



Jonathan Brearley
Chief Executive
Ofgem
10 South Colonnade,
Canary Wharf
London E14 4PU

24 July 2023

Call for Ofgem to take urgent action on hidden energy broker charges affecting some of the UK's most vulnerable people and the sectors worst hit by cost-of-living crisis

Dear Jonathan

Not-for-profit organisation Box Power along with leading organisations and associations including Care England, Independent Care Group, the British Retail Consortium, Hospitality UK, the Federation of Independent Retailers, the British Independent Retailers Association, the Association of Convenience Stores and the National Council for Voluntary Organisations, are challenging Ofgem to finally take decisive action and remove energy broker 'TPI' exploitation, by bringing pre-contract broker cost transparency paid by the businesses within their energy supply contracts to all business sectors and not just the micro-business sector as at present.

We can see no justification for allowing so many businesses and organisations operating in the sectors among the worst hit by the cost-of-living crisis including social care, hospitality and retail among others to be exploited from this basic lack of fee disclosure. We are now calling for you to immediately offer guidance to suppliers that you wish this to be considered as good practice with amended legislation to follow to ensure that it happens at last.

It seems clear that you had deemed the practice was such an issue and inappropriate for the micro-business sector that you brought about legislation to protect that sector Supplier Licence Condition 7A.10C.2" but Ofgem seems to have abandoned larger SMEs and other businesses.

This refusal to support the non-micro business community is costing businesses valuable funds when they can least afford it. It encourages unethical brokers to take advantage of businesses, enticing them to pay excessive commission fees which they have unknowingly agreed to.

We cannot afford to wait for further reviews on this issue. We have the support of some of the biggest voices representing the UK's most hard-hit sectors. If you continue to fail the business community by allowing this exploitation to continue, we will raise this direct with Government who we believe may offer their own guidance on this matter to bypass Ofgem.

We do not agree that larger businesses are able to look after their own interests, that just because this is a long-standing arrangement that it should continue or that Ofgem are best placed looking at issues affecting microbusinesses only. A broker was easily able to add nearly £12,000 in commission onto a £49,000 gas contract for a single care home. This example shows how unscrupulous brokers are taking advantage of businesses that can ill-afford it, ultimately loading costs on to the customer who include some of the most vulnerable people in the UK. Many businesses and organisations have limited subject matter knowledge as they may only buy their energy every other year when needed.

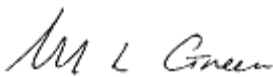
As it is the business who is paying for such fees (within their rates), then they must have Ofgem protection. This would ensure they know what they are paying (ie total commission value) in return for the service they receive. On behalf of the wider business community please urgently introduce guidance and appropriate legislation that resolves this issue to help stop these vulnerable sectors being taken advantage of.

A deregulated market exists to bring about lower energy prices for the business community through competing energy suppliers. The TPI brokerage sector surely exists to add further value by helping business navigate that process. This introduction would bring the costs down for the business community, increase trust and fairness in the TPI industry and also provide a level playing field for all suppliers to work to.

We believe now is the time to stand up for the non-micro sector and immediately bring in this transparency to remove the chance of further exploitation and we urgently await your response.



Corin Dalby, Chief Executive, Box Power CIC



Martin Green, Chief Executive, Care England



Kate Nicholls, Chief Executive, UKHospitality



Helen Dickinson, Chief Executive, British Retail Consortium



Muntazir Dipoti, National President, Federation of Independent Retailers



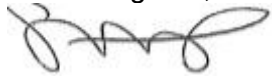
James Lowman
Chief Executive, Association of Convenience Stores



Andrew Goodacre, Chief Executive, British Independent Retailers Association



Mike Padgham, Chair, Independent Care Group



Sarah Vibert, Chief Executive, National Council for Voluntary Organisations

About Box Power CIC:

Box Power is a philanthropic not-for-profit energy consultancy and completely unique in the UK. We donate 100% of our profits to charity and have won the following awards in 2023:

- **Telca** "Do the Right Thing" award.
- **Federation Small Business** Community Award.
- Box Power Chief Executive Corin Dalby was named Businessperson of the Year in the 2023 **Manchester Evening News Business Awards**

Please feel free to use our hashtag for this campaign on social media: #brokerfees.

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