

New Small Business Energy Rules 'Confusing'



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Author: uSwitchforBusiness.com

Industry: [Energy](#)

Ofgem's new rules for the small [business energy](#) market come into play tomorrow - Monday 18th January, 2010. While designed to give greater protection to Britain's SMEs, according to uSwitchforbusiness.com, the dedicated SME price comparison and switching service, the rules are in danger of confusing business owners and put too much onus on them to take action.

Jake Ridge, small business expert at uSwitchforbusiness.com, says:

"Ofgem is doing the right thing in offering Britain's SMEs greater protection in the energy market. However, these new rules have fallen far short of the simple blanket ban on evergreen or rollover contracts that was initially proposed and, as a result, are in danger of confusing busy SME owners.

"Small businesses need to understand the rules quickly to ensure that they benefit from the additional protection being offered. The key thing is that the rules only apply if you are a micro-business so check whether you qualify and let your energy company know straight away if you do. This means that when you come to renew your contract your supplier must provide you with clear written details of the full terms and conditions plus ensure you get suitable notice so that you can shop around for a new deal. Check with your supplier if you are unsure when your current contract will end.

"You also now have the right to opt out of being rolled-over - as soon as you sign a new energy deal let the supplier know you are opting out and this means that you can only be put onto a 28 day notice rollover plan at the end of your contract leaving you free to move to a better deal.

"The rules are complicated and unfortunately put too much onus on SME owners. But it's a step in the right direction and should hopefully see more small businesses avoid the expensive trap of 'evergreen' energy contracts."

The new rules only apply to micro-businesses, which Ofgem defines as a company that meets any one of the following criteria:

- Consumes less than 200,000 kWh of gas per annum
- Consumes less than 55,000 kWh of electricity a year
- Has less than ten employees (or the full-time equivalent) and an annual turnover or annual balance sheet total of Euro 2 million or less.

uSwitchforBusiness.com's guide to cutting business energy bills

- Make a note of your renewal date on your current contract and make sure you start searching for a new deal before it comes up
- Have recent electricity and gas bills to hand so that you can supply accurate usage details along with the reference numbers of your meters (MPRN for gas and MPAN for electricity)
- Go online to arrange a call back or call your broker direct to discuss your needs
- Once you have your quotes, decide whether to switch or not
- If you switch, you will need to give termination notice to your current business energy supplier and agree to your new contract - all other paperwork is dealt with for you
- The whole process takes between 4 - 6 weeks - your new supplier will advise you of the switching date
- There will be no interruption of supply while the switch is being processed.

[See the full version of this press release](#)

For more information please contact:
Jo Ganly 0207 802 2915 / joganly@uswitch.com

About

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