. Maybe 70% of the [business profits] are going to the wages of the employees, and that's a big impact to the company. There was a bit of an increase with the remittances from the government, but it's not enough to cope with the whole [situation]... I dread April coming because there will be an increase with the national minimum wage and with the increase of costs, also electric, water, oil. It's just a struggle. It will be a struggle"

(Other, 21-49 employees, Fermanagh)

"Now I have no problem actually paying a minimum wage for our staff, but it's just with everything else that comes along with it, it's just added extra pressure to the whole situation"

(Leisure and hospitality, 0-9 employees, Tyrone)

"Employing people is so expensive, and they keep putting up the minimum wage as well, and by quite a significant amount as well. And with that increase, then you also have your National Insurance going up as well, which is huge. You have your tax going up, you have pensions to pay as well. People are still entitled to their holidays, they're entitled to sick leave, maternity leave. So there's all these extra costs. So, that has been hard. Everything's just so expensive"

(Manufacturing and production, 0-9 employees, Armagh)

In addition, several participants also mentioned the rising costs of rates which they felt were not reflective of the services they received from their local government. While the rates were not a large bill overall for the businesses interviewed, it is one that they have to pay. Several respondents noted incidents like street flooding up to their door or the lack of bin collections that were not covered in the rates, which they had to pay for separately or, like in the flooding

incident, suspected would become a costly issue for them in the future. Together with the other rising costs businesses are experiencing, these participants felt that the rates situation was also reducing their profit margins.

“The cost of living has risen exponentially in the last five years. And what makes things horrendously more difficult is the government is increasing corporation tax (went up by 7%), they're putting up National Insurance, the rates continue to rise to deliver less services than what we're paying, and the cost to operate [goes up]. You know, people talk about a cost-of-living crisis, we talk about the cost-of-doing-business crisis”

(Retail, 21-49 employees, South Belfast)

“All of it, all the national wage increase with PAYE, the VAT, and then the other big one for us that is very prevalent is the rates [...] the rates don't match what we're getting off it”

(Leisure and hospitality, 21-49 employees, South Belfast)

“Our rates bills don't even cover the collection of our bins, so we have to pay privately for our bins to be collected. And yeah, like once again, a couple hundred pounds per month we pay on rates, and we then obviously have to pay our water and sewage charge on top of that, as well. So once again we're not getting anything in return”

(Manufacturing and production, 0-9 employees, Armagh)

The VAT registration threshold and 20% payments were also referenced by some participants when explaining how they felt constricted by the current economic situation. The lower tax rate in the Republic of Ireland was referenced by several of these participants as a way to improve the situation for small businesses.

“I don't think the government is actually working for small businesses at all. I have been going on about how the 20% VAT needs changed as well, it needs reduced. For the first couple of years, we were under the threshold of VAT, so we didn't have to pay any. And then after Covid, we were above the limit and had to start registering for VAT. And that's a big chunk that you have to pay at the end of every three months back to them”

(Leisure and hospitality, 0-9 employees, Tyrone)

“One thing that's very frustrating for this industry is VAT. 20% is crazy. That's just one thing that really, really frustrates me”

(Leisure and hospitality, 21-49 employees, Armagh)

Overall, small businesses reported that the rising costs of employment alongside the rising energy costs have reduced their profit margins. This has contributed to these small businesses feeling less comfortable taking risks and trying to grow the business or hire more staff.

“Well, [my energy spend] it's higher than my rates, and my rates are really high. So for a commercial building, my rates are £14,000. But obviously my electricity is nearly double that, which seems crazy. But I suppose if I add all of the energy together. It's probably about 5% of my turnover, which doesn't sound very much, but when I give 20% of my turnover to the

government on VAT and 50% of it is on staff costs, to lose another 5% to the lights and all the rest, there's not a whole lot left"

(Leisure and hospitality, 21-49 employees, Armagh)

"I would say the government don't help, in so much that you're running a small business and you need staff, and you pay wages. But then the government seem to be all in favour of giving the employees more rights than the employer, which puts you in a predicament. You could expand, but could you be bothered with the headache of more responsibility, more pressure? That's probably an added stress in the running of a business as well as the increased cost of energy and what have you"

(Other, 0-9 employees, Down)

Business price increases

As a result of these increases in energy prices and the business costs, businesses interviewed have had to raise their prices to offset their reduced profit margins. In the instance of business-to-business sales, this has trickled down to small business owners, who expressed these increases as an additional strain on their business.

"I think the big issue is the price. The price of the energy is not sustainable for small businesses or for any business. It goes up, but it never comes down, which is an issue. It doesn't just affect our usage, it affects our [inventory] suppliers' usage, it affects everybody's usage. Then all the prices across the board for our [inventory] suppliers, for our transport, for deliveries, all of that gets up. It is a knock-on effect across all aspects of the business"

(Other, 0-9 employees, Down)

"Rent, rates and insurance [are more expensive]. Payroll as well, minimum wage is a nightmare. And what a lot of people don't understand is that minimum wage is going up again in April. It's not just the price for minimum wage, it's the effect. It's everybody. Everybody needs to jump by whatever it is [...] All these things just have a knock-on effect [to the cost of running a business]"

(Retail, 0-9 employees, East Belfast)

"Well, wages have gone up. Of course, they have, the cost-of-living has gone up. I mean, with that you're increasing your selling prices. Economies of scale have to make sense. So as we increase our costs, we hand out those increased costs over to our [business] customers, which makes it harder for them because then they have to charge it on to their [domestic] customers. So really the end consumer is the one who's suffering"

(Retail, 10-20 employees, Derry/Londonderry)

In particular, participants noticed the effects of inflation in relation to the transport of goods and raw ingredients or materials. It was also reported that this increase was evident across inventory suppliers, meaning that while some are able to negotiate better prices between suppliers, they are still higher than they once were. Participants' ability to haggle or negotiate with their inventory suppliers is explored further in the section on coping strategies.

"Brexit has been harsh on us because especially the transport of goods, because we accept international exhibitions. And so the cost of transportation has quadrupled, the cost of wood has quadrupled. And so that does have a longer-term impact on us. All our services associated with the exhibitions have risen badly.... We had an exhibition in [the EU] that cost us £20,000 to get down back again. Whereas before that, it may have been £4,000 or £5,000"

(Other, 0-9 employees, East Belfast)

"Wages obviously goes up every year. The cost of materials has definitely been tough. The stuff we would buy, hangers, plastic. Some of those things have nearly doubled in price over the last couple of years"

(Other, 0-9 employees, Down)

"When I started off 10 kilos of chicken was £30 to £35, roughly £30. Now its £70. Like, that's massive to me. It's double [the price]"

(Leisure and hospitality, 0-9 employees, North Belfast)

"And the cost of raw ingredients, the cost of chocolate, flour, coconut, sugar. Just, we get regular emails from wholesalers saying that the price has gone up again, and again, and again"

(Leisure and hospitality, 0-9 employees, North Belfast)

"Like our butter price since the Ukraine war, a box of butter portions was £5, and they've come back down a bit now but was up at £15"

(Leisure and hospitality, 10-20 employees, Tyrone)

Cost-of-living affecting customer spending

In addition, businesses have also experienced less sales because of the cost-of-living crisis affecting customer spending, which has further reduced their profitability.

"I think the lack of affordability for people to come in [is an issue]. I don't think there's a huge amount of money out there. Prices are going up everywhere. Our suppliers' prices are up. When people do come in, their spend is down. They're not spending as much, therefore there's not as much profit in it"

(Other, 0-9 employees, Down)

"Well, it's very challenging at the moment because I'm on the high street, and what has happened is that the big banks that normally would have brought footfall to the town closed. And therefore, our footfall is down. I guess the high street has closed. Like many high streets, I'm not on my own in saying that, but this seems to be severely affected"

(Retail, 0-9 employees, Antrim)

"There's not enough people through the door. I think people are cutting their cost, too, because their [personal] energy levels are so expensive, too. So they don't come in as much"

as they used to. We are busy now on a Friday and a Saturday, whereas through the week, sometimes, a lot of the time, we'd be quiet enough"

(Leisure and hospitality, 0-9 employee, Tyrone)

"Instead of buying the can of coke with the sandwich on the run, they were coming in and buying the cheese, the ham, the bread, all of which delivered basically 50% less profit margin than the impulse style of products"

(Retail, 21-49 employees, South Belfast)

"Especially with the fact that people are being a bit more cautious as to how they spend their money, then it means that our profit margin isn't as big anymore. So that's the hardest part, it does eat into [the profit margins]"

(Manufacturing and production, 0-9 employees, Armagh)

In addition, some participants felt concerned over the idea of raising their prices to offset the rising costs due to the cost-of-living crisis. They explained their reasoning that if the public had already reduced their spending, they may be less inclined to spend at all if the prices went up. There was also concern that this would add to the existing cost-of-living crisis if they continued to raise their prices. This and concerns of being outpriced by competitors is further explored in the section on coping strategies.

"We're aware [of the cost-of-living crisis] for a lot of our [community members]. We know that they come from all different backgrounds and all different walks of life. We deliberately don't ask for anything on top [of their fees] or anything else. We're very aware of not making people dig deeper into their pockets than they have to at the moment. We are aware of the cost-of-living-crisis because we have to look at it as well [...] If cost of living keeps increasing, we would attempt to hold our fees at the level they're at"

(Community and voluntary, 0-9 employees, Down)

"It's been horrendous. We really had a lot of issues with it. We were still very, very close to not being able to survive. And that was our biggest thing, especially after Covid. And we didn't have as many people coming in and out of the building because people were still afraid of it. And yet, we still had to heat the building [...] I mean, all our money was going towards heating. And we noticed at that time because people were finding it difficult to pay their own [energy bills]. So, that's when, as a whole, we needed to be the hub. We needed to be somewhere that they could come and be safe and be warm, rather than every single person doing it in their own homes"

(Community and voluntary, 0-9 employees, Derry/Londonderry)

"But see this [increase] that's come in with electricity, that has come in with payroll, that comes in with National Insurance contributions, cost of purchases, cost of goods, they're all driven in and around these similar levels. It should come as no surprise to anybody to understand, this is why the price of food and the price of a beer and the price of being able to go out and enjoy something has risen exponentially"

(Retail, 21-49 employees, South Belfast)

Overall profit margins

Altogether, these price increases and concerns over the ability to raise their own prices have severely affected their profit margins. Participants in the retail, leisure and hospitality, and other services sectors were the most susceptible to this situation.

“Everything is going up, bar the income coming in. The outgoings are all going up. So, there's still less profit, less for the business owners”

(Other, 21-49 employees, Fermanagh)

“It seems like the outgoings just keep getting higher and incomings are just getting lower”

(Leisure and hospitality, 0-9 employees, North Belfast)

“I think we're in the position here where pockets are being squeezed. With the consumer and our cost of goods are going up and our cost of operating is going up and retail and hospitality in Northern Ireland is at a real, real, real difficult point”

(Retail, 21-49 employees, South Belfast)

“The way the economics are going at the present minute with the wars and different things that are obviously eating into your profit margins, [...] If that increases anymore, I have to find that extra money from somewhere and that eats into the profit margin side of things”

(Leisure and hospitality, 0-9 employees, Tyrone)

“I think it is getting harder. Like, whenever I opened, it wasn't like this. Like your margins weren't as tight. There's no doubt about it. At the moment it is much harder. I just find that we're being used, the small businesses are being used as just a cash cow for the likes of the government [thinking] ‘They're an easy target’”

(Leisure and hospitality, 21-49 employees, South Belfast)

In particular, one business had already closed a location because of these factors.

“We survived a pandemic. We survived all these things and actually it's been our own government's strategy and the cost of doing business that has put our lights out”

(Retail, 21-49 employees, South Belfast)

Personal circumstance and length of time in business

A few other factors contributed to participants' perspectives of their financial situations, including their length of time in business, health issues, age and retirement plans.

Longer in business and worst it's been

Some of the participants who have been in business for over ten years reflected that the current situation was the worst they have experienced in the length of time they had been open. For some, this included the 2007-2008 financial crisis. While these participants were

trying to continue, several noted that they were considering closing the business if things did not improve or got worse.

"It's really affecting us. Nearly 30 years in and I've said I'll sell the shop. I'll sell it and I'll forget about it"

(Retail, 0-9 employees, Armagh)

"It seems to be getting harder. I remember when I took this over, it was a lot easier. Things were a lot cheaper. I always seemed to have a bit more money. I didn't seem to be stressed as much about money"

(Manufacturing and production, 0-9 employees, Armagh)

"Even in 2010, when there was a downturn in business, did the business at that stage suffer? Not really. Even through Covid. No, not really. But certainly the experience is now between costs and changing times with people going online, it's now starting to take its toll. It's not really worth it. If multiple people owned [my business], they'd be long gone. But I own it and unless I work all the hours and keep staff levels, electric levels to a minimum, it's not [feasible]"

(Retail, 0-9 employees, Antrim)

"This is probably the hardest three years that I've had in the 11 years [I've had the business]. And you would think that the Covid years might have been harder, since we're hospitality. But actually there was so much support then. Covid was easy [in comparison to current times...] My first couple of years, you were worried because you were building the business and so, you were trying to establish customer footfall and build that up. [...] I can't reduce because I'm employing all these people and I'm paying all these bills, but I'm not taking the same amount of money. So yeah, this would be the hardest [times I've experienced so far]"

(Leisure and hospitality, 21-49 employees, Armagh)

"I've been through a recession and I've been through Covid, and this is just as bad as the both of them. But it's only the small businesses that will be affected, nobody else"

(Other, 21-49 employees, Tyrone)

Newer businesses struggling to get established

Likewise, a few businesses that had opened in the last six years reported that they have struggled to get established with what felt like continuous financial hurdles or adverse circumstances to overcome. The business outlook for these participants varied, with some feeling hopeful that they had survived in spite of everything, whereas others were considering if it was worth continuing.

"If it did start to go up a whole lot more, especially with the war, it is very uncertain at the moment. I don't know whether our doors would continue to stay open, to be quite honest, because it just isn't working"

(Leisure and hospitality, 0-9 employees, Tyrone)

"We opened in where are we now in 2019. We were just about to start our big group classes and lockdown hit. We advertised our first [event], and then we had to cancel it because everyone was in lockdown"

(Manufacturing and production, 0-9 employees, Armagh)

"Basically, the first year, we literally just broke even and no more [...] It was Covid, so we actually got a Bounce Back Loan"

(Manufacturing and production, 21-49 employees, Antrim)

Health issues

Several other participants noted personal or family health issues that impacted their time spent at work and their financial stress levels. Participants also explained how the stress from the business has impacted their health, which will be explored further in the next section on the impact of struggling to pay for energy.

"My mother is in a residential care home now, and [partner's] mother is the same, so we have to assist with that. It's been a real strain on finances. And it's both [parents], which is an additional cost every month"

(Other, 0-9 employees, Down)

"I've had a few operations, so we have probably struggled at those times. And then I wasn't able to work"

(Other, 0-9 employees, Antrim)

"My wife had [a serious illness] so we had to close for a while. My son [requires care], so now, instead of opening seven day a week, we [reduced our days of operation]. So there's [...] days of business that I'm losing. But you know, at the end of the day the reason why I work so hard is to try and provide for my family. But it's got to a point where providing is not good enough. I have to be physically at home"

(Leisure and hospitality, 0-9 employees, Tyrone)

"I've had major health issues, the cost of materials [increasing], the cost of staff [increasing], you know, all that there comes under the equation [for staying open...] I had a quadruple heart bypass. It could have been due to a whole lot of things, but a lot of it was due to stress from the business"

(Manufacturing and production, 0-9 employees, Down)

Age and retirement

The age of participants also impacted their interest in staying open, with many older participants looking to sell or close the business to retire due to the financial difficulties. While some participants were planning on selling their business, others were more aware that they would retire if they could not keep the business afloat.

"You're talking to a person who's in business at a good age. I'm 85 years of age [...] I don't get too stressed because I've been in business a long time and it's not worth worrying over because worrying brings you to a quick grave"

(Retail, 0-9 employees, Armagh)

"I have wanted to leave the business now for at least three or four years. I was planning to sell, but I have been told that I would not make any money by selling. I would lose most all of my investment if I sold now. So I have to hang on. And that's [with] owning the business and also owning the building. So I would like to retire, but I can't"

(Leisure and hospitality, 21-49 employees, Armagh)

"Well, it's just one of those things whereby I just know that that's what's going to happen. I just know that there's not going to be any way back from it. There's no point in me standing here seven days a week when I could be somewhere else. And that's a shame, but that's just the reality of it. The cost has become too much for any independent business"

(Retail, 0-9 employees, Antrim)

"Once I retire, I definitely don't want my daughter to be taking over the business. So unless a different family takes over from me, then that's a business that's gone"

(Leisure and hospitality, 0-9 employees, Tyrone)

Impact of struggling to pay for energy

The following section considers participants' financial situations when dealing with the increase in energy prices, alongside the increases to the costs of doing business over the last few years. It includes:

- Energy essential to running a business;
- Prioritising payments; and
- Personal impacts to business owners.

Energy essential to running a business

Participants were asked if their energy usage matched their needs. As a follow-up they were also asked if they would use more energy throughout the day if the cost of energy was less expensive. Participants explained the following circumstances:

- Having to use what they need; and
- Would like to use more.

Having to use what they need

A common theme arose amongst participants, in which they shared they had no choice in the matter; they simply had to make the most of their energy usage in order to run the business. Many of these participants referenced the circumstances that impact their energy usage that were explored previously in this report. They elaborated that energy is an essential cost to running a business.

"You need electric. You can't do without electric. You have to have it [for the business to operate]"

(Manufacturing and production, 0-9 employees, Tyrone)

"We need it. We need [our energy usage] because obviously we need it [to run the business...] Because we're running on a generator, it seems to be that it doesn't matter if you run one thing on it or you run 10 things on it, it's going to be the same price for us"

(Leisure and hospitality, 0-9 employees, Tyrone)

"If we need it, we just have to spend it"

(Manufacturing and production, 21-49 employees, Antrim)

"No, you just have to pay them and that's it. That's just all there is about it. You just have to pay them. They're there to be paid and that's it"

(Retail, 0-9 employees, Antrim)

"Well, like I said, it's probably not an awful lot. I don't know what we can do about it at this point. I would prefer it to be cheaper, of course. It is what it is"

(Manufacturing and production, 0-9 employees, Down)

"Well, who is ever satisfied [with their energy spend]? No, I wouldn't say I'm satisfied. You have to pay, and that's it. Bottom line. You have it to pay. If you want it, you pay for it, and that's just it [...] You just have to try and use less and try and make ends meet"

(Leisure and hospitality, 0-9 employees, Antrim)

Would like to use more

Other participants acknowledged that they would like to increase their energy usage, but due to the rise in energy costs, they have restricted their energy usage. Some of these participants reported that they struggle to pay for their energy currently, while others noted that they have rationed their usage to keep the costs down to an uncomfortable degree.

"Me and my staff are very cautious of the cost of things. So maybe if it was cheaper, we probably would use it a bit more. Just thinking about it, if it was, let's say, half the price of right now [I would be using it more], I'm freezing at the minute"

(Leisure and hospitality, 0-9 employees, North Belfast)

"It could always be an improvement for us. It's a big part of our cost. It's a struggle"

(Other, 0-9 employees, Down)

"Well, yes, we would [like to use more energy]. We are also quite mindful of the carbon footprint stuff. We're not wasting if we don't need it. But obviously, yeah, cost is a massive issue"

(Community and voluntary, 10-20 employees, South Belfast)

"We definitely would put it on more if it was less expensive...I'm just thinking about all our appliances that we would use for hair classes and nail classes and stuff"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

"Of course, we would like to use it more, but we just can't [...] The system that we've got, it just chews through [our energy]. We have had one of the oil fire radiators left on accidentally, and our bill for that period was just scary"

(Retail, 10-20 employees, Derry/Londonderry)

"I'd certainly say if it was cheaper, we would use it more. Because we find our bills so high, and we're really trying to do all we can to reduce them. Certainly, if energy was cheaper, we wouldn't be stressing as much about what's running"

(Community and voluntary, 0-9 employees, Armagh)

Prioritising payments

During the interviews, participants were asked about their priority payments each month. Those that participated in the in-depth interviews were also asked to arrange a series of cards, naming different expenses, in order of priority. During this activity the following themes emerged:

- Necessity payments; and
- Reduced priority on improvement plans.

While this section focuses on priority payments in relation to energy, participants were also adamant that all their bills have to be paid in order to operate. Amongst these bills, energy was considered essential or necessary for all participants. When asked what bills they cut back on or minimised, participants referenced improvements they have not been able to afford.

Necessity payments

While business owners noted that all their bills needed to be paid in order to operate, many were able to group their bills in terms of priority with energy, wages and legal payments being the most important. Some participants also explained that these were their largest payments and caused them the most stress.

Energy is a part of necessity

Some participants divulged that when it came to prioritising payments, their energy bills have top priority.

“The electric. If you don't have it, we don't function. Like the kiln, etc. Then, I suppose, the staff, they have to get their wage. Then, obviously, suppliers. If you can't buy the stock, can't buy the materials, we can't do what we do”

(Other, 0-9 employees, Down)

“[We] have to keep the lights on. In our case, it is absolutely 100% necessary. And gas, you have to have heat to make people comfortable. And then there's a lot with the rent. So, it's to keep the doors open. From my perspective, the employees are definitely first. They have to get their wages at the end of the day [...] they are a real essential aspect of what we do [...] So, we can't let them go either. We have to do what's legally important”

(Other, 0-9 employees, East Belfast)

“The things that keep the lights on. So our staff [wages] and energy are the [most important bills]”

(Manufacturing and production, 0-9 employees, Down)

For some the electricity was a priority payment, whereas the heating costs were less important or non-existent. The reasoning behind not prioritising heating costs was discussed previously in the chapter on energy usage.

“Our heating is through electric as well. We have an air condition unit that runs off the electric. Again, it can go air condition or it can go heat. [The landlord] recommends to save, to do it through electric. We have a couple of heaters, electric heaters as well for the bottom kitchen and stuff. Again, they're all electric”

(Leisure and hospitality, 0-9 employees, Tyrone)

“Well, for us, oil would probably be lower down the scale, because we only use it for heating. So, that's all we really use it for [...] Yeah [electricity is essential and has priority] if we didn't have oil tomorrow, we'd still work”

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

Payroll high in consideration

Some participants also acknowledged that payroll was amongst the first few bills they prioritised, citing that employees are the foundation to the operation and running of a business.

“So obviously starting with the highest priority, the gas, the payroll, and the electric, which are all self-explanatory. But without those three, you can't run the business. Obviously your rent, your mortgage, your VAT, the government, if you don't pay them, they're going to come after you... Employee taxes are the same”

(Other, 0-9 employees, Down)

“Wages would always be a priority [...] But thankfully, we've not been in a position where we've ever had to sit and say, 'Well, are we paying wages this month? Are we paying the electric bill?' Fortunately, it hasn't happened. But if it were to, if I'm trying to pre-empt, that that might ever happen, it would be wages. Then obviously, electricity, gas, because we need that in the building”

(Community and voluntary, 10-20 employees, South Belfast)

“But [payroll and employee tax are] the most important thing. If you don't have people here, you can't do any of the rest. So your payroll and your taxes and your health insurance are all very important, but just as your electric, your rent, and your IT servers now are massive as well”

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

It was also common for some participants to prioritise their bills by the frequency at which they needed to be paid. This was most common amongst the leisure and hospitality sector participants, who were typically paying employees weekly. They reported that the more frequent their bills, the less stress they caused as it kept the outgoings low, effectively making payments more manageable.

“Highest priority is probably the payroll, but that is the most stress because that's £6,000 a week”

(Leisure and hospitality, 10-20 employees, Fermanagh)

“Payroll has to be done every week, like all our employees are weekly. If you were getting tight, you know that you've got like another 2 to 3 weeks before you get your bill and you have to have it paid, whereas your payroll has to be done every week”

(Manufacturing and production, 21-49 employees, Antrim)

“I think because we pay our electric every week, that helps us. Because if you £230 a week is better than paying £1,000 every month. Do you understand what I mean? When we're such a small business, I think it's better to do that way. It pings out of your account every month or every week and you know what's coming. And then just the wages again, they're paid every two weeks. So, you just need to have the money in the account for all this”

(Leisure and hospitality, 0-9 employees, Antrim)

“You need all three [to run a business]. Electric, gas and water... the electric bill is always hefty. You know, when you get it every quarter [it's a lot] whereas the gas is paid more often”

(Leisure and hospitality, 21-49 employees, Armagh)

"Well, the most important ones, I always make sure my employees are paid. Yeah, I pay them every Friday. They're the most important [bill], the backbone of the business because without them, I'm not [able to run the business on my own]"

(Leisure and hospitality, 0-9 employees, North Belfast)

Legal and financial concerns

Due to legality and financial necessities of being a business owner, participants also listed rates, insurance, VAT and inventory suppliers as priority bill payments.

"First of all, the business has to be open to trade. So obviously rates, insurance, electric, gas and water, we can't do anything without those"

(Leisure and hospitality, 21-49 employees, Armagh)

"Insurance, again, that's a high priority because that must be in a position that's one of our main protections"

(Community and voluntary, 0-9 employees, Down)

"Yeah, VAT. Because it's the biggest bill. It's 20% of everything [...] So probably VAT and payroll and then in inventory, my suppliers. And then it becomes electric and gas"

(Leisure and hospitality, 21-49 employees, Armagh)

"We always pay people. Well, we have to pay our suppliers. Our customers have to pay us. So you're trying to keep your debtors on a tight line, and then you pay your creditors within the 30 days. So, we try to keep everything tight. It causes more work. But no, we have to pay our suppliers or they just put our account on hold"

(Retail, 10-20 employees, Derry/Londonderry)

Reduced priority on improvement plans

As a result of participants struggling to pay for their energy due to their reduced profit margins, they reported that this has reduced their ability to make improvements or expansion plans for the business.

"Yes, we'd love to expand. There's a side lane that we'd love to put a smoking area and open it up for the summertime [like a beer garden]. It's just you're having to keep on top of the running of the club costs first"

(Community and voluntary, 0-9 employees, Fermanagh)

"I bought the premises next door to me about 12 years ago. In the premises next door there is a supply coming to it, 370kva. But the thing is, for me to get that up and running, Northern Ireland Electricity would be charging me a complete fortune"

(Manufacturing and production, 0-9 employees, Down)

"Yeah, I took a loan for that expansion about six months before Covid so we really only got to use that space properly for about a year and then we've had to then just use it as overspill. I'm hoping that it'll still benefit the building whenever I sell it. But no, as far as other expansions for me, it would just be about, if I could. It would be about going back to seven days training. It would be about having new menu items that would require new equipment, which I can't do [due to the energy costs]"

(Leisure and hospitality, 21-49 employees, Armagh)

"We constantly want to upgrade, but we've got to a point where we can't upgrade anymore on where we're situated. So we've got five different sites across different locations using different energy sources and electricity. So with the price of diesel obviously going up and down and fluctuating this past wee while, it's been costly"

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

A few participants shared that as part of their improvement plans, that they would like to increase business hours or take on new staff. However, this has also been restricted due to energy costs.

"If the electricity or the gas prices were not in consideration, then we would 100% be opening [up services] on a Friday afternoon, no matter what"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

"The demand is there for the [services], and so, we put the extra [services] on. We're going to try and engage more adults. So, we'll probably then open up on a Wednesday or Thursday night as well. But again, we have to consider the additional costs that will be incurred by doing that, it would be the lights in the room and the heat"

(Community and voluntary, 0-9 employees, Down)

"I also could do with two to three extra staff. But whenever I finish [trying to keep costs down], I go back to work. I can't justify it. I would have extra staff, but with the cost of staff, no. Especially not at the moment"

(Leisure and hospitality, 10-20 employees, Fermanagh)

"If we could balance the books and were sort of breaking even. That would be enough for us. If we could go pay somebody to come in, like a member of staff to run the place part-time, brilliant. But like, with the energy costs, we couldn't"

(Community and voluntary, 0-9 employees, Armagh)

Personal impacts on business owners

Participants were asked how these rising costs have impacted them personally. Almost all of those interviewed indicated that their lives had been impacted. This included references to the following:

- Impact on mental health; and
- Impact on physical health.

Most participants admitted to being stressed due to their price increases and uncertainty in their bills. For some, this has negatively impacted their sleep, relationships and physical health.

Impact on mental health

It was common for participants to report feeling stressed about their business circumstances. This has affected their sleep and has led some to feeling alone, with a few having sought professional support.

Feeling stressed and anxious

Most participants admitted to being stressed and worried about the affordability of their energy costs and running their business. This was widely discussed by participants in the leisure and hospitality sector, as well as the community and voluntary sector.

"The rising bills are stressful"

(Leisure and hospitality, 21-49 employees, Armagh)

"It is stressful. Sometimes I think I was stupid. I should have stayed on [in my last job]. At least I got my pay"

(Leisure and hospitality, 0-9 employees, Tyrone)

"You're still worried about energy prices. You're still worried about them when you have to make so much every year. There is a cost and fee every year that has to be made to keep things going"

(Community and voluntary, 0-9 employees, Fermanagh)

"You're constantly stressed [...] When you have 16 members of staff that are on funding, and a lot of them are on yearly funding. You're constantly trying to find a replacement [grant] for them"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

"Financially, I'm okay. It doesn't bother me. I have a good pension, but I have 25 people who are employed, who need to pay their mortgages, who aren't as old as me. That weighs heavy on me when I have a really bad day and I'm worried about the fact that we haven't made any money this month. It worries me that I can't walk away because I have that"

(Leisure and hospitality, 21-49 employees, Armagh)

Difficulty sleeping

It was frequently reported by respondents that their experiences of constant stress and anxiety have affected their sleep. Some participants explained that they have difficulty falling asleep, while others reported waking up in the middle of the night with thoughts about the business.

"They're very stressful that's exactly why I'm tired. There's many nights [where I struggle to sleep]"

(Leisure and hospitality, 0-9 employees, North Belfast)

"It does sometimes [impact my sleep]. Sometimes you wake up and you're like, 'Oh, Jesus, I have to get money for that guy'. Things like that wake you up. You realise it just builds in to [your psyche]. Then all of a sudden, you're waking up"

(Manufacturing and production, 0-9 employees, Armagh)

"Yes, it's stress. Yes, very much so. Especially when it's the end of the month where the wage bill, the tax bill, and pension bills, all that will be taken out from remittances. And then whatever is left, you have to pay the running cost then of the home [...] There was a time that my sleep was disturbed. You wake up in the middle of night thinking what to do or what's the best option or how will I do it or things like that"

(Other, 21-49 employees, Fermanagh)

Isolation in responsibility

A sense of isolation also emerged from a few interviews, as the heightened stress and anxiety experienced by business owners were often borne as a sole responsibility.

"I did have a partner in this business. My brother started 11 years ago with me and he left a few years ago because he didn't want to have the stress of it anymore"

(Leisure and hospitality, 21-49 employees, Armagh)

[People] can only listen to a certain degree. When it's yourself that actually has to face it on a daily basis, it becomes [that you're suffering in] silence because nobody fully understands and feels the same pressure that I do"

(Leisure and hospitality, 0-9 employees, Tyrone)

This experience was further exacerbated by working longer hours and industry standards. In particular, the leisure and hospitality industry participants acknowledged that the necessity to work so much has caused them to miss out on family time and events. A few were aware that this was normal for their sector, however they also felt that it has worsened with the rising costs and subsequent effects on their stress levels and personal life. This is further explored in the following section on coping strategies where participants admit to working longer hours.

"Yeah, [we miss out on family and social events] but with the hospitality industry, you get used to that"

(Leisure and hospitality, 21-49 employees, Armagh)

"Last summer we were to go off on holidays. I couldn't go [...] my sister-in-law took my place [...] I sent my wife and my daughter on because my wife needed to rest more whereas I had to go to work"

(Leisure and hospitality, 0-9 employees, Tyrone)

"[A] lack of sleep and just a general stress, and my relationship with the kids. It impacts that as well. Which you're constantly having this [stress] on your mind of like, 'Oh my God, how are we going to afford the next bill?' And yeah, it's a constant stress. And then not being able to be in the house and see much of the kids"

(Leisure and hospitality, 0-9 employees, North Belfast)

"It can be stressful, yeah. Very tense. Sleepless nights. And the family never sees me as I work late [...] It's just all work"

(Leisure and hospitality, 10-20 employees, West Belfast)

"I'm now a single man because of it, as of six months ago [...] I still have my friends but work comes first"

(Leisure and hospitality, 0-9 employees, North Belfast)

Mental health concerns

A few participants have disclosed that their mental health has been seriously and negatively impacted by the increase in costs of running a business. One participant detailed that their mood has been impacted, while another has had to seek professional help.

"As I would constantly say to the girls, the fun has gone out of it. You didn't have to watch things as closely as you do now. You didn't have to be on top of things [...] I think it's a good thing, don't get me wrong, but all the time is not good for you. I am constantly being told by my significant other, that I work too long [...] I've seen a change in my mood. I know that myself. I used to be very carefree and that's not the case anymore"

(Leisure and hospitality, 10-20 employees, Fermanagh)

"I wake up in the middle of the night thinking about all of the bills that need paid and how we're going to cover them and if we're going to cover them in the next month, then what we're going to do to try and increase any sort of any way that we can. It has taken a real big toll on my mental health"

(Leisure and hospitality, 0-9 employees, North Belfast)

"I am seeing a counsellor because my anxiety is through the roof and I can't sleep at night, and that's still the case. I actually have my psoriasis all over my bloody body, which I never had, for stress. I didn't see a counsellor for work, but because I can't sleep at night, worried about the bills and what to pay, and you're going to look like a failure if you close the business. How are you going to pay this? And are we going to do that? I just can't sleep. And every day and every night, I just can't get rid of it. And it's affecting me. It's affecting my partner, our family, really, because we're shouting at each other and arguing over just, 'You should have done this, you should have done that' [...] It's difficult"

(Leisure and hospitality, 0-9 employees, West Belfast)

Impact on physical health

Participants developed unhealthy coping mechanisms in order to deal with the stress of being small business owners. This included behaviours such as stress-eating and weight gain to a reliance on alcohol.

"Stress eating would be a [problem] for me. That would be how I manage with problems. Then obviously, that's not solving a problem that's creating another [problem]. You know, affect their health. You usually put on weight. It's hard at times, and then you're not as physically fit"

(Other, 0-9 employees, Antrim)

"I don't really get ill that much, but I have been overeating. I've gone up about two stone, [I weigh] more than I should. So I find that I stress eat. I'm just eating rubbish all the time, junk food, getting things delivered [...] I just don't get the time to cook [...] so you're getting takeaways and things like that. So I find I'm doing that a lot, not eating properly. I'm not looking after my health as I should be"

(Manufacturing and production, 0-9 employees, Armagh)

"I'm a functioning alcoholic. That's basically it. I am. I get home, I have a glass of white wine. And it's not good. I know it's not good, but it works for me"

(Leisure and hospitality, 10-20 employees, Fermanagh)

Stress and anxiety were reported to have also created or worsened existing medical problems for participants. For example, one participant with a history of heart issues said business-related stress was causing chest pains. Another stated that they had to go back to work after a serious stay in hospital, which worsened their condition.

"My hair fell out. I'm only in my early 40s and I'm on blood pressure tablets since I've been about 38. And that's all down to stress and just taking its toll on your body"

(Other, 21-49 employees, Tyrone)

"Sometimes those things are linked if you're getting sick more [...] Like, [my co-owner] went to a specialist to try and get the most comfortable shoes she could get. [She has developed] back problems from standing up for so long. So yeah, it's impacted physically and mentally"

(Leisure and hospitality, 0-9 employees, North Belfast)

"Well, it's constant stress [...] Oh, I find it very, very hard to get to sleep Sunday evenings... Like yesterday I had pains in my chest. I thought I was taking a heart attack. It probably wasn't. I'm probably overstretched [...] It is what it is"

(Manufacturing and production, 0-9 employees, Down)

"I'm self-employed, and it is absolutely horrific. Take, for example, I burst my appendix first. And I was off five days, and I had to go back to work. And then I had a major infection and I ended up back in hospital again [...] All I had off was the two stints I had in hospital, which was two five-day stints, and I had no choice but go back to work. I had no choice. And there's someone else who works for wherever, and they had six months off. Whereas we don't have that. We don't have that luxury. Staying self-employed, you cannot be sick. It's not possible"

(Retail, 0-9 employees, Antrim)

"I know people, some would have psoriasis and stuff [they're having flareups...] There's a few staff that would suffer with anxiety [...] It would impact you longer term"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

Coping strategies

The following section reviews the coping strategies adopted by participants to manage their business finances amidst the rising energy costs, alongside the increase to the cost of doing business. It also covers future changes they may have to make if prices continue to rise in the following sections:

- Business management strategies;
- Financial strategies;
- Behavioural strategies to reduce energy usage;
- Energy efficiency changes; and
- Energy supplier support.

Some of these strategies focus on reducing the businesses' energy usage or seeking energy supplier support, whereas others reflect changes to the business management and finances as a whole to offset the rising costs.

Business management strategies

During the interview, participants were asked about changes they have made to their business to help alleviate their rising costs. These changes included:

- Negotiating with supply chain partners;
- Changes to what they sell;
- Outsourcing to save money;
- Reducing hours and staffing changes
- Hesitation to increase prices; and
- Quality and perception concerns.

In these instances, business owners were trying to save money or increase their profits in order to afford their rising operating costs. Nearly every participant has implemented at least one of these strategies, noting that some of them are just part of running a business efficiently. However, due to the narrow profit margins caused by the rising operating costs, businesses acknowledged that they are practicing these strategies more or searching for additional changes they might be able to make.

Negotiating with supply chain partners

A prevalent business management strategy reported by participants was to shop around or negotiate with their supply chain partners to reduce inventory costs. While some participants highlighted that this was not an option, or that shopping around and negotiating with their supply chain partners can be dependent on numerous factors (such as availability of stock, price and delivery deadlines), others in the leisure and hospitality sector reported that this was common due to the nature of their industry. These participants reported much better success with shopping around or renegotiating with suppliers for cost-saving deals. This was seen the most in regard to food and drink supplies, indicating that there is more opportunity in these industries to negotiate.

"Yeah, we constantly [...] negotiate with our current suppliers [for a cheaper produce]"

(Leisure and hospitality, 21-49 employees, Armagh)

"I negotiated with [my suppliers] before. I need to sit down with them again. I'm actually meeting them today"

(Leisure and hospitality, 0-9 employees, North Belfast)

"Well, that's one of the things about what we do, is trying to save money by basically getting the best price for the same products. But that's nearly a full-time job in itself. We use hundreds of different products. You can find severe differences. Now, I got a different supplier last week for our general kitchen supplies, and I'm just using it as a stick to meet the other guy with. Because they obviously will come in with a better price. And he knows that"

(Leisure and hospitality, 10-20 employees, Fermanagh)

"I had [changed the supplier for our bacon and sausages] just last week to try and get a reduced price [...] I changed the supplier where I got the chicken [...] because it was too expensive. We just have to now. My daughter, she would send a wee email to [a supplier] to say, 'Listen, this is too expensive'. So they will come back then and give us a wee bit of a reduction, which always helps, too"

(Leisure and hospitality, 0-9 employees, Tyrone)

"Now that we have a dedicated kitchen facility with storage, we're able to buy more in bulk. So like in the summer, instead of buying a couple boxes of cones, we'll buy a pallet of cones and it makes it easier, and it makes it easier negotiating as well with wholesale prices"

(Leisure and hospitality, 21-49 employees, South Belfast)

"I have at least four suppliers that can supply me all the same things. And on a weekly basis I check all of their prices against each other and shift around my ordering processes based on who's got the current best price. And a lot of times that means I go to Lidl with a big trolley because they're offering the best price on Greek yoghurt or they're offering the best price on fruit because my fruit supplier has been charging too much"

(Leisure and hospitality, 21-49 employees, Armagh)

Despite the success in saving money by shopping around and renegotiating with suppliers, participants also cautioned that they could not buy the cheapest options without affecting the quality of the product. These participants indicated that there was only so much they could save without negatively impacting their customers' perceptions. This will be explored further in the section on quality and perceptions.

"You're always phoning up these companies and you're like, 'We're getting it for this price. Can you beat it?' Yes, we'll give you that price. Then after a few months, I'll do the same again, the same as our bread. I'll phone up a bread supplier. And I would say, 'We're getting it this price. Can you do here?' So just basically fight them off each other to get the cheapest thing. But the quality has to be all right"

(Leisure and hospitality, 0-9 employees, West Belfast)

"We do try and get the best prices for products we're buying, of course. So you're weighing up all the suppliers' prices of trying to get the best, but it's also you have to consider product quality as well"

(Retail, 10-20 employees, Derry/Londonderry)

"Well, obviously, there's different suppliers that you can buy your supplies from. And again, you have your normal guy we buy most of it off. And he does compare to the others we've looked at, but there doesn't seem to be an awful lot of difference as in savings. So who we buy from is basically, as far as I can see, the cheaper option without affecting the quality"

(Other, 0-9 employees, Down)

Changes to what they sell

In order to save money on business and energy expenses, respondents made efforts to reduce stock or limit their services. In some instances, this reduced their energy usage and lowered their bill as a result.

"[My] accountant. He would suggest doing an audit of your stock. I had a lot of stock in the shop, so I cut a lot of stock then. You can build up too much stock. You can have too many things. So you cut a lot. Instead of having £10,000 to £50,000 pounds of flowers in your shop you just have £5,000"

(Retail, 0-9 employees, Armagh)

"I would probably manufacture a bit less now because of the cost of materials and people aren't buying as much"

(Manufacturing and production, 0-9 employees, Down)

"But we have had to drop some of our jobs there these last few years when we did get a contract. It got to the stage where I was making no money from them"

(Other, 0-9 employees, Antrim)

"We were doing slow roasts of pork [...] And they would be in the oven eight or nine hours. So we took those off the menu. And similarly, [we stopped using] the pizza oven. I had a baker who was full time, but her ovens were electric [...] And we buy more product in because it's cheaper to buy it in than it is to cook it on site"

(Leisure and hospitality, 21-49 employees, Armagh)

Similarly, to make more profit in their business, other participants increased what they sold or offered to attract new customers and cope with the rise in costs.

"One of the members took on to start bringing in wholesale so, rather than put our members fees up, we thought we'd try wholesaling so that we could cover the increase in costs. So far, that has worked, but wholesale has its own risks because we're outlaying against potentially not selling the stuff"

(Retail, 10-20 employees, Derry/Londonderry)

"Christmas time [my co-owner], she would have done like wee traybake boxes and stuff like that, trying to get the revenue up a wee bit. For this weekend, she has wee mother's day stuff. We just try on our best just to try different things to keep going. And again, outside catering, I have advertised more through funeral directors and stuff like that because a couple of my sisters will help me [cater] a funeral. I do think that it helps to keep the place afloat"

Outsourcing to save money

A few participants shared that they have managed to cut costs by outsourcing to other businesses or organisations. This has been achieved through methods such as subcontracting and developing collaborations and partnerships.

"We don't run the transport ourselves. We sub it out. We'd be trying to get as competitive as possible. But generally, there's a guy who's been hauling for me since I started, and he's very good. So he does a lot of local work in the north, now down in the south. There's stuff across the water. We use certain haulers for certain destinations"

(Manufacturing and production, 10-20 employees, Antrim)

"Yeah, we're outsourcing, subcontracting out a bit of work to ease the machines here"

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

"So I suppose I've looked at developing collaborations and partnerships that pay for a lot of the exhibitions that we're doing. So this year, three of the main shows didn't cost me a penny. So it cost me a wee bit, probably with staff time and getting installed. But the actual production costs, we were able to save money this year. And I've got three [exhibitions] coming next year, they probably will do the same. So it's about developing collaborations and partnerships. That means that the costs can be covered in a different way"

(Other, 0-9 employees, East Belfast)

Reducing hours and staffing changes

Many participants confirmed that as a business management strategy, reducing their opening hours and making staff changes was a popular choice to reduce energy consumption and business costs.

Reducing business hours

Some participants tried to tailor their opening hours to maximise customer footfall, choosing to open in the afternoon and closing in the evenings.

"Well, we're trying to prioritise the hours that we open to get the maximum amount of money that we can make. There's no point in me opening at three o'clock on a Saturday or Sunday when there's nobody about. We try to organise that we open maybe an hour before a function starts"

(Community and voluntary, 0-9 employees, Fermanagh)

"We open at seven o'clock in the morning and close at half five. We did actually cut the hours back a little bit. We used to close at 6pm, but we now close at 5:30pm. It's only half an hour, but we find that half an hour from half five to six, we were basically doing nothing. So, we pulled it back a little bit"

(Leisure and hospitality, 10-20 employees, Fermanagh)

"I've reduced my opening hours significantly over the past year [...] My open and order hours used to be 9:00am to 11:00pm, seven days a week. I have changed that now to Thursday

from 2:00pm to 11:00pm, Friday from 12:00 midday to 11:00pm, and then Saturday from 1:00pm to 11:00pm”

(Leisure and hospitality, 0-9 employees, North Belfast)

These participants elaborated that electricity costs, in particular, were a primary motivation for reducing business hours.

“We were open seven days a week. We are down to four days a week during school term time and six days a week whenever the school holidays are on because if you're not in, the electric isn't burning when it is quieter. So we've adjusted our open hours to what we think is the optimal time where we're going to get people coming in”

(Other, 0-9 employees, Down)

“We open the building from about half eight to half five. But since Covid, we have changed our office hours. We used to open on a Friday all day, but then we adjusted everybody's hours, so that we could save in our energy bills by not opening that last half day on a Friday”

(Community and voluntary, 21-49 employees, Derry/Londonderry)

“At the very start, we were running Tuesday to Saturday. We would run from 9am to 4pm. Then we found that at coming up to three o'clock, that all the mummies were going for school runs. We found that we were very, very quiet for that last hour. And that was when we cut it to 3pm because we said that for staff and costs for the electric, that it wasn't worth our while”

(Leisure and hospitality, 0-9 employees, Tyrone)

Minimum wage and employment costs

As discussed in the section on rising costs of doing business, many participants were concerned with the increases in the minimum wage and National Insurance contributions. Some of these participants admitted that wages and employment tax were becoming unaffordable, and have since reduced part-time employee hours, or staffing levels to survive.

“We used to open at seven o'clock in the morning, but we just can't. We can't open earlier. We used to stay open later. We just can't stay open later because we just can't afford to pay the staff”

(Leisure and hospitality, 0-9 employees, West Belfast)

“Well, with the number of hours the staff work, unfortunately, I've had to cut their hours, and I've had to work more”

(Retail, 0-9 employees, Antrim)

“We do keep hours to a minimum. Some staff are on an hourly pay, some are on set wages. You only can try and keep those hourly staff on minimum hours, but you still have to produce products. You still have customers to service, and you still have to get the job done”

(Retail, 10-20 employees, Derry/Londonderry)

“If the bed capacity goes down, if we have a death or something, and we don't have anybody for that bed yet, I do cut the staffing levels. Those who are bank staff usually are being affected, so they will not get a shift. It's just to make everything even”

(Other, 21-49 employees, Fermanagh)

"Well, you make changes. You don't spend. You get rid of staff. There was five people here where I took this building over. Now there's three. So that's two gone. I couldn't employ people. So, you just got to work a bit harder"

(Retail, 0-9 employees, Armagh)

"We're developing a nice bank of freelance staff. That means, again, I don't have to get tied into a permanent contract with them, and the costs of National Insurance, employers' National Insurance and tax. But at the same time, [it gives] flexibility for them, too, whenever they need to do other things. It's been working out better for us rather than building up the full-time employee list"

(Other, 0-9 employees, East Belfast)

"So most of my staff would be on minimum wage, and that has gone up by about 27% in a few years. That's massive for a small business and I have no control over that. So every April, I'm taking a big hit. So, that's difficult. And I've had to reduce the number of staff and we've all just had to work harder or basically, I work every hour"

(Leisure and hospitality, 21-49 employees, Armagh)

Working longer hours to save on wages

Similarly, a common theme among respondents dealing with rising costs was to work longer hours in order to keep the business profitable. For some, this was a response to the additional stress they felt.

Yes [I do work longer hours]. It does seem easier for me to do the work myself, me and my wife. It's like a partnership"

(Other, 0-9 employees, Antrim)

"I went down from 35 hours to 25. So, technically we're still doing the 35-hour job on the 25 [...] I find myself working at night and still doing all the hours because the work [load] is still there"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

For other participants, working longer hours was a strategy to save on their outgoing wage payments, especially when participants were struggling to pay staff. These participants reasoned that it was more cost-efficient to do the work themselves. This reasoning was used to justify their decisions to not hire more staff when needed or replace staff after they left.

"I used to take a day off a week, and that doesn't happen anymore because if I take a day off, somebody had to come in to cover me and then I had to pay that wage. So, that doesn't happen anymore"

(Leisure and hospitality, 0-9 employees, Antrim)

"I had to get rid of staff. And work all the harder myself"

(Manufacturing and production, 0-9 employees, Down)

"The cleaning, most of the cleaning I would do myself. We used to have a cleaning staff. They used to come in. An outside staff, but there was colossal prices. We're looking for staff inside to get a reduced rate to look after the cleaning side of things. You just have to take a time at look all the areas to see if we could afford it, with the electric end of it"

(Community and voluntary, 0-9 employees, Fermanagh)

"I would do more hours as well to make up for [not having full-time staff]. I work longer hours. That's why I'm hard to get in contact with"

(Leisure and hospitality, 0-9 employees, North Belfast)

"We really are at break even at this stage and it's [...] because I work every day and don't take a full salary"

(Leisure and hospitality, 21-49 employees, Armagh)

Hesitation to increase prices

In addition to the cost saving measures mentioned above, business owners also reported trying to increase their sales. As a result of the rising energy and business expenses, many participants have considered raising the prices of their products and services to increase their profit margins. A few acknowledged they have already made changes to their pricing.

"My price has had to go up. So basically, starting 2023, I put 25% on everything I sell. And then last year, I put another 5% or 6% on everything I sell"

(Manufacturing and production, 0-9 employees, Armagh)

"Well, because of energy prices going up, we have to put our prices up. It's got a knock on effect for the people coming through our door"

(Leisure and hospitality, 0-9 employees, Antrim)

Despite raising their prices, participants expressed hesitation due to their concerns over the cost-of-living crisis. Participants explained that it was already difficult for customers and that they were concerned about losing them if they continued to raise their prices. Similarly, some participants noted competitors' prices and worried they may be undercut if they increased their prices by too much. As a result, there were participants that did not raise their prices or have done so minimally.

Regarding the future, these participants were uncertain about how they could improve their profit margins without losing business. However, they were also concerned that not increasing their prices would put them out of business. These precarious circumstances added to business owners' stress and overall confidence levels over being able to keep their business open.

"That's probably the other big increase is the cost of tractors, pickups vans, cars. It's just since Covid, then things just went up drastically. There's a lot of things now that are unaffordable. I find it hard. I'm in a certain price bracket where I can only charge so much for what I do"

(Other, 0-9 employees, Antrim)

"Oh, of course [I worry about the reputation of the business]. I'm in a working-class area, so I need to remember it. I need to know my audience. So, I would never try to take advantage of any situation. Just because other people do it to me doesn't mean I have to do it to them"

(Leisure and hospitality, 0-9 employees, North Belfast)

"The cost of living, because with the rising food costs and the rising operating costs, the obvious one is that I just increase the prices, but everyone's feeling the pinch. If I increase them too much, they won't come out for coffee and it's gone. I already see far more instances of people sharing a scone. It'll be two coffees and one scone with two plates. So, you have to be really careful. It's a real issue. See, some people stop coming and then you're completely done. That would be my issue"

(Leisure and hospitality, 21-49 employees, Armagh)

"I put prices up on colours and things because the cost of them have gone up, so I had to do that. But the running of the [business] has gone up. I haven't put the prices up to reflect that. I would do it tomorrow. [But] my sister, I was talking to her about it. She says, 'This isn't the right time and everybody is struggling'. I'm not expensive. I'm just average, I think. And for the service, I feel that it's fine. But it all depends on the electric. It all depends on the cost [of electricity] and where it's going"

(Other, 0-9 employees, East Belfast)

"We've got to a point now where we have to actually increase the cost and that creates a bit of a concern. For example we actually have [a competitor nearby...] they were under cutting us and, for some meals, they were undercutting us close to a pound. And we've talked to the owner before and they said they get our overflow"

(Leisure and hospitality, 0-9 employees, Tyrone)

"When you're [raising prices] you are looking at competitor prices and sort of worried about, you know, how high can you go? Where we're based as well, we're not in the city centre or anything, so we can't charge some of the prices that other people are charging. We have to kind of price ourselves in the area that we're based. Otherwise, we would lose customers as a result"

(Leisure and hospitality, 0-9 employees, North Belfast)

Adding to the pressure on price increases, a few participants that raised their prices disclosed that they had to explain their price increase to customers. Other participants were worried that they would have to explain the changes to customers but they have not been approached yet.

"Whenever someone walks into my shop and I have to put prices up, and they go, 'Oh, the prices are up'. And I will tell people, 'that's my electricity bill for the month' [...] I'm still fighting the battle now with prices, trying to keep costs down as much as possible. Keep costs down but not impact on the quality of goods that are going out"

(Leisure and hospitality, 10-20 employees, Fermanagh)

"I've done it a bit [raised my prices]. I've [recently] raised the price of my burgers and I'm getting people coming in and they're saying, 'What happened there? Why has the price gone up? Why is that happening?' You have to sit and explain it to people"

(Leisure and hospitality, 0-9 employees, North Belfast)

"I've had customers who are coming into the shop and they'll openly complain to me on the shop floor, 'Why are you charging this? Why are you charging that? Why are you doing this?' And what they don't actually realise is, we're charging that because that cost had moved"

(Retail, 21-49 employees, South Belfast)

Quality and perception concerns

Similarly, participants did comment that they were concerned about the potential impact on their customers if they were to raise their prices or buy poorer quality products from suppliers to improve their profit margins. Participants admitted to struggling with the fear of disappointing customers or losing their trust.

“But it's very hard when you've set at a price [...] It's a psychological thing where you get into your head that you can only charge a certain price, and anything more seems like you're ripping the person off. It's very difficult to break that barrier in a small business”

(Other, 0-9 employees, Antrim)

Many of these participants reasoned that providing a poor service or experience was not worth staying open for and further explained that providing quality products/services was part of their reasoning for opening the business. Some feared that reducing their quality would lead to a loss of business, as customers would favour competitors. By maintaining their quality, participants were able to ensure that they could still compete with other businesses and attract customers.

“[We want to preserve] our standards. Really, our standards, and still be competitive. You know that the place is warm for the people coming in”

(Leisure and hospitality, 0-9 employees, Antrim)

“I think my quality is good enough for people to come back to me. So, I was surprised. That was a major stress issue on me. What would happen when I put my prices up? I was afraid of it. So when I sat down, it was around the time, the year after the war, I just couldn't understand why there was less money in the bank. I just didn't realise it was the cause of the crisis kicking in”

(Manufacturing and production, 0-9 employees, Armagh)

“We found with our burgers and meat [...] that we need good quality meat. We can't cut it anymore there. There's things that you can't cut, and then there's other things that you just have to pay. Because if they get bad food, they don't come back, the customers. So you have to keep them there [...] You try your very best, because that's what keeps us going, the customers coming through the door. So you have to have good [...] fresh produce all the time”

(Leisure and hospitality, 0-9 employees, Tyrone)

“There would never ever be damage to the reputation because I would never diversify from quality. I've always based my business on quality. And I'll never ever slip into the trap of buying a lesser product. But in turn like I'm not doing half of what I done 10 years ago. You know, and that's because of the rising costs and materials. Like I know myself, if I was to put another price increase onto my product, what little business I had, I would probably lose”

(Manufacturing and production, 0-9 employees, Down)

Financial strategies

In order to pay for the culmination of their rising bills, several participants reported having to resort to the following:

- Informal borrowing methods: personal savings, borrowing from friends and family;
- Formal borrowing methods: credit cards and loans; and
- Not paying themselves for work.

Due to the sensitive nature of these topics, participants were generally less open about their financial circumstances, especially in relation to informal borrowing methods or their personal finances being affected by their business expenses. The evidence below is reflective of the few participants who admitted to using these financial strategies but were still not overly open to elaborating on the effects.

Informal borrowing methods: personal savings, borrowing from friends and family

Participants were asked if they ever use their personal savings or borrow from their friends or family in order to pay for their business bills and/or energy costs. While this was not overly common, a few did admit to doing this at times when they were particularly struggling.

"Yeah, I've had to use savings. I have to pay for rent and pay for stock, simply because the cash flow has just been pretty poor"

(Other, 0-9 employees, Down)

"I did do that. I had to do a lot of that at the start to keep the thing going. You had to use credit cards. I had to borrow the money from my dad one time to pay the electric"

(Manufacturing and production, 0-9 employees, Armagh)

"I [borrowed] a small amount of money from friends and family. Which then adds more pressure on because that money needs to go back [to them...] my savings have long ago disappeared"

(Leisure and hospitality, 0-9 employees, North Belfast)

"There has been times where we've had to put money from our own savings into the business account just to cover, the electric bill, because it is such a huge bill compared to the other ones that would come out like every week or every month"

(Leisure and hospitality, 0-9 employees, North Belfast)

Formal borrowing methods: credit cards and loans

Participants were asked if they have ever used credit cards or taken out a loan to pay their business bills. A few acknowledged that they did in fact use credit cards.

"I haven't used [credit cards] for years and years, and I'd cleared them all. And now I've got three credit cards on the go, and I'm thinking, how did that happen? But I do think it's the cost of everything"

(Other, 0-9 employees, East Belfast)

"I took out a credit card to pay the electricity bill. It has affected my personal finances"

(Leisure and hospitality, 0-9 employees, North Belfast)

"No, I just took out a personal [credit card...] It was just out sheer fear for the business"

(Leisure and hospitality, 0-9 employees, North Belfast)

Other participants admitted they had taken out loans to help with the cost of repairs or just help keep the business running when faced with unforeseen circumstances.

"[Machines breaking down] That's not an expected bill that you're getting hit with and then your call-out charges for engineers to come out and fix is mega money. Our fridge is breaking down. We're having to replace fridges and then having this big unit price on the electric and the gas is mental. Yes, they do [eat into savings]. Or I would have to go and get a loan. I normally would go to my credit union and get a loan to help it out at times"

(Leisure and hospitality, 10-20 employees, West Belfast)

"Yeah, [due to unforeseen repairs] we took a Bounce Back Loan when it was available. It was just to literally keep the business going. It wasn't to really grow the business. It was just to keep it going [around Covid]"

(Other, 0-9 employees, Antrim)

While a few participants said their business was stable at the moment, they referenced the uncertainty of global and geopolitical events affecting their profit margins and explained that they have set up an overdraft with their bank, just in case they need it in the future.

"We ended up getting an overdraft because we were a wee bit tight on money at one stage. Especially with the cost of like minimum wage going up and National Insurance going up and bills going up, and it just was taking a lot more out of the pocket than expected. So thankfully never had to go into it, which is great, but we do have it there if we need it, which is good"

(Manufacturing and production, 0-9 employees, Armagh)

"[For financial difficulties] we have an overdraft facility, but we've never actually used it. So if we needed it, we would get that"

(Manufacturing and production, 21-49 employees, Antrim)

Not paying themselves for work

As noted in the business management strategies section, participants have reported working longer hours to save on wages. Similarly, several participants reported that they are not paying themselves for the time worked in order to save further.

"We [my co-owner and I] work for free at the minute. We're working for free."

(Leisure and hospitality, 3-9 employees, North Belfast)

"Because it's volunteer-based, it's difficult to try and manage all that, on top of working and not getting paid for it [...] I think it's difficult almost as it is because we don't really have a great volunteer base, so it's only 2 or 3 people that are looking after all this stuff. There probably is an opportunity there for a paid role, if we had the finances available to support it"

(Community and voluntary, 0-9 employees, Armagh)

"It's not a money-making business, to be quite honest. Even our accountant at the beginning of the year told us [...] that we don't take the wages that we should. And she said that if we were working for somebody else, we would be getting far more for the hours that we're putting in it"

(Leisure and hospitality, 0-9 employees, Tyrone)

"We are underpaid in our organisation for the roles that we were doing, and especially for the amount of programmes and staff that we are managing"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

Behavioural strategies to reduce energy usage

This section considers the behavioural changes participants have made to reduce their business' energy usage, and will cover the following:

- Rationing energy usage; and
- Not using gas or oil heating.

In these instances, business owners were trying to reduce their energy spending or make strategic choices based on the costs of electricity and gas/oil heating.

Rationing energy usage

While referencing the need to use energy to operate, some participants shared that in order to cut down on their energy spending, they ration their electricity and heating usage. This could be as simple as turning off lights and radiators, turning off unused equipment or choosing to no longer use particular equipment, instead finding more energy efficient methods.

"Simple things like turning off lights. That's the most practical thing that we could do, but the rest, there's nothing else we can do [to reduce our energy usage]"

(Other, 21-49 employees, Fermanagh)

"What else can I do? I'll just say I maybe turn the lights off a wee bit quicker, a wee bit sharper, turn the heat off a wee bit sharper. You know within reason"

(Leisure and hospitality, 0-9 employees, Antrim)

"All the time we would try and cut down. It never used to be like that; 10, 15, 20 years ago you didn't even think about electricity. Now you're running around constantly turning out lights, turning things off by the plug, it just seems so expensive. Now you do think about it every day. Leaving things on standby. We probably don't do that, whereas we would have done it 5 to 10 years ago"

(Other, 0-9 employees, Antrim)

"We would only have lights on in areas when they're being used. That was one of the first things we were very mindful of with the increase [of prices], was making sure that lights were being turned off. And in regard to heating, even you'll see me here sitting with a hat on because I'm in the office and I don't have the heating on. In the office, I have the radiators turned off. We would have radiators turned off in rooms where we think we can get away with that. If there's five radiators in the big social area, there's only two of them on, things like that, just in terms of being conscious of the amount of energy that we're using"

(Community and voluntary, 10-20 employees, South Belfast)

"So, what I'm doing is I turn off fridges. I will turn off ice machines. I will turn off lights, everything. Everything goes off. The cool room where there's a fan which cools the kegs, it goes off as well. That's what it was, preserving the energy. So, the bill there for last month would have been, what's that there? £1,600. And £1,600 the previous month. Now, that's with me turning all them fridges off, the ice machines, cool rooms. They used to not do that. It was maybe two grand a month"

(Community and voluntary, 0-9 employees, Fermanagh)

In particular, leisure and hospitality participants tried to lessen their electricity bills through monitoring their usage and changing what they offer.

"Well, we did [cut back on bills by] just constantly monitoring the usage. Phone, internet, we consolidated that"

(Leisure and hospitality, 21-49 employees, Armagh)

"I've had to take out appliances because it's too much and it's slowing us down. [For example the] bain-maries where we keep food warm, I've had to take out them out, so I'd only use a small half plate. I used to have two half plates and I can't use it. I couldn't afford to have it [...] I'm trying to only use what I have to"

(Leisure and hospitality, 0-9 employees, North Belfast)

"I pay over £2,000 a month on electricity and I have tried to cut that down. I changed the menu to not slow cook things in the oven. I no longer do pizzas because the pizza oven that I have is electric. And an electrician was able to say to me, 'You know, that oven being on all day is like an electric shower running all day' [...] All of my ovens I've switched to gas"

(Leisure and hospitality, 21-49 employees, Armagh)

Training staff to ration energy usage

In addition to rationing energy usage, some respondents took to training their staff to ration energy usage, by reminding them to turn off lights and appliances when they were not needed.

"We've got our staff very well trained now. If they're leaving, they switch everything off because they're probably, I don't know, 50 or 60 for the rest of the lights up there. So if that's left on all day, it's quite a cost. These days, the guys know they'll [get in trouble] if they go out on the job and they leave the lights on"

(Retail, 0-9 employees, East Belfast)

"I've asked the caretaker at night when he's locking up to make sure the lights are off in every room. That's about as much as we can do because there isn't an awful lot of electric used on everything else but the lights"

(Community and voluntary, 0-9 employees, West Belfast)

"The appliances are off anyway. [The staff...] If they turn the appliances on, they would be in trouble"

(Leisure and hospitality, 0-9 employees, North Belfast)

"In terms of trying to mitigate the electric bill, we've just talked to the staff and told them 'If there's anything not being used that doesn't need to be switched on, make sure it's switched off"

Not using gas or oil heating

In light of the rising energy costs, a few respondents stated that they would prioritise their electricity usage over their heating. Thereby, respondents stated they would reduce their usage of gas or oil heating by either not turning it on or using electric or portable heaters. This was an especially prevalent strategy amongst community and voluntary sector participants who explained that their funding does not typically cover the costs of maintaining their premises. While electricity is essential, they found ways to ration their heating usage.

"We have [...] a couple of little heaters for backup [...] The electric is something you can't do anything about. You can't be in a show with no lights on. Whereas you can actually manage it in the heat. So if you decide you don't want to spend any money on gas, you can do that. It may not be very pleasant, but you can do that. The gas is the more volatile, if you like, of the two. And then again, if you had different attitudes with employees. We'd spend thousands more on gas"

(Retail, 0-9 employees, East Belfast)

"If I got the heat on in my office, I have to turn on this half of the building. So, I'll not put it on. [...] if the oil was cheaper, you'd probably just put it on [...] But staff, too, sitting at desks and stuff, they would have coats on or have a wee heater"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

"We do actually have a few [electric heaters...] we have a couple of the little radiators on wheels that we can transport around. To be honest, though, they are quite handy and we had an issue with the heating in our meeting room because... the radiators weren't working... From that point of view, it's obviously handy to have those as a backup"

(Community and voluntary, 10-20 employees, South Belfast)

Energy efficiency changes

Participants were also asked if they had invested in energy efficiency equipment or technologies to help reduce their energy usage and overall costs. The following topics were discussed:

- Prevalence of LED lighting;
- Energy efficient appliances and equipment;
- Motion sensors, timers and thermostats; and
- Solar panels consideration.

Many participants have already made changes to try and improve their energy efficiency to some degree, with others hoping to make further changes in the future. It was widely acknowledged that improving their energy efficiency could help reduce their energy bills. However, the costs of making these changes were considered the main barrier to their implementation.

Prevalence of LED lighting

The main energy efficient improvement businesses reported making was to change some or all of their ordinary lightbulbs to LED lighting. This was prevalent across the sectors, although some businesses with unique lighting requirements found the transition to be more costly and are slowly making the transition as a result.

"All of my lights are all LED. There's nothing that isn't LED"

(Retail, 0-9 employees, Antrim)

"Any new lights installed are always LED"

(Manufacturing and production, 0-9 employees, Armagh)

"We did. When we rewired the [building], we got all LED spotlights and then LED bulbs. We have purchased appliances that are [good for energy efficiency]. We purchased a wash machine that can directly use hot water"

(Other, 0-9 employees, Antrim)

"Yeah, we've nearly all LED lights throughout our stores and showrooms [...] it was a bit of a no-brainer because it's a relatively low investment"

(Retail, 0-9 employees, East Belfast)

"Well, also, to be more environmentally friendly. It's big up there. So that's why the LED lights are a bit harsh, but there's maybe ways we can solve them. But I do think it's important that we, from an environmental point of view, look at the safest and the most effective way of using energy"

(Other, 0-9 employees, East Belfast)

Energy efficient appliances and equipment

Another common energy efficiency measure that many participants were implementing was to upgrade their equipment to more energy efficient models in order to save on their energy bills. However, many noted that this was extremely expensive to do, so they had either sought out grants to help with the transition or were slowly making the change when their older appliances needed to be replaced.

"So low energy heaters would be the other thing that we've added in"

(Manufacturing and production, 0-9 employees, Down)

"Yeah, I think some of the new equipment now is energy efficient, like the washer dryers and that stuff"

(Leisure and hospitality, 0-9 employees, Antrim)

"[I applied for an] energy efficiency scheme to give you a grant to help replace a machinery that may be energy efficient. So I have applied for it. But as of yet, I haven't heard back from them. But that's the thing that needs to happen"

(Leisure and hospitality, 10-20 employees, Fermanagh)

"It would be a reinvestment in the equipment of whatever. Really, you have to be swapping something else [out]. I'm not convinced that I want to spend a lot more money on it"

(Retail, 0-9 employees, East Belfast)

Motion sensors, timers and thermostats

According to participants, other methods to help control energy usage and reduce energy costs came in the form of motion sensors, timers and thermostats. This ensured participants were able to moderate their usage and not use any more energy than was required.

"All my lights are on motion sensors. So if there's nothing moving, they'll turn off, if someone's moving, they'll come back on again"

(Manufacturing and production, 0-9 employees, Down)

"They've now set up a new system that if somebody enters the toilets or the door opens so many times, then the flush would then happen. Previously, they had it on a set timer that it came on every half hour or every hour, and it was severely putting up the bill. We bought a system now that is a motion sensor in the toilet areas, so that it will automatically [flush]. Which is starting to see money [return]. We are starting to see the benefits. It was an expensive system at the start, a couple of hundred pound, but now we're reaping the benefits"

(Community and voluntary, 0-9 employees, Fermanagh)

"If there's [services] on, we'll arrange for heating and stuff around when the [services] are on, so that the heat's not on when we don't need it. And in the same way, all our lights [have been recently updated], so if there's no movement and stuff in the rooms, the lights will go out. And then just emergency lighting and things like that"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

"They all have thermostats. They all have thermostatic valves. We have changed some lights to the LED"

(Other, 0-9 employees, South Belfast)

"We put in a thing called a heat box. It customises a schedule [for the heating...] And I can set the schedule on my computer. So, I have it set just when it's needed. Beforehand, if I needed to put the heat on upstairs, the whole of upstairs was put on. Whereas now, If I just needed it in the games room or the music room, I can just schedule it for the two hours [...] And that's the only room that is heated [...] So that has been really good for us, and I think that has been a huge money saving exercise for us because we're only heating what we need at the moment, and I can control the heat"

(Community and voluntary, 0-9 employees, Derry/Londonderry)

Other participants were hoping to make these changes but were still looking for financial support to implement the systems.

"We're going to maybe apply and get that Nest system, which is an app on your phone, which you can just switch [the heating] on or click it on an hour before"

(Community and voluntary, 0-9 employees, Fermanagh)

"We thought of asking the Trust to put in some sensor lights, so that when people leave the toilets, the lights go off, so they're not continuously on"

(Community and voluntary, 0-9 employees, West Belfast)

Solar panels consideration

Many of the business owners described being intrigued by solar panels and thought they could be hugely beneficial to reducing their energy spending. However, only a very few number of participants actually had solar panels installed on their premises, with many citing the large investment cost and long investment return period affecting their decisions.

"We put in a small [4 kilowatts] solar panel system [...] maybe about three or four years ago. [I've noticed a good change in cost] definitely over the summer. Well, especially with the hot water. It heats hot water. It's very good. So that means, we don't have to run our heating. We are looking at getting another 10 kilowatts of solar, but it's not easy to do that. And the electricity network isn't very friendly or supportive. They only allow a certain kilowatt"

(Other, 0-9 employees, Antrim)

"I think if the cost keeps going up, then we would have to look at some savings, like solar or other types of materials to bring the energy prices down"

(Manufacturing and production, 0-9 employees, Down)

Solar panel costs

The main barrier participants highlighted to accessing solar panels were the expensive startup costs. This was said to be exacerbated by their current financial positions and risk averse nature due to the uncertainty in price fluctuations. As described by many struggling small businesses, solar panel installation is prohibitive without financial support.

"We've also looked about solar panels and storing the electricity in batteries overnight to use the next day. So it's something we've been putting it off and putting it off because it's too costly, like everything"

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

"We had looked at it back in the day whenever the prices were going up and things were looking a bit dire. But the cost for me to put solar panels on the roof was just prohibitive. It was £20,000 to £30,000. I don't have £20,000 to £30,000 sitting in the bank. If they could have said that it would have completely taken away the [energy] bill, then I would have actually borrowed on the back of it. But they told me that it still wouldn't cover the [energy] bill. I would still have to pay because my bill is so high. And so it just was a no brainer. It just didn't add up...I think the payback was something like 20 years"

(Leisure and hospitality, 21-49 employees, Armagh)

"We did look into [solar panels], but it wasn't cost effective initially. It was viable, but we didn't think it would be a benefit"

(Leisure and hospitality, 21-49 employees, Armagh)

Renters not able to make decisions

Some participants who rented their premises were unable to consider or comment on external energy efficiency changes to their business due to the decision resting with their landlord or, in a few instances, a collective of businesses operating in one building.

"Solar panels, I'm not sure then because it's down to the landlord, because I don't own the actual building. So if the landlord would let me do it, I would look into it. There was some [related] grants coming out last year, I think"

(Manufacturing and production, 0-9 employees, Armagh)

"Now, [solar panels] were raised about a year ago, and as of yet, nothing's happened, but it sounds like a good idea [...] But obviously, with them being rented shops, there's the other thing where you'd have to seek permission from the landlord, the owners"

(Other, 0-9 employees, Down)

Funding and shared energy solutions

Some participants have tried to find work-arounds for the heavy purchase and installation costs of solar panels, sharing that they have either researched or been successful at receiving energy efficient grants/funding.

"We got a little grant [to install solar panels], a couple of grand"

(Retail, 10-20 employees, Derry/Londonderry)

"We have just been successful at obtaining funding for sustainable buildings from the National Lottery. We are going to be putting solar panels in as part of that. That was all at Solar Range, making the building more energy-efficient and being mindful of your carbon footprint and also saving on all the running costs. We're going to be resealing windows, replacing some windows, putting the solar panels in, having a look at our wall insulation and things like that"

(Community and voluntary, 10-20 employees, South Belfast)

"At the moment, [the committee] are looking into that. They are looking into putting in power cells and putting in solar panels to the roof. They're looking at it as a grant to try and achieve that. Because [...] last year's [electricity] bill would have been about £14,500"

(Community and voluntary, 0-9 employees, Fermanagh)

"We got solar panels installed there at the start of this year. So, instead of us paying whatever it was [...] we buy the solar that we use from the charity at a reduced cost [...] It wasn't the perfect solution because we're not saving on pure solar because we're still paying to use solar at a cheaper rate, but it's going to save us some money, especially since we wouldn't have had the money sitting there to pay for a full solar [panel] system outright"

(Community and voluntary, 0-9 employees, Armagh)

However, a few participants found that they did not meet the criteria to receive the funding or that the funding was not sufficient to move forward with the solar panels due to the excessive costs.

"There was a while, I was going down a rabbit hole trying to find funding for the solar panels because there was renewable energy funding. But I didn't seem to meet the criteria or it wasn't enough money to be able to do more on a smaller scale"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

"[We looked into grants] a little bit. But not worth it, really. Wasn't much of an incentive"

(Leisure and hospitality, 21-49 employees, Armagh)

Energy supplier support

Participants were asked about their experiences with their energy suppliers and if they had been in contact with them to access support. While those that had contacted their suppliers for support acknowledged they were an option, they also felt that the support was limited. These themes will be explored in the following sections:

- Communication and awareness;
- Experiences of contacting suppliers for support;
- Barriers to contacting suppliers for support; and
- Experiences of switching suppliers.

Communication and awareness

When asked about supplier communication, all of the participants said they knew how to contact their suppliers but few had actually communicated with them outside of paying their bills or renewing their contracts. Depending on the type of payment method, most participants explained that their main communication with their supplier was through their bills and statements.

“Well, the only communication is the meter rates and the direct debits, and that's it. There's no other communication with them”

(Leisure and hospitality, 10-20 employees, West Belfast)

“Well, look, we don't have much communication with them. Once you make your contract, they don't really make much contact with you”

(Community and voluntary, 0-9 employees, Fermanagh)

A few participants did express some frustration when trying to communicate with their suppliers, noting that it was either at an inconvenient time or the supplier was unable to provide sufficient information in regard to the issue.

“To be fair, there hasn't really been any issues with them. The only thing that drives me nuts is that [the supplier] sends you the email like three days before. And if it's on a Friday and you miss it, and then you come in on the Monday and it's like, [that's a problem]”

(Community and voluntary, 0-9 employees, Derry/Londonderry)

“There's really no interaction [...electricity is] more or less the same price. The problem lies in the fact that the day you ring, you don't know whether it's a good day, a bad day, or whatever. They don't give you any indication because they don't really care. It's not like looking around for your shopping, whereby you can go on and say, ‘Well, the cheapest price today for a Mars bar is in Tesco's. And that price is going to be on for the next month.’ They don't broadcast it”

(Retail, 0-9 employees, Antrim)

Experiences of contacting suppliers for support

In general, participants reported positive feedback when they reached out to their supplier for support. Most participants who had asked for support reported that they received an extension on their payments. However, issues did arise for some who struggled to get out of arrears.

"They're very good. I must say, our supply can be cut off very easily because we're so exposed here. We've got emergency numbers and things, and they're very good"

(Leisure and hospitality, 0-9 employees, Antrim)

"We had a problem with our bank [...] we had to change banks. And it meant that all our debits failed. And so, we had to be in touch with [our supplier]. They were very understanding and agreed to pull off until we got the bank accounts reinstated"

(Retail, 10-20 employees, Derry/Londonderry)

"Well, we did work with them for advice on the new electric bills. And they were insistent that they wanted a direct debt. I think maybe because the three of us are charities, they understood that it's a difficult climate, especially for the arts at this minute in time. Funding has reduced and reduced over the past 11 years. So there was some understanding. So from a negotiated point of view, they were supportive and took on board what our needs were"

(Other, 0-9 employees, East Belfast)

"Well, I got an extension. Quite a few times [I got an extension]. I just talk to them and say, 'Can I have an actual week or two?' It's embarrassing, but it's got to be done. [...] They're not agreeable]. As soon as it says on the day, I get phone calls on the day. They're writing letters. It's a bit, I'm not going to say aggressive because it's just a bit forward until I say 'Listen, you know, help me out here' [...] then [suppliers] huff and the puff [about it until they gave me the extension]"

(Leisure and hospitality, 0-9 employees, North Belfast)

However, several participants criticised their supplier's lack of communication, highlighting that they often have to be the ones to get in contact with them if something is irregular. Instead of suppliers contacting business owners about their options, several participants explained they experienced issues upon the expiration of their contracts, noting how they were automatically put on a higher tariff by their supplier.

"The big issue with them is that they're quite sneaky. We've noticed that at the end of contract, the rate just jumps back to default rate, which can be 34% higher. They don't bother telling you"

(Retail, 0-9 employees, East Belfast)

"Three weeks ago when I made contact with them. The guy that received my call actually told me that he thought I was out of contract, too [...] And he says, 'You're on a better rate now [...] And then he phoned me back the next day and he said that he made a mistake, with the unit price [...] That's where we're at, it's just not good"

(Leisure and hospitality, 10-20 employees, West Belfast)

"We actually have a problem with [supplier] whenever we're with them. And [supplier], forgot to take a payment. And they take direct debits every month. But they forgot to take a payment, and it was missed in our office. And whenever we came to the end of our [contract], they said, 'Oh no, you owe us. So you can't get out of the contract until you pay that.' And that's another £3,000. And I know, yes, that £3,000 should be sitting there, but it gets swallowed up by something else"

(Leisure and hospitality, 10-20 employees, Fermanagh)

Similarly, a few participants referenced past issues with meter readings that resulted in significantly larger charges, where the supplier still expected to be paid the total, despite the miscalculation and lack of notice, or refused to reimburse the customer and instead applied a credit to their account. For small businesses, and new businesses in particular, having their funds available to them to use as and when necessary was essential and added to their financial stress when this was not achievable.

"I had to call them and ask them what is happening [about my meter reading...] it was up around £8,000. And I went, 'Oh, my God, what has happened here?' And then they said they would give me four weeks to get it cleared [...] four weeks debt"

(Leisure and hospitality, 10-20 employees, West Belfast)

"We had a retrospective gas reading. They took the reading and we were due a credit of, say, £800. But they took a payment of £800 instead. Which was incredibly annoying. So, we have to then credit it again. Just left us in credit of £1,600"

(Retail, 0-9 employees, East Belfast)

Several participants also reported that because their standing orders are calculated based on prior usage, this can affect their bill payments due to their seasonality. They noted that they needed to be active in moderating these changes because the suppliers would not notify them. This was an especially detrimental circumstance for some small businesses who were not aware this was happening and overspent on their energy, causing them to struggle financially.

"Whenever we were with [previous supplier], they had taken out a direct debit for, say for £1,500. Then we did get into arrears because they weren't taking out enough of the direct debit, and then they needed a big full lump sum, saying we've got too much in arrears, if you know what I mean"

(Manufacturing and production, 21-49 employees, Antrim)

"We didn't realise as a new business, and a small business, that [our supplier] were charging us double. We were on that for over a year, and we were wondering why there was so much money being taken from our account. And then once we had realised, obviously it was too late [...] It's completely destroyed our bank balance. We have only a couple of hundred pounds from a business that was doing really well. We just can't recover from it [...] I actually got a message this morning from the landlord about the arrears on the rent. And if we didn't pay that much electric, we wouldn't be in arrears"

(Leisure and hospitality, 0-9 employees, West Belfast)

"I speak with them monthly just to find out if I paid enough for it, if I need to pay some more. So it depends on the final week. Some months £1,500, covers it, some months [more...] It just depends on how my bills end up. Sometimes I'll be in credit from the previous month, sometimes I'll be in debt from the previous month"

(Leisure and hospitality, 0-9 employees, North Belfast)

This left participants wishing their suppliers were more proactive or considerate in their communication.

"So I've noticed that they're never in a rush to ring you, to go, 'Hey, listen, you're out of contract. Do you want to renew it?' Instead, I'm the one ringing them and going, 'Listen, when do I need to renew my contract?'"

(Manufacturing and production, 0-9 employees, Armagh)

"I think it's a bit of a scam [...] they send you a letter saying you're about to be cut off. [They send it through] a guy in a van, like a postman, basically, with all those little envelopes. And he was told to hand them around to all these customers [...] And they charged me for that guy £150. I get charged £150 every time. If you're saying, [he comes around] 10 [times], the deal is £1,500 [...] So, I'm not very satisfied with that aspect of it"

(Manufacturing and production, 0-9 employees, Armagh)

"We were supposed to get that deposit back after 12 months, and they sent an email to say that they were extending it for some reason. So we paid that £750 up front, but it doesn't reduce any of our quarterly bills. It just sits in the account. And whenever we signed up, we were under the impression we would get that back after 12 months. And they said because of increase in electricity prices and stuff, they're going to keep it, because we're a new business, they're going to keep it on review for another 12 months. So, that was a bit disappointing"

(Leisure and hospitality, 0-9 employees, North Belfast)

"There was actually lots and lots of calls and emails exchanged with me and the company. Actually, with some very rude staff. I have it on email. Some of the comments that he sent me saying I was telling lies and stuff like that. I couldn't believe it [...] They just didn't want to know. I just kept telling them, 'This is wrong. This is wrong. You need to switch us down right now. It's costing us money. We're refusing to pay.' And then they were just sending people out to threaten us outside the door, we'll turn your electric off now unless you pay this amount"

(Leisure and hospitality, 0-9 employees, West Belfast)

Barriers to contacting suppliers for support

One of the key barriers for participants when it came to contacting suppliers was that they did not believe there was anything useful that the supplier could do to help. As business owners, many of the participants were familiar with phoning suppliers to negotiate prices. However, when it came to their energy suppliers, many felt that these bills were non-negotiable. A few explained that they would try to negotiate before signing the contract but that once the price was fixed, the only support the supplier could provide was payment extensions. While a few participants had contacted their suppliers for payment extensions, it was not considered overly helpful when what they really required were reduced energy bills overall. This led these participants to conclude that the supplier was a business and more interested in making money than helping them.

"On paper they say, 'Oh, we appreciate you're busy. We appreciate things are tough. If you have any trouble paying your bill, please contact us.' But I've contacted before and they have never said, 'Well, listen, I'll give you the money to pay it'. It's not like that. It's not like they are actually able to help you with a payment"

(Manufacturing and production, 0-9 employees, Armagh)

"What would they do for me? Take it off on an instalment or something? Can they charge me extra again for it? No, I've never reached out to them [...] Nobody gives you help for nothing. You pay for it at the end of the day"

(Leisure and hospitality, 0-9 employees, Antrim)

"Probably didn't think they could help. At the end of the day, I don't think it's a company you can bargain with [...] We just have to pay the bill or they'll turn you off. So, we just have to pay the bill"

(Manufacturing and production, 10-20 employees, Antrim)

"It's just functional. They provide a service, we pay for it. We are paying quite a high price. But as a small business, it hurts, but there's not really much that we can do about it right now, apart from looking either at an alternative source or other options like solar"

(Manufacturing and production, 0-9 employees, Down)

Participants that had negative experiences when contacting their suppliers due to irregularities in their bills were sceptical of any different type of support that suppliers might be able to provide.

"Well, I didn't know that they could help you. If you borrow money, you've got to pay interest on it to take it back. And the banks are seeing that. You know what I mean? So as you say, it's difficult. It's really difficult"

(Retail, 0-9 employees, Armagh)

"We had to contact them and then they looked into it, and then they did admit the meter was read wrong [by them], but they didn't care. So it was basically 'Yes, it was wrong.' I think they offered something ridiculous, like £25 off a £2,000 [electricity] bill. No sympathy, no help. Just take it or leave it, basically, to put it bluntly. They weren't cheeky about it. They were nice about it but basically done nothing"

(Other, 0-9 employees, Antrim)

Small Business Energy Charter

Nearly all the participants interviewed were not aware of the Utility Regulator's Small Business Energy Charter. Only one participant thought they had heard of the charter but admitted that they had not had the time to investigate it further. When the charter was explained to participants, most agreed that it sounded like a good idea and admitted that they would reach out to their energy suppliers if they needed more time to pay.

"I do think it is useful. To be honest, when I first came here and all these bills were not paid. I literally phoned everybody up and said, 'Listen, can you bear with me until I get this sorted?' [...] There wasn't anybody who turned me down. I said, 'Give me six months and it will all be straightened out'. And it was. But at the same time, I could have faced a very different experience, and I'm aware of that. So I think it's good advice because if people that are informed, they can make a good decision"

(Other, 0-9 employees, East Belfast)

A few participants did question the usefulness of the charter, stating they would prefer if the Utility Regulator could have a more direct and proactive approach to support. Several also thought that the charter could have been promoted more directly to them, indicating that communication between small businesses and the Utility Regulator could be improved.

"It sounds like a good idea, but I'm not sure [...] If the supplier has a price, do you mean if, say, they wrote up a large bill and I'm struggling to pay, you could go to the charter and they could talk to your supplier for you. Is that it? [...] My thinking is, what could they do that I couldn't do? Other than point you in the right direction of who to talk to, basically"

(Other, 0-9 employees, Down)

“So what are you going to talk about? What are you going to say about it? I don't see energy companies becoming any more helpful. I understand that they can't. What can they really do for you? If you're going to go to pay your bill, what can they do? If you're going to go to pay this one and then let them slide, are you going to afford to pay the next one as well? You know what I mean? All those things. If you can't meet the bill, you can't really do business”

(Manufacturing and production, 0-9 employees, Armagh)

“Well, how would I know more about the charter? Does the Utility Regulator communicate that to me? In my mind they don't ever [get in contact]. Yeah, I know they exist. I obviously know they exist [...] I know that they do good work [...] I know they're a good company, but when do they communicate with me? I think they could be more proactive”

(Leisure and hospitality, 21-49 employees, Armagh)

Experiences of switching suppliers

Respondents were asked how long they have been with their current providers and if they had ever thought of switching. Some participants expressed that they were loyal to their suppliers or felt that switching was not worth the time or effort to save a few pounds when the prices would increase again anyways.

“I suppose I just think changing suppliers and setting it up on your accounting system and changing the bank details. If you're only going to save a couple of quid a month, it's not worth the bother”

(Retail, 0-9 employees, East Belfast)

“Because we've been with them for a long time, and I don't think they've drastically changed their tariffs [...] other suppliers] make all for so long and then they up it. It doesn't stay reasonable. I think it's the fear of taking that relationship with another provider”

(Community and voluntary, 21-49 employees, Derry/Londonderry)

“No, I haven't switched suppliers. I just think they're all the same. They try to entice you with something like a hundred-pound [store] voucher, something silly, and people move. But it's [supplier 1] or [supplier 2]. Everybody thought that and they had a month or two of really reasonable energy costs. And then they put the prices up”

(Other, 0-9 employees, East Belfast)

Other participants disclosed they were looking into switching suppliers or had done so with the help of brokers as they found the process of comparing tariffs and deals too time-consuming.

“No, we're happy enough with the monthly billing system. But if you can find a cheaper one [we would be interested], we were actually looking at cheaper options because I've heard that it's expensive... We've got a new maintenance man and he said it's really expensive the way they are charging us. So we're looking for options also”

(Other, 21-49 employees, Fermanagh)

“I mean, we do have a guy who deals with this stuff. He keeps us right every year. It's a rule and contract now, where he would come to me at the end of the time and say, 'Listen, it's a better deal with someone else. We can get you this, that.' And I just take his advice. I don't

think he's wrong. So I just take his advice and go with what he thinks the best to save money in the long term"

(Leisure and hospitality, 0-9 employees, West Belfast)

"The reason for that is a guy, an energy broker, contacted me a couple of years ago and says, 'Why don't you get this?' [...] Yeah, he was getting me at a better rate"

(Other, 0-9 employees, Down)

However, others participants reported being sceptical of brokers. These participants felt that they would end up paying more, assuming that brokers would need to take a cut. While acknowledging that it took precious time to compare energy rates, these participants indicated that they would rather do it themselves in order to save money.

"It's just all through the broker. I think he did give me a comparison at the time, yeah. It's out of my, I suppose, knowledge base to know it, the cost. But he could have been telling me anything"

(Manufacturing, 10-49 employees, Antrim)

"We do get every now and again, these cost saving brokers who try to tell you, 'You're going to save money on energy and credit card bills and various other things'. And again, we just backed away because I'd say, 'You're not doing anything I can't do myself'"

(Retail, 0-9 employees, East Belfast)

"No, I didn't find anything that was attractive enough to make a switch. There were always people coming in saying 'They could save us money, they could do this, do that'. But with our expenditure, to be honest, it wasn't worth the hassle"

(Community and voluntary, 0-9 employees, Armagh)

With the continuation of the conflict in Iran, another participant reported that when they tried to switch suppliers, they were unable to do so due to the price uncertainty.

"Any supplier we tried to switch to for a cheaper cost aren't taking on new customers at the minute because of the conflict going on. So, they're not able to give out energy pricing information to commercial sort of premises"

(Community and voluntary, 0-9 employees, Armagh)

Engagement with existing support and future needs

The following section reviews the types of support that participants were aware of or had accessed, as well as support they suggested would be helpful for themselves or others in similar circumstances. It covers:

- Confidence levels and potential closures;
- Awareness of business advice services; and
- Future support needs.

Confidence levels and potential closures

Participants were asked how confident they were that they could continue to make their energy payments, alongside the additional costs of doing business. Participants acknowledged that if the prices continue to increase, they will have to sell or close their business. These discussions are broken down in the following sections:

- Some confidence;
- Most were not fully confident; and
- Closures if prices continue to increase.

Some confidence

A few participants answered they were confident going forward with their energy and business costs. However, they made it clear that this confidence is dependent on the business operating well, thereby not having unforeseen costs and loss of customers.

“Oh, very confident. Yeah, very confident. We’re very well-established. We have a good team”

(Leisure and hospitality, 10-20 employees, Fermanagh)

“Yeah, we’d still be confident. There’s still functions there. I have bookings right up to April, May time”

(Community and voluntary, 0-9 employees, Fermanagh)

“As long as we have a full bed capacity, we will be able to pay the bills. And hopefully, the Trust will also increase the remittances, just to make sure we can still pay bills”

(Other, 21-49 employees, Fermanagh)

“I think I’m confident to get this year done as well. I think the way things are going, business is improving and sales seem to be rising. I think I’m confident enough. The first two, three months of this year will be tough because people don’t have money. So my sales will dip

until March, April. I usually find if we can get to the end of March, I'm pretty confident to get the end of the year"

(Manufacturing and production, 0-9 employees, Armagh)

Most were not fully confident

However, there were many participants that expressed they were not confident in meeting their energy bills and other business costs. They elaborated that if costs were to continue as they were, or to get worse, the business would be in a precarious position.

"No. I'm not confident at all. If it continues, I'll be in debt within six months. I'm not confident at all"

(Leisure and hospitality, 0-9 employees, North Belfast)

"Well, as I say, this quarter, I would be confident. But when it comes to the quieter months, like January, February, and March, I'll not be as confident then"

(Leisure and hospitality, 10-20 employees, West Belfast)

"I'm not confident that it will be. When they're already cutting back in the hospitals, the community voluntary sectors, they're the first ones to get cut"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

"How confident am I? I would like to say, very [confident] but I would [honestly] say 50/50 because you just don't know. As much as you don't want to, if you have to make changes to survive, whether that could be reduction in staff or whatever the case may be [...] You just have to try and provide for your family. That is the most important thing. And then anything after that is a bonus, really"

(Other, 0-9 employees, Down)

Closures if prices continue to increase

During the interviews, participants made it clear that they had done all they could to afford the rising costs in energy and in business. A note of hopelessness arose in the participants' words, as they were uncertain what else they could do to help keep the business afloat. This had led to many participants feeling worn down and exhausted by the brunt responsibility of running a business.

"I really don't know if there's an option to make many changes. Less hours, but then you're defeating the purpose. Maybe reducing staff numbers, but then that's put more stress on yourself. From being there continuously, it's a difficult one"

(Other, 0-9 employees, Down)

"At this point, I'm just exhausted. I can't even think straight on what to do to try and make it better because it is in a good location. It should be thriving. And just to make matters worse, directly facing us, a massive subway is opening [...] I just don't have the energy at the moment to try and get new ideas"

(Leisure and hospitality, 0-9 employees, West Belfast)

"There's nothing left for me to do"

(Retail, 0-9 employees, Antrim)

"No. We're at our finishing point now. We've done all of the insulation and the changing the doors and sealing the windows. We've done as much housekeeping around that as we can. We don't really know what else to do"

(Community and voluntary, 0-9 employees, Derry/Londonderry)

"Anything that could be minimised already has been. We're really operating on whatever shoestring we have"

(Manufacturing and production, 0-9 employees, Down)

"Just every month we kind of go, 'Right, that's it, we have nothing else to give money-wise. We're done. We have no more savings. We have no more support that we can ask from family or friends'"

(Leisure and hospitality, 3-9 employees, North Belfast)

As a result of such sentiments, many participants expressed they had no confidence in covering energy and business costs in the future. This has led them to the conclusion that they would potentially close or downsize the business if costs were to get worse.

"To give you a percentage out of ten, it'll be absolutely zero. Not confident at all. It's a matter of when. Not if, when. We're just going to have to close now"

(Leisure and hospitality, 0-9 employees, West Belfast)

"Well, there's several different scenarios. One could be that we go out of business"

(Leisure and hospitality, 10-20 employees, Fermanagh)

"I even thought at some stage that we might have to just sell the smaller [building] and just concentrate on the other one because it's not making enough"

(Other, 21-49 employees, Fermanagh)

"So no, I wouldn't be confident. I mean I have a spreadsheet that I update every month with what the redundancy costs will be for all the stuff. And I make sure that in the bank account there is that amount always that is ring fenced. So, should the worst happen, I can walk away and I won't owe anybody anything"

(Leisure and hospitality, 21-49 employees, Armagh)

As discussed previously, participants referenced global events and the geopolitical landscape which have destabilised prices in recent years. A few participants specifically referenced the sudden impacts arising from the conflict in Iran and reported that this has resulted in further uncertainty in the markets, and has pushed them to consider the closure of their businesses.

"[Everything] going on in the news at the moment, the price of diesel that has gone up so much this last week. If our landlord did come to us and say, 'I'm going to have to put this up', we would have to consider whether we would keep the doors open or not because we can't work for nothing either [...] all the bills are important. We need to keep them paid, so we are always the last [to be paid]"

(Leisure and hospitality, 0-9 employees, Tyrone)

"Potential closure because the price increases in fuel the past few weeks because of this war, again, that's colossal"

(Manufacturing and production, 0-9 employees, Down)

Awareness of business advice services

During the interview, participants were asked if they were aware of or had accessed any advice or support services for businesses in financial difficulties. While the majority of the participants we spoke to had not accessed support or were not aware of these services, a few had engaged with support to varying degrees of satisfaction. From these conversations, the following themes emerged:

- Minimal awareness of support organisations; and
- Experiences with support organisations.

Minimal awareness of support organisations

Many of the business owners interviewed were unaware of available support. Some participants felt that they were not yet in a place where they needed to seek support, while others were interested in any available support but did not know where to look.

"I am not aware of anything. I just come in and do my work. And unless they were to come up to me and say, 'Look, here's a thousand pound to decorate the salon.' I wouldn't know where to go"

(Other, 0-9 employees, East Belfast)

"I haven't heard of anything. I haven't seen anything. No one has approached me. Nothing"

(Leisure and hospitality, 0-9 employees, West Belfast)

"And there's no help with it really. There's no support, nothing"

(Other, 21-49 employees, Tyrone)

Financial support

A few participants acknowledged that if they needed to access financial advice or support, their first point of contact would be to existing accountants, financial advisors and/or their bank where they have existing relationships.

"We have our own accountants"

(Other, 0-9 employees, Antrim)

"I would have a financial advisor. But that would be it, and they'd be telling me the same thing I already know. There's no support there"

(Other, 21-49 employees, Tyrone)

"If we needed [support], we would contact our bank"

(Manufacturing and production, 21-49 employees, Antrim)

Online or ask around

Participants who were unaware of support services acknowledged that they would look online or reach out to other small business owners for advice.

"I probably would have to go online. But I don't know whether there is anything out there for you"

(Leisure and hospitality, 0-9 employees, Tyrone)

"I would Google it. I would speak to people and ask them"

(Leisure and hospitality, 0-9 employees, North Belfast)

"We've done a lot with [other business owners] and actually spoke to the companies and said, 'Look, what are you doing here? This is what we're finding out. What have you come across?' [...] So we would do a lot of speaking to other companies. But yes, we would obviously use Google, use everything else that we can"

(Manufacturing and production, 21-49 employees, Derry/Londonderry)

"My mum and dad have been doing this, my sister does this. I'd go to mum and dad for advice"

(Leisure and hospitality, 10-20 employees, Tyrone)

Experiences with support organisations

Some of the businesses interviewed had accessed advice services or were long standing members of support organisations. While a few mentioned that they were members of support groups, they were unaware of any direct support they offered in terms of financial or energy advice.

"We are members of the [business representative organisation], but I'm not all aware of any energy cost benefits of that. Maybe I should look at it"

(Retail, 0-9 employees, East Belfast)

"I'm a member of the [business representative organisation], which I'm happy with and have been for a while. It's not something that I've used much in that, any time I have tried to for an insurance quote or whatever, they weren't very helpful"

(Other, 0-9 employees, Down)

Advocacy and budgeting support

Some participants did note positive experiences with organisations providing a sense of community, resources and advocacy support for business owners.

"I think if you look around everywhere, you know, the Federation of Small Businesses, Retail, NI, Hospitality Ulster, they're all coming from the same position. We're under siege"

(Retail, 21-49 employees, South Belfast)

"I'm not 100% sure of what support is out there. Although joining the Northern Ireland Food to Go Association [was good...] It provides a lot of support from employment law to focusing

on businesses [and] they're business orientated in the sense of helping businesses. And, and that's the reason why I've joined them [...] That's money well spent with them"

(Leisure and hospitality, 0-9 employees, Tyrone)

A few other participants referenced financial and budgeting support they had used recently, which they felt were worthwhile.

"The Blueprint Programme that I went on a few years ago, it was all about discussion, training, giving you some money to spend on whatever you want for the business. They said, 'It's fine. We don't mind [...] we're going to be flexible with you. If you need to spend it on something else, that's fine, too'. But alongside it, there was training, there was mentorship, there was all sorts, it was a community of small to medium businesses that got together, and actually, that has made an effective change in a way"

(Other, 0-9 employees, East Belfast)

"We did Go Succeed last year, so it's quite good. We got a business, financial mentor. Obviously, like an accountant who did a real deep dive into our finances and spending and gave advice and support on that. So that was a massive help, which was great"

(Manufacturing and production, 0-9 employees, Armagh)

Disappointed with support

However, it was more common that the business owners who had sought support were left disappointed after their experiences.

"I'm aware of some things; I know our local council, there's a town centre manager now and they have meetings. I went to some of them, but it was just a lot of silly nonsense. That's all fine and good, but it doesn't physically help me run a business. So I know that there's stuff out there, but I don't know that there's practical help"

(Leisure and hospitality, 21-49 employees, Armagh)

"Supports from other bodies, like businesses have contacted MLAs and so on about the VAT. You know? Sometimes you sort of feel as if you just get lip service [...] We're] bringing footfall to the town. What type of support do we get? [...] I have lost faith with counsellors and MLAs"

(Leisure and hospitality, 0-9 employees, Tyrone)

"We used to be with the [business representative organisation]. But that was a load of nonsense [...] I was with them during Covid and no one wanted to pick up the phone and say, 'Do you need any support? Do you need any help?' Nothing. So, I cancelled. And then they rang me [about cancelling]"

(Other, 21-49 employees, Tyrone)

Other participants did not feel that offers or suggestions of support were enough.

"I don't know if there's much support out there. That's the problem. I don't know what is available out there that's going to give us support. [The business representative organisation], the local authority, the local councils, their business support. They come around every so often and say, 'I will support you.' But then they're not actually going to do much. That's the problem"

(Other, 0-9 employees, Down)

"I've heard about [potential support]. I don't see what they are going to tell me? They're going to tell me what? 'Save money on electric if you can,' which, of course, you can't. I know things like that. I've read articles and stuff about that in bed before. That's just common-sense stuff that you try anyway. I already know it"

(Manufacturing and production, 0-9 employees, Armagh)

Eligibility issues

In some other instances, business owners had sought support from business organisations but found that they were not eligible or were unable to afford the sign-up fee. These participants reported being frustrated and feeling isolated as a result.

"I've heard of NI Food to Go before. I was just talking to another local food business, and they mentioned that they had signed up to it. But there was a fee and at the time it was just another expense that we couldn't afford. But it sounded good. We just didn't have the cash to pay. I think it was £150 or something to join up"

(Leisure and hospitality, 0-9 employees, North Belfast)

"I know that there is Invest NI as well. I think we slipped through the gap on that one, which is the hardest bit. You have to hit certain criteria and your export to other countries has to be a certain amount, and I think we're just short of that"

(Manufacturing and production, 0-9 employees, Armagh)

"We reached out to many [groups], during Covid especially, because I wasn't entitled to anything. The only thing that we got was the furlough payment, that was okay. But do you remember when the grants came out? Because I paid too much in rates, I fell through the threshold [...] There were two support packages that you could get. One was if your rates bill was below £10,000 and one was if it was over £25,000. So there's a gap [...] I pay £22,000. I felt that there was no support there for in between, which did not make any sense"

(Other, 21-49 employees, Tyrone)

"Well, a lot of them would tell you, 'Look, you don't meet this criteria,' or 'You don't meet that criteria.' So, it's just a matter of keep applying and keep knocking doors to see which one's open"

(Community and voluntary, 0-9 employees, Fermanagh)

Future support needs

At the end of the interview, participants were asked what business support they would like to see made available, either from the Utility Regulator, their energy suppliers, government or organisations. Participants suggested the following:

- Need for a business support directory;
- Need for pro-active support;
- Support to monitor energy usage;
- Utility Regulator support; and
- Government support.

While nearly every business requested a reduction in their energy bills as the first form of support they require, they also referenced their needs for simplified information and clear

communication across a variety of topics. Due to the nature of business owners limited availability, many also hoped that this support would be pro-active by having whoever is offering the direct support get in touch with business owners.

Need for a business support directory

Participants who were unaware of available support, indicated that taking the time to find applicable options is a barrier, with business owners needing to check individual websites and figure out what support they are eligible for on their own. These participants suggested that there should be an accessible resource for business owners listing all the existing support. Simplifying and streamlining the process for finding support would be a huge help to these participants.

“That's the whole thing about simplifying things to where it helps us. Just making sure that it's accessible, basically”

(Community and voluntary, 0-9 employees, Down)

“If we had somewhere where it would be easy to find out which grants were available and whether we're eligible or not for them, that would be great. I'm not sure if there's a price comparison. I think there is like a Northern Ireland-based one. I know it's like Confused.com, I would compare car insurance and my own home insurance, but if there was something like that. Maybe there already is for businesses to compare electric rates and gas rates? [...] That would be quite useful as well. [Because...] you can Google something and it can give you 15 different contradictory bits of information, so it's not always easy to find”

(Leisure and hospitality, 0-9 employees, North Belfast)

“Unless you have like an advertisement that you see, somebody calls in and maybe gives you a flyer, or reaches out via email, or it's really put into your face is the best way and you're made aware of it. You don't really have the time to go looking for it”

(Manufacturing and production, 0-9 employees, Armagh)

Need for pro-active support

Participants who were unaware of support or who had accessed advice services but were unsatisfied with the experience, explained that some of these frustrations were a result of perceived inactivity from these organisations. These participants indicated that any support from any government body or organisation would only be beneficial if it was pro-active. For some this came down to a matter of wanting to see the benefits of their membership fees, while others explained that they do not have the time or resources to go looking for support on their own.

“It would be great if there were people out there who could actually come in and sit with you and say, 'Here's a line of products that based on your industry and success in your industry, we think can actually help. Here's a line of products, grants or credits that we could then give you solutions for.' You know and that really doesn't seem to be there”

(Retail, 21-49 employees, South Belfast)

“I left the [business representative organisation] because all they wanted was a membership. They didn't do anything [...] Whereas with the Food to Go Association, I've seen [them]

being active in trying to get the VAT down. I've seen him trying to be active in all areas of catering and helping businesses"

(Leisure and hospitality, 0-9 employees, Tyrone)

"We are so busy, that time is so, so precious and that's probably the hardest bit. That unless people reach out to us and kind of make us aware of 'Here's a viable option for you, why don't you take a wee bit of time and try and explore it and see whether this would work,'" I don't really have the time to do research and explore it and look at options, because I don't want to spend like three hours doing it to find out that nothing's applicable, because it would have been a waste of time"

(Manufacturing and production, 0-9 employees, Armagh)

"[The business representative organisation] were just happy to take your payments every month [...] You just need people to come in and maybe talk to you about what's going on, what's happening out there, what's available, giving you advice, you know?"

(Other, 21-49 employees, Tyrone)

Support to monitor energy usage

Throughout the interviews, it was common for participants to assume which machines or appliances were heavy energy users, with many considering that older appliances were worse energy users, as technology had progressed over time to improve energy efficiency. Some acknowledged that further insight into the individual energy usage of their equipment could be beneficial and allow them to make more energy conscious decisions. For instance, if they knew which pieces of equipment were using the most energy, they could then calculate how much upgrading the equipment would actually cost in line with their energy savings. Without this knowledge they are left guessing and, due to the high cost of the equipment, they indicated that they were less likely to make a change quickly.

Participants were not overly concerned about who should provide this support, with some referencing their suppliers while others suggested that support organisations should provide this service.

"I don't have a commercial smart meter or anything like that. So, I don't know where my biggest draws of energy are. Is the site being powered down correctly at night? Does it have inconsistencies when being powered down at night? To make sure the close down routines and stuff like that [are efficient]. There doesn't really seem to be any value-add like that, you know?"

(Retail, 21-49 employees, South Belfast)

"It'd be good to know what other low-cost things we could do [...] but on a bigger scale with somebody doing it with us as organisations to try and educate us"

(Community and voluntary, 21-49 employees, Derry/Londonderry)

"I would like to understand better how the usage occurs. I would like them to help me understand that so that I could make some improvements, but without the information, I don't know how to improve it [...] And when I'm the person who's standing on the till all day and dealing with all of that, it's really hard to find that time to look at all of that. And also, even if they could ever contact me to talk about the fact [the fluctuation of my usage that would be

great] ... Or if they lower their rates and things like that, they offer deals to different people, but they've never contacted me. The contact has to come from me"

(Leisure and hospitality, 21-49 employees, Armagh)

Utility Regulator support

When it came to Utility Regulator support, participants were not entirely sure what support they might be able to provide. Some business owners felt that the Utility Regulator had not been active in providing support in the past and were not overly hopeful that they could help in the future.

"Well, [the Utility Regulator] haven't made themselves known to me and I certainly don't know much about them and if they're trying to fight for our cause, well, I have 50 years in business, I haven't benefited from them. That's all I can say [...] they need to build some trust for me. Build up some trust, but not only trust but actually have some teeth, and can talk the talk, and walk the walk, instead of empty promises"

(Leisure and hospitality, 0-9 employees, Tyrone)

Improved education and communication

A few felt that the Utility Regulator might be able to play a role in educating business owners on the tariffs. Many participants were confident in their ability to read their bills and understand tariff prices. However, a few participants who operated across different tariff rates throughout the day felt overwhelmed when trying to work out their usage and compare their prices across other suppliers, especially given the amount of time this takes out of their day. At least one participant was on a variable rate and felt that an improved understanding of tariff trends over time would help him decide if they should remain on the variable rate or change to a fixed rate.

"I suppose what I would love to understand a bit more about, and I suppose this is where the Utility Regulator could help me, is in understanding the trends, understand what's likely to come down the road. I only know what I know and I have to act on that. It's not a whole lot. I would imagine the Utility Regulator has a whole lot of information to help me understand"

(Leisure and hospitality, 21-49 employees, Armagh)

"Make it easier for you to compare tariffs and prices"

(Manufacturing and production, 21-49 employees, Antrim)

Similarly, participants also felt that the Utility Regulator might be able to help improve communication between them and their suppliers when they are in need of support. One participant referenced a particularly stressful and isolating experience where they felt their supplier was not listening to their issue and threatening to shut off their supply.

"They should be a bit more helpful because when I was going through this situation, I didn't know what to do or who to turn to. I'm on my own, thrown in with one of these big suppliers and not knowing what to say or what to do. I wish someone could give me advice or help and maybe speak to them on my behalf during the situation and come to an agreement. There needs to be more help in place, absolutely, for situations like this, because I've been told, I'm not the only one who's been through this. This has happened to multiple people, multiple businesses, and [the suppliers] can't keep getting away with this"

(Leisure and hospitality, 0-9 employees, West Belfast)

"[You] could get an email saying, 'In the event of you struggling to pay your bills, this is somewhere that you can ring,' or 'You can talk to us so that we can give you various options'"

(Community and voluntary, 0-9 employees, West Belfast)

Regulate tariff prices

The main support participants referenced that would be helpful from the Utility Regulator was to regulate the tariff prices. Business owners felt that if they knew prices could not rise above a certain amount or if they could at least be guaranteed for a few years at a time, then they might be less stressed due to the price increases and fluctuations outlined in the section on situations and circumstances.

"I think it will probably be a great idea if people could know what they're going to be paying for the next, maybe, three years. I know that's impossible for anyone to predict, but I think maybe just that awareness of this is what is going to happen over the next couple of years"

(Community and voluntary, 10-20 employees, South Belfast)

"They probably can control pricing... Well, reduce costs and help our cash flow"

(Manufacturing and production, 0-9 employees, Down)

"People know about us, they come in. It's the operational costs, the running costs that are [hurting] there. The energy costs are in there. The only benefit that we could have would be a reduction in the costs. I don't know how else [the Utility Regulator] could support us"

(Other, 0-9 employees, Down)

"Probably a price decrease, but I don't really know if you could call that support. But I do feel like [energy costs are] massively overpriced"

(Other, 0-9 employees, Antrim)

Regulating the tariff prices was particularly noted by the leisure and hospitality and community and voluntary sector participants. Some suggested that it would be beneficial for certain sectors to have reduced tariffs. The community and voluntary sector would especially benefit from this as many of these participants indicated that most of their outgoing costs were energy related, due to their funding not covering the costs of maintaining their facilities.

"Yeah, the main thing would be tariffs [...] Rates and electric are too many headaches, I think. But if they're reduced in any way for sports and social clubs and things like that there, [it could help with energy costs]"

(Community and voluntary, 0-9 employees, Fermanagh)

"I don't know at the moment, other than them actually cutting the tariff, that would be brilliant. But in the absence of that, I don't know what else they can do"

(Leisure and hospitality, 21-49 employees, Armagh)

"I need the energy bills brought down back to a normal price"

(Leisure and hospitality, 0-9 employees, North Belfast)

"Just lower the energy bills. I mean, who's benefitting from all this?"

(Leisure and hospitality, 0-9 employees, Antrim)

Government support

Many participants expressed frustration with the Northern Irish and the UK government for their lack of support so far. Part of this sentiment came from businesses having received support in Covid and feeling confident that they would be supported through unprecedented times. However, it was reported that difficulties keeping up with rising costs, due to the increased cost of employment and rates, have resulted in their reduced profit margins, leaving many small businesses feeling as if they are being forgotten or forced to close.

"The government aren't actually helping small businesses, they're crippling them"

(Leisure and hospitality, 0-9 employees, Tyrone)

"I think it would be good if the government could support local businesses and small businesses more. I feel like we give a crazy amount of money to the government and get minimal in return for that"

(Manufacturing and production, 0-9 employees, Armagh)

"It's the way the country's been run by the government. Just run it into the ground. They keep on putting up everything, and it's just making life very complicated [...] Everybody is feeling it. It wouldn't just be us, but like, everything has increased, and if they keep on doing what they're doing, there will not be many of us [small businesses] left"

(Other, 21-49 employees, Tyrone)

"I think the government is going to have to intervene in order to save the high streets. They're going to have to do something [...] Something has to happen or we're all gone"

(Retail, 0-9 employees, Antrim)

Grants for improving energy efficiency

One of the main suggestions participants made was for the government to provide grants or financial schemes to help business owners improve their energy efficiency. A few referenced past support that they missed out on or could benefit from again. A variety of energy efficiency options were suggested by participants as potential financial support for solar panels and for energy efficient equipment being the most referenced.

"We've seen in the Ukraine war and then now [the Iran conflict] with the oil, like as soon as something happens we're so fragile that it affects everything [...] If the government could help from a business perspective, for example, if we want to put solar panels into our warehouse, there should be help along the way to build that, and there should be incentives for doing it as well"

(Leisure and hospitality, 21-49 employees, South Belfast)

"I'd like to have grants or something that could help us with our expenses. Anything at all, any support that could help us... If they could give us a grant to lessen our energy consumption cost, it would be great"

(Other, 21-49 employees, Fermanagh)

"If there was support available to help purchase more efficient equipment. When I first set this kitchen up, it was £80,000 to buy the kitchen equipment new. And I didn't have £80,000 to buy new equipment. So, all the equipment has come from liquidation sales and different things. And so, you know, it's old. So, if there was help to buy [new equipment] that might make a difference. If [the government] were really serious about improving efficiencies"

(Leisure and hospitality, 21-49 employees, Armagh)

"I wish there was support out there to make the building greener and to make it more energy efficient as well. I don't see any help out there to do that. We're sitting with these lights [...] half of them are broken. But to change them all will cost me an absolute fortune, and we just don't have that money"

(Other, 0-9 employees, East Belfast)

"I got a quote for solar power [two or three years ago], but it was silly, silly money. If the government could maybe help out with solar power to help businesses, it would be a great benefit"

(Leisure and hospitality, 10-20 employees, West Belfast)

Reduction in VAT

Participants also suggested that support with their VAT payment would be a huge benefit. Some were eager to see a reduction in the VAT amount to be more in-line with the Republic of Ireland, while others indicated that they would benefit from increasing the threshold level for payment, an allowance, or more flexible payment plan to ease the financial burden. Several participants in the leisure and hospitality sector explained that a reduction in VAT would be a relief for their sector as a whole, as many businesses are closing or struggling to remain open given the narrow profit margins.

"If we could pay [VAT] more monthly, that would maybe make it not as painful, or having like support, you know? Where you get like an allowance the same as National Insurance, you'd be able to get like an amount towards your VAT covered, that would be great"

(Manufacturing and production, 0-9 employees, Armagh)

"The VAT, that's the big thing for us. Like, the VAT is a complete killer. Like, it's whenever you look at the island of Ireland with the VAT. [In the Republic of Ireland] their VAT is 9%, whereas our VAT is 20%. So like, straight away [we're worse off]. Like, I know we're in Belfast, but if you're in Derry, your competitor's just over the border in Donegal, and there's an 11% difference in your VAT, that's completely ridiculous"

(Leisure and hospitality, 21-49 employees, South Belfast)

"In hospitality, I think the biggest thing would be lowering the VAT percentage to maybe 15%. I work in the South as well, I think it's still 13%. So there's 7% straight away [...] and] if they up the threshold so you could actually make a bit more [...] We pay corporation tax, we pay VAT, we pay income tax on our personal things. Just if they could lower the tax rates, that would be fantastic. Eventually I think something will have to happen because you're

going to have 20% of so little because there are so many places that will close. Or then places open [but] they open for 5 minutes. There's not many places open now that are staying open for 25 years"

(Leisure and hospitality, 10-20 employees, Tyrone)

Other financial support

In addition to the energy efficiency grants and VAT relief, a few participants suggested other forms of financial support that they would find helpful in reducing their financial strain.

"And the same kind of goes for the bigger government. We get an allowance towards our National Insurance from the government, which is great, so that kind of allows it not to be as much, but if we were able to get an allowance towards electricity, especially at a time of crisis, then that would make a big difference as well"

(Manufacturing and production, 0-9 employees, Armagh)

"A few years back, you would have been able to claim your Statutory Sick Pay back from the Revenue. They took that away from us too. Do you know? Like, anything, better to give us than take away from us somewhere else, you know?"

(Other, 21-49 employees, Tyrone)

"Everything's going up and up and there's no incentive for [small businesses] to exist"

(Leisure and hospitality, 21-49 employees, Armagh)

"Rates costs are just extraordinary and completely out of our control [...] So some more support for small businesses, things like that would be greatly appreciated. Insurance costs have risen, I think 30% in the last few years"

(Retail, 0-9 employees, East Belfast)

"So maybe the government should be looking at giving grants to help businesses"

(Retail, 10-20 employees, Derry/Londonderry)

Conclusions and recommendations

The following sections set out the key findings from the study and recommendations to inform the development of future regulatory policy and/or consumer protection projects.

Conclusions

Throughout the interviews, participants expressed that their financial pressures and stress levels were due to a culmination of circumstances affecting the business, rather than the single issue of energy stress. While the rising costs of their energy bills were a concern, this worry was heightened by the additional price increases to participants' businesses. Efforts to cope with these changes and seek support were reflective of these circumstances as well, with participants looking to improve their sales and outgoing costs across all areas of the business.

Situations and circumstances affecting energy spending

Price increases, fluctuations and market uncertainty due to global and geopolitical events

Across the interviews, participants reported price rises and fluctuations that made it increasingly hard to manage their business finances. This was evidenced in their energy bills, as well as other costs of doing business that have been affected by the global and geopolitical landscape. In particular, the conflicts in Europe and the Middle East were referenced as disrupting world events to the economy. Recently, the UK government also increased the national minimum wage and National Insurance contributions, while participants also reported that the local government has increased their rates. Ultimately, this has increased their payments and subsequently reduced their profit margins, making the 20% VAT payment another concerning payment as it resulted in even less left for business owners. Simultaneously, the cost-of-living crisis has also affected customer spending and reduced footfall, particularly in the leisure and hospitality, as well as retail sectors.

Overall, these factors have made it difficult for businesses to manage their bills and plan for the future. While some of these events were not foreseeable, some support could help alleviate the uncertainty, such as price guarantees, capping energy tariffs, a reduction in VAT payments, increase in the VAT threshold or other forms of financial support to help reduce or moderate rising bills that affect small businesses.

Energy is essential to running a business

All the participants were adamant that energy was an essential need to their business and that they could not operate without it, with some having specific heating and cooling requirements or particularly high usage requirements depending on the industry. Due to these requirements,

they found it difficult to reduce their usage without financial support to help them transition to more energy efficient equipment or technologies.

In particular, participants in the manufacturing and production sector reported that they were unable to grow due to their high energy usage, subsequent price of electricity and the cost to upgrade their line on the network, calling into question the future of the sector in the UK. Their profit margins had also reduced, noting that there was no way they could pay for the upgrades with the current business model and rely on generators for additional power instead. Due to their reliance on generators and the increase in energy costs as a result of the conflict in Iran, the participants suggested that sustained increases in fuel/oil costs would cause additional harm to struggling businesses. These businesses would benefit from an upgraded network so they would not need to rely on generators and not be susceptible to the instability of global markets.

Additionally, the community and voluntary sector participants reported being in a precarious position due to the energy costs. They explained that the funding they rely on to maintain their organisations often does not cover the operating costs needed for their buildings, which includes their electricity and gas/oil expenses. As a result, they have had to start renting out their spaces or divert staff to start social enterprise projects that generate a profit in order to cover these costs. Some are debating increasing their rental fees as their current pricing no longer covers the costs for some groups. These participants would benefit from either community and voluntary funding that is specifically for the cost of maintaining their buildings or government grants to help improve their energy efficiency and reduce their energy payments.

Impact of struggling to pay for energy

Business owners are increasingly risk averse

The uncertainty caused by the global and geopolitical landscape resulting in price increases and fluctuations have also led business owners to report being more risk averse. The tighter profit margins and fluctuations have made it difficult to know how much money they will have left over at the end of each month. Participants were also concerned that this money may be needed for repairs or another surprisingly large bill they had not expected. As a result, many reported being apprehensive to grow or make improvements to their businesses, citing business opportunities they have turned down, half-finished projects or improvements they do not feel comfortable making yet. Similarly, with the increase in minimum wage, some business owners reported that they cannot risk taking on more staff at this time, with others planning to not replace staff who are leaving, in order to offset the increased payroll expense.

Participants' confidence in the future of their business was also impacted by their age or length of time in business. Those who had been in business for over ten years reported that the current circumstances were the worst they had experienced so far, with older participants trying to make plans to retire or sell the business. Newer businesses were struggling to get established, reporting increased costs and issues with their energy suppliers charging them extra or withholding deposits that they did not feel equipped to argue. In both instances,

participants reported questioning if it was worth struggling to stay in business, with little hope for future growth.

Business owners felt that support that could alleviate the uncertainty in the energy markets, such as price guarantees or capping energy tariffs, would be appreciated. However, they also noted that wages were their largest expense and most stressful payment, indicating that they would also benefit from any financial support that could help offset these costs.

Business owners devaluing their own work and limitations

In efforts to reduce their payroll expenses and cope with their growing stress levels, many participants reported working longer hours and taking on the duties of missing staff to save money, such as marketing, transport and cleaning. A few admitted to not paying themselves or working for less than they could make on minimum wage. This had negative financial implications for participants who were struggling to get by at home due to family pressures or had their own personal aspirations they had to put on hold. It also meant that they spent less time with their friends and family, resulting in many explaining that it was difficult to switch-off.

Mental and physical impacts

Collectively, most of the participants reported that these pressures have culminated in increased stress levels, and for some, anxiety. As a result, some participants reported feeling isolated and believed that they had no one to talk to about these pressures and the effects on their moods and outlook on life. Of these participants, it was more common for them to cope alone with exercise or food and alcohol. However, a few did report seeking professional support due to these pressures.

In a few instances, participants explained that the stress and longer hours have impacted their physical health. For some these were new conditions brought on by the stress or as a result of their coping strategies, such as weight gain. Others noted existing medical conditions they had to be watchful of returning or worsening, such as high blood pressure or panic attacks. Due to the sensitive nature of these mental and physical health impacts, it is possible that these effects have been underreported and are in-fact more widespread amongst small business owners.

Coping strategies

Efforts to improve profit margins

The circumstances surrounding the price increases presented a unique challenge for small business owners, who were often the last in a supply chain line that had been impacted by inflation, before reaching the customer. The ongoing cost-of-living crisis added additional pressure to not pass the full difference on to customers, especially in small or low income communities. They then had to balance between how much of the price increases they could absorb without negatively affecting the business.

Instead, many businesses reported trying to make strategic business management decisions to decrease their costs by as much as possible or improve existing sales. These strategies

included negotiating with their inventory suppliers, adding or removing products to try and entice sales or reduce their energy usage, and reducing staff or operating hours. While it was standard in the leisure and hospitality sector to negotiate with inventory supplies, they also had to be careful to maintain their quality standards and not lose customers. Other participants emphasised that there was exceedingly little flexibility in the price they buy at and what they can sell it for based on nearby competition, particularly in the retail sector.

Finding this balance, has added to business owners' stress levels. The 20% VAT payment was especially burdensome as profit margins continued to shrink, with many suggesting that changes should be made, at least for small businesses to be able to survive. A lower VAT rate, similar to the one in the Republic of Ireland, was cited as a solution or likewise increasing the threshold before payment to help small businesses keep more of their earnings.

Hesitation over price rises

To offset rising energy and wider business costs, participants considered increasing their prices, but many were reluctant to do so. As costs continued to rise, they questioned how long they could keep passing these increases on to customers and what would happen when this was no longer possible. These concerns were intensified by the cost-of-living crisis, which had already led to reduced customer spending. Participants explained that raising prices further risked losing customers and damaging profitability. This was particularly evident in the hospitality and retail sectors: retailers were often unable to raise prices enough to cover costs, while hospitality businesses were mindful of remaining affordable in relation to their location and competition. As a result, many participants viewed the future of small businesses in these sectors as uncertain.

New energy efficient technology to reduce usage

As a way of coping with rising energy bills, some participants introduced rationing measures to help reduce costs where these could be implemented without disrupting business operations. The most common approach was to switch off lights and appliances when they were not in use and to ensure staff followed these practices as part of efforts to keep energy spending down. In some cases, participants also reported limiting their heating use or alternatively relying on electric heaters to reduce expenditure on gas or oil. However, participants were also quick to emphasise that energy is an essential part of their business and for some these changes did not make a huge impact to their usage.

Although many participants recognised that energy efficiency improvements could help reduce their energy bills over time, the upfront cost of making these changes was widely seen as a major barrier. While some had already switched over to some energy saving equipment, others were in the process of switching as and when they could afford a new upgrade. Despite acknowledging the potential long-term savings, participants emphasised that the cost of implementing these improvements often made them difficult to pursue. This may improve if small business owners knew the individual energy usage of each appliance or piece of equipment in the business, so that they could compare the usage against newer machinery and complete a return-on-investment analysis. This would also require energy prices to stabilise in order to remove the uncertainty and help business owners take on the risk of

purchasing new equipment. Likewise, government grants or funding schemes to help businesses switch to energy saving technologies would be beneficial to many participants.

Improve supplier support and communication

While many participants did not have much to say or reported that their suppliers were helpful when they reached out, there were a few instances of businesses struggling to get out of arrears which were insightful. In these instances, participants reported issues due to minimal communication from the supplier that resulted in increased or surprising charges, such as irregular meter readings, falling out of contract and being put on a higher tariff and direct debits that did not align with the businesses' seasonal usage. Improved compensation for misaligned charges or contract options to account for seasonality would be beneficial for small businesses.

A few specific circumstances were reported by newer businesses being overcharged or having their deposits withheld that owners felt they were ill-equipped to handle as new businesses. Another complained of being charged over £100 per letter delivery, which made it difficult to get out of arrears with his electricity supplier. These experiences indicate that more could be done to facilitate communication and set expectations between these suppliers and consumers.

Many businesses were aware they could contact their energy suppliers for support, as they were often contacting inventory suppliers to negotiate prices. However, when it came to their energy suppliers, a reported barrier was that they could not negotiate the price once they were in contract with the supplier. It was also common for most businesses to assume they could not negotiate the price even before signing the contract. Many felt that all the supplier would be able to do is grant an extension, which some had done, but noted they still had to pay the bill eventually. If there was room for flexibility in the price or an awareness of consumers' ability to negotiate with their suppliers, then this may alleviate the reported barrier.

Future energy support needs

Price controls or guarantees to alleviate energy uncertainty

The most commonly referenced energy support that participants listed was a reduced, regulated, guaranteed or capped price. Especially for small businesses operating under the current circumstances, many felt this would help alleviate their financial pressures, stress and improve their outlook for continuing the business. Ensuring prices could not rise above a certain amount would help businesses manage their costs, plan for the future, and reduce their risk aversion. While participants from every sector were in agreement that this guarantee should at least be available to small businesses to help them survive, those in the community and voluntary sector may also benefit from government funding that is directly focused on the maintenance on their buildings to help alleviate their particular financial pressures.

Simplify support information in a directory format

There was a lack of knowledge and awareness around what support was available to small businesses. A few participants insisted that there was no support whatsoever to help them with their energy costs or business expenses, while others had accessed support but were disappointed with the experience. Overall, participants felt that it was too time-consuming to find the support. Therefore, participants felt that not only should there more awareness of what support is available, but the support itself needs to be simplified and streamlined to make it more accessible to time-restricted business owners. Several noted that a well-known directory for business support and grant opportunities would help alleviate some of these concerns. A few felt that this should also include supplier energy prices to help businesses access and compare unit prices, since switching was also noted as a time-consuming process.

Need for proactive support and communication

A common criticism amongst participants was the perceived inactivity of many suppliers, business organisations and the Utility Regulator which contributed to participants' feelings of loneliness or isolation without sufficient support or adequate communication. Participants stressed the importance of pro-active support as they often did not have the time to go looking for information themselves. Some theorised that this type of support could include reaching out to business owners to explain various support mechanisms, such as grants, new energy saving technologies or other business advice that would be advantageous. Ultimately, participants are looking for pro-active communication and transparency on how particular support could be applicable to them, and beneficial to saving on their energy and business expenses.

Recommendations for the Utility Regulator

Based on the conclusions outlined above, the following paragraphs detail recommendations the Utility Regulator can consider to inform their Consumer Protection Programme 2024-2029.

Improved outreach and awareness

The Utility Regulator should adopt a more visible and proactive role in relation to the needs of small business consumers. Participants were often unclear about the nature and extent of the support available from the Utility Regulator, and some perceived that it had not previously played a sufficiently prominent role in addressing the challenges faced by businesses. In this context, the Utility Regulator should strengthen its public-facing role and provide clearer information on its remit, powers and available sources of support for business customers.

Guidance and signposting

Similarly, the Utility Regulator could help provide guidance and act as a known signpost to other energy support services. Business owners expressed frustration that there was no support for understanding their individual appliances' energy usage or guidance on energy saving measures for businesses. This then affected their confidence making decisions to upgrade to energy efficient equipment and in some instances their choice of energy contracts.

Time concerns were also raised by participants, explaining that a central place to look would make researching solutions more manageable. Considering business owners called for a directory of wider business supports, the Utility Regulator could implement this from an energy standpoint and provide guidance and signposting to other energy support services in Northern Ireland. This would need to be effectively communicated to business owners to achieve awareness.

Contract support and transparency

The Utility Regulator should seek to improve market transparency by providing clearer and more accessible guidance on tariffs, pricing structures and the options available to business customers. Although many participants reported that they were able to understand their bills, they also described the process of comparing prices and assessing tariff suitability as difficult and time-consuming. The Utility Regulator should respond by improving the availability and awareness of information on tariff trends, simplifying comparison information and supporting business customers to make informed and timely decisions. This could be guidance the Utility Regulator supplies to consumers themselves or acts as a signpost guide for this information.

Help close the communication gap between suppliers and consumers

There is evidence of a gap in the level of support available to business customers when engaging with energy suppliers, particularly where businesses encounter difficulties in accessing support or resolving disputes. Strengthening the Utility Regulator's role in providing oversight, support and advocacy in these interactions could help address these challenges. Similarly, helping to signpost these businesses to the Consumer Council, who does play a role in supporting consumers with supplier issues, could alleviate some of these concerns. In particular, there is a need for enhanced assistance for businesses stuck in arrears, and new businesses navigating the energy market and suppliers for the first time to help improve access to support and facilitate more effective resolutions. In addition, clearer expectations for supplier engagement and stronger mechanisms for accountability would help promote fair, consistent and constructive engagement in the energy market and potentially alleviate consumers financial pressures.

Consideration for further energy changes

Regulating tariffs

The Utility Regulator could explore measures to improve affordability and price certainty for small business consumers to address tariff volatility, reduce uncertainty. This would help to reduce financial pressure and support effective business planning. The Utility Regulator should also consider whether reduced tariffs or targeted protections could be made available to sectors facing particularly high energy-related costs, especially leisure and hospitality and the community and voluntary sector.

Advocating for further energy improvements

Similarly, calls for government energy funding schemes and network investments are not actionable under the Utility Regulator's powers. However, the Utility Regulator should consider these concerns as part of their relevant regulatory and price control processes.