

# How to switch energy supplier – advice for small businesses

## You and your energy supplier

### Avoiding the pitfalls

Small businesses do not have the same legal protections as domestic customers when switching energy suppliers, although there is extra protection for micro-businesses.

A micro-business is one that meets at least one of the following criteria:

- consumes less than 200,000 kWh of gas a year
- consumes less than 55,000 kWh of electricity a year
- has fewer than 10 employees (or their full-time equivalent) and an annual turnover or annual balance sheet total not exceeding €2 million

A small business is bigger than a micro-business but has less than 50 employees.

This leaflet has practical advice for avoiding potential pitfalls and getting the best deal for your business.

### How to switch suppliers at the end of your contract

If you have a fixed-term energy contract, you must follow the correct termination procedure when the fixed term is coming to an end to avoid a termination fee.

If you are considering leaving your contract early, check the termination fee with your energy supplier. The exact cost varies between energy suppliers but can be as much as six months worth of estimated energy use.

There will be a period of time before your contract ends called the transfer window. Check with your energy supplier when this transfer window is because you may have to tell them of your intention to switch to another supplier during this period.

### Micro-businesses and the transfer window

If you have a micro-business and signed a contract after 18 January 2010, your energy supplier will send you notification of your contract ending 60-120 days in advance.

You have 30 days from the date of this notification to renew your contract by letting it roll over or switch to another energy supplier.

### If you miss your transfer window

If you do not switch during the transfer window, your current energy supplier is likely to block your request to leave.

## Information you need when getting quotes from suppliers

You will need the following information when getting quotes or issuing a formal tender. Make sure you include the information for all your business premises.

- 1 Full address and postcode for all your premises
- 2 The reference numbers for all meter points as shown on your energy bills. This could be the meter point reference numbers (MPRN) for gas meters and the meter point or administration numbers (MPAN), also known as the supply or 's' number, for electricity meters. You may have more than one meter point at your premises and you can check this with your energy supplier
- 3 The meter serial numbers printed on your meters. Your energy supplier can arrange to come out and read these for you, although they may charge for doing this
- 4 An estimate of your annual energy use
- 5 The nature of your businesses including whether it is a micro-business
- 6 Your energy use patterns. Different prices or tariffs may apply depending on seasonal changes or the time of day when most energy is used
- 7 Your most recent energy bill

## Useful questions to ask energy suppliers

These questions can help you get the best deal for your business. In particular, you need to look at price per unit, length of contract and how to leave the contract at a later date.

### Prices

- 1 What is the price per unit?
- 2 Are there any fixed or standing charges?
- 3 For electricity, are there any capacity charges per KVA?
- 4 Do you offer special tariffs for micro-businesses?
- 5 Do I qualify for a special micro-business tariff?
- 6 What payment term options are there?
- 7 Am I committed to a minimum or maximum volume of energy use?
- 8 What charges will I incur if I use more or less than a committed amount of energy?

### Fixed and variable charges

- 1 Are charges fixed or variable?
- 2 If they are fixed, how long for?
- 3 If they are variable, which parts can change?

### Fixed-term conditions

- 1 What is the length of the fixed term?
- 2 What happens at the end of the fixed term if I decide to stay with you?
- 3 What do I have to do if I want to end the contract early?

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## Contract changes

- 1 How will you tell me of any changes to the contract?
- 2 Can prices change during the life of the contract?
- 3 How will you tell me about any price changes during the contract?

## Switching energy suppliers

- 1 How do I have to contact you if I want to switch to another energy supplier?
- 2 When do I have to contact you if I want to switch to another energy supplier?
- 3 In what circumstances can you stop me from switching to another energy supplier?

## End of the contract

- 1 What happens at the end of my contract or fixed-term period if I do not want to renew my contract?
- 2 What do I need to do if I do not want to renew my contract?
- 3 Will you remind me in advance of the contract end date?

## Further information

- 1 Who can I contact for more information about my contract?
- 2 What further information do you need from me?

## Cutting off your energy supply

- 1 Under what circumstances can my energy supply be cut off?
- 2 How much warning would you give me that you are going to cut off my energy supply?
- 3 How would you inform me that you are going to cut off my energy supply?

## How to save money during the contract renewal process

These tips can help you save money.

- 1 Have to hand all the information listed on page 2
- 2 Give yourself plenty of time to shop around before the transfer window closes
- 3 Check prices and conditions with a range of energy suppliers
- 4 Ask energy suppliers what price changes they intend to make if you decide to continue with them when the fixed term expires
- 5 Try to negotiate better prices and terms with your current energy supplier

## Brokers

Brokers, or third-party intermediaries, negotiate contracts with energy suppliers on behalf of businesses. A broker may be able to get a better deal than you could on your own. There are a number of things you should check before appointing a broker.

- 1 How much commission does the broker receive and who pays it?
- 2 Do they work with all energy suppliers or only certain suppliers and products?
- 3 Is the price they are offering valid for one year or the full term of the contract?
- 4 How long are you locked into the contract they are recommending?
- 5 What is the termination fee on the contract they are recommending?
- 6 Is the broker accredited by the Utilities Intermediaries Association (UIA), the trade body that insists on certain standards of conduct?

Ask for a cooling-off period before signing up to a fixed-term contract so that you can research their suggested offer against other deals on the market.

Make sure you get a written copy of any suggested contracts and read the small print.

## **If your existing energy supplier won't let you switch**

Your existing energy supplier can object to you switching to another supplier for a number of reasons. Each energy supplier has different objection policies and you should check this before you start the switching process. There are three common reasons.

You are still under contract. Check the dates of your transfer window, and make sure you start the switching process during this period.

You owe them money. Make sure any debt is paid off before the contract is terminated. The transfer process can take up to three months so it is likely the account will accrue debt during the transfer process. Ensure your final bill is paid off as quickly as possible.

You are not authorised to change supplier. This could be because the cost of your energy is included in the rent you pay to your landlord.

## **What to do if you don't have a new contract when your existing contract ends**

When your existing contract ends, it will automatically roll over on the same terms and conditions for a further 12 months.

If you do not want this to happen, make sure you know the dates of your transfer window.

### **How Consumer Focus can help – [www.consumerfocus.org.uk](http://www.consumerfocus.org.uk)**

Energy suppliers' details are on the Consumer Focus website.

Internet energy price comparison websites recommended by Consumer Focus have the Consumer Focus Confidence Code logo on their home page.

### **How Consumer Direct can help – 08454 04 05 06**

**Consumer Direct is a free independent advice service and they can:**

- 1 tell you what your rights are
- 2 give you independent advice
- 3 give you information about free services from energy suppliers

### **You and your energy supplier – a series of five leaflets**

*What to do when it is difficult to pay your energy bills*

*Are you missing out on free services and other benefits?*

*How to make a complaint*

*How to switch energy suppliers*

*Switching energy suppliers when you owe money to your current supplier*

**For more information, or to receive this leaflet in an alternative format, please telephone on 020 7799 7900 or via email [contact@consumerfocus.org.uk](mailto:contact@consumerfocus.org.uk).**