

SSE Airtricity's response to the Call for Input - Review of the Regulation of the Non-Domestic Energy Retail Market

29th January 2024

Introduction

SSE Airtricity welcomes this opportunity to respond to the Call for Input on the Review of the Regulation of the Non-Domestic Energy Retail Market. As a supplier of gas and electricity to non-domestic consumers, we would welcome a wide-ranging review of the protections currently in place and potential improvements to be considered for all non-domestic customers. SSE Airtricity has supported fair outcomes and transparency for all consumers. SSE Airtricity's notes that this market is fully competitive, and as such business customers service levels must rise to meet the expectations of this cohort of active customers. As such the level of intervention required in this market is minimal noting that any intervention should reflect customer size and capability to engage with the market.

The response will address each of the identified areas referenced in the Call for Input:

1. Operation of TPIs
2. Treatment of Debt
3. Transparency and Information
4. Contract Terms

Operation of TPIs

Question: Do non-domestic consumers require regulatory protection when engaging with TPIs in the energy market in Northern Ireland? Please provide any information to support your answer.

SSE Airtricity recognises the value in understanding the operation of TPIs in Northern Ireland. It is important to note that services offered by TPIs can vary dependent on the terms of their agreement with the customer, which is outside the control of suppliers. However, we have experience with TPIs facilitating two distinct roles on behalf of customers:

- a) Brokers - One-off contract execution
- b) Account Management – intermediary relationship for the duration of the contract

In the role of Brokers, TPIs can bridge the knowledge gap for customers who may not deal directly with suppliers and enable them to procure the most suitable energy contract for them, based on their energy needs, risk appetite, pricing preferences, and sustainability requirements. We understand that these outcomes are positive for customer as it enables them to make informed decisions on their energy needs. SSE Airtricity confirms the contract is understood by the customer. This includes direct confirmation of agreed terms and conditions as well as product details and the opportunity for the customer to raise any concerns with us. It is within a supplier's interest as it mitigates any customer dissatisfaction with contracts.

For SME TPIs, we have recently developed a Non-Domestic Voluntary Code of Practice. The Code of Practice is centred on four objectives, each with several standards that customers can expect from SSE Airtricity:

- Objective 1: To have complete and accurate contracts.
- Objective 2: To ensure our customers understand their contracts and products.
- Objective 3: To present contracts and products in a full and professional manner; and,
- Objective 4: To ensure our customers' requirements are met.

In addition, within the voluntary Code of Practice above, we are establishing a new governance framework for TPIs, which will determine how we interact going forward. This new measure is an example of best practice which can be implemented and delivered to protect consumers without prescribed regulatory intervention.

On the account management side, TPIs can assist businesses in billing, invoicing, and usage analysis. SSE Airtricity recognises that this can be beneficial for some customers. However, it is vital that account management including the payment of bills is adhered to by the TPI as a service provider to ensure no unintended consequences for customers or suppliers.

Treatment of Debt

Question: What are your views / experiences of the treatment of non-domestic consumers in debt by suppliers in the retail energy market in Northern Ireland? Please provide examples where possible.

At SSE Airtricity, we continue to prioritise a sustained and sustainable approach to debt treatment. Our practices are based on engagement and responsible financial management.

SSE Airtricity provides information to customers throughout their contract with us, from sign-up to monthly or quarterly billing. If a customer fall into financial difficulties, SSE Airtricity operate on an engagement-first approach, to find a suitable resolution for both parties. Where a payment is missed, SSE Airtricity will begin a correspondence cycle to inform the customer of their situation and offer support to potentially resolve the matter. For example, in our Electricity business, the cycle of correspondence will be (dependent on the credit rating of the company) can include the following:

- Reminder Letter
- Collection Call
- Reminder Letter 2
- De-Energisation Call
- De-Energisation Notice
- De-Energisation NPA

The onus is on the customer to engage with us. When they do, we will put in place a repayment approach that aims to be sustainable for both parties and prevents the customer falling further into arrears. By facilitating open communication and understanding individual circumstances, we aim to ensure that debt repayment remains manageable and sustainable for both parties.

Question: Should certain non-domestic consumers (such as small and microbusinesses) be provided a similar level of protection as domestic consumers regarding treatment of debt? (e.g. as is provided in CoP on the Payment of Bills).

SSE Airtricity commits to fair engagement and outcomes for all customers. Given the scope of this question, we focused on our SME customers who are segmented based on their contractual agreement. As detailed above, SSE Airtricity provides information to customers throughout their contract with us, from sign-up to monthly or quarterly billing. We recognise that small and microbusinesses have different business needs than medium and large energy users, so we accommodate this in our credit control cycles. As such, we would be concerned about prescriptive requirements being imposed on suppliers as businesses by their nature can differ significantly. This means a bespoke debt management approach focused on engagement with the customer in a sustainable way, for both supplier and customer, is the desired outcome. Ultimately, given that business customers are often high value consumers it is always preferable for a supplier to put a sustainable repayment plan in place.

Transparency and Information

Question: To what extent do you believe the communications from suppliers to non-domestic consumers are clear and transparent (e.g. billing, renewal agreements, etc)? Please provide examples where possible.

As a supplier, SSE Airtricity understands the need for clear and transparent communication. To achieve this, we use robust governance structures to scrutinise customer correspondence to ensure a consistent level of information. For example, in our sales process we provide a clear and concise breakdown of pricing structures, a sales checklist highlighting key aspects of the sale, comprehensive product information and completion correspondence to ensure the consumer is informed. Furthermore, alongside our targeted correspondence, we use our website to disseminate useful information on our Codes of Practice and Terms & Conditions. By prioritising effective communication, that is clear and transparent, SSE Airtricity offer non-domestic customers the support and information they need to navigate the complexities of the energy market.

Question: Do you believe that there is sufficient market information available for non-domestic consumers to make informed choices around their energy needs? Please provide details and your reasons.

SSE Airtricity is committed to equipping non-domestic consumers with the information they need to make informed decisions about their energy needs. We prioritise transparency by offering clear communication channels, user-friendly online services, and a dedicated customer service and sales team. While we strive to provide detailed and transparent insights into our offerings, we do acknowledge areas for improvement at an industry level, particularly in the need for a more robust price comparison framework. SSE Airtricity would welcome a review of the Marketing Code of Practice for Business Customers to assess the need for a comparison beyond unit rate, including how SME energy products of varying risk profile are presented to customers.

Contract Terms

Question: Are you aware of any onerous or unfair contract terms which impact a non-domestic consumers ability to engage with the retail energy market in Northern Ireland fairly, or are there any contract terms and conditions that you have concerns about? Please provide evidence for your views and details of any specific examples.

At SSE Airtricity, we are committed to the prevention of any onerous or unfair contract terms that adversely impact the ability of non-domestic consumers to engage with the retail energy market in Northern Ireland fairly. SSE Airtricity is committed to equitable contractual practices and uses a robust governance structure as well as our dedicated legal team to mitigate the potential of unethical or illegal practices to ensure a fair outcome for consumers.