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PRESS RELEASE:

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Ofgem challenged to take immediate action on hidden energy costs by leading associations including Care England, the British Retail Consortium and UKHospitality

Leading associations from sectors including hospitality, retail and social care have signed an open letter organised by leading not-for-profit energy consultancy Box Power CIC challenging the energy regulator Ofgem to take 'immediate' action on hidden charges by energy brokers, stating that the businesses they represent which are among the worst hit by the pandemic and the cost-of-living crisis are being taken advantage of.

Eight leading groups: **UKHospitality, Care England, the British Retail Consortium, the Federation of Independent Retailers, the Association of Convenience Stores, British Independent Retailers' Association, the Independent Care Group and the National Council for Voluntary Organisations** say the problem has been allowed to continue unchecked for too long and that there is no reason for Ofgem to say that energy broker fees must be transparent for micro-businesses and the same not be true for larger SMEs and bigger organisations.

In one example gathered by Box Power, the energy consultancy found a commission fee of £12,000 had been easily applied to a £49,000 contract for one of 16 care homes operated by the provider for up to 1,200 patients in total. The signatories say this shows how unscrupulous brokers are taking advantage of businesses who can ill-afford it, which will be needlessly ramping up prices for customers in the process.

While legislation for greater transparency has already been introduced for very small businesses, who are known as micro-businesses, under Supplier Licence Conditions, Box Power CIC and the other signatories say the regulator has 'abandoned' other firms and organisations.

The letter states: "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."

Uniquely in the UK, Box Power channels all its profits back into good causes, giving £800,000 to local and regional charities in 2021. Corin Dalby, the CEO of Box Power CIC

who organised the letter, says they will bypass Ofgem and seek help from the Government if the regulator fails to act.

He says: “For there to be trust, there must be transparency. They shouldn’t have to argue for support from the organisation created to protect all consumers. Rogue brokers are adding excessive commissions and all the while it is the end user who is paying for it.

“Transparency should be a given, so whatever the level of commission the business is fully aware and in agreement.

“Not only that but now businesses are incurring even higher energy prices, some brokers are adding even higher fees because they think they can get away with it. This is an extra burden on businesses at exactly the point they can least afford it. We refuse to stand by and allow this to continue and will do all we can to ensure this is brought to a stop.”

Business and industry have been using energy brokers for years and the issue of hidden charges is nothing new.

But this is the first-time leading bodies have come together to denounce the situation and call for urgent reform of the system, driven by the rising cost-of-living and pressures on their members with soaring inflation and reduced profits.

Those who use brokers could be seeing thousands of pounds more on their bill because of extortionate commission fees.

But if the regulator simply added greater transparency to the legislation monitoring energy and brokers, this could significantly reduce the bill for business. The signatories want fee disclosure for all firms, 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.

Andrew Goodacre, the CEO of the British Independent Retailers Association, says: “It is vital for all businesses to have transparency with their energy bills and any other costs associated with the supply of energy. The recent significant increases in the cost of energy have made this even more important.”

Muntazir Dipoti, The Fed’s National President, adds: “Independent convenience retailers are the fabric of society and play a critical role in their communities, but with the cost of doing business soaring, many Fed members are struggling to stay in business.

“It is, therefore, critical that Ofgem takes action against these hidden charges to prevent even more retailers being left severely out of pocket.”

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About Box Power:

Founded in 2014, Box Power CIC is the UK's first philanthropic not-for-profit energy consultancy for business. In 2021, Box Power donated £800,000 to north west charities. Box Power have won the following current awards:

- **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 three hashtags for this campaign on social media: #boxcampaign, #transparencynow, #ofgemletter.