

# Voluntary Standards for backbilling of microbusiness energy customers

March 2015

Preamble

These Standards:

1. Will apply to microbusinesses. A microbusiness is defined as a business which:
  - a) Consumes no more than 293,000kWh of gas or 100,000kWh of electricity each year; or
  - b) Has fewer than ten employees and an annual turnover not exceeding €2m
2. Has fewer than ten employees and an annual turnover not exceeding €2m
3. Will be open to all energy suppliers to sign up to;<sup>1</sup>
4. Will be contained within a document that Energy UK and ICOSS will carry on their websites;<sup>2</sup>
5. Will form a minimum requirement that suppliers may go beyond if they wish;
6. Can be used by the Ombudsman in its rulings to make awards based on its usual compensation rules;
7. Can be used by the Citizen's Advice Consumer Service, the Extra Help Unit and other advice and support providers;
8. Were reviewed by signatories and other relevant stakeholders in Oct 2013, March 2014 and March 2015 – and will be reviewed again by May 2016.

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<sup>1</sup> Suppliers can sign up to these standards by addressing a letter to Energy UK and ICOSS stating their intention to become signatories and the date from which they commit to be compliant with these Voluntary Standards. The Supplier will then be listed in Annex B of this document.

<sup>2</sup> Note that while Energy UK and ICOSS will carry a verbatim version of this document on its website, suppliers may decide to use alternative wording that will replicate the effect and commitments contained in the standards and that will refer back to the master document.

### **Standard 1: Customer responsibilities in relation to bills**

Customers should pay for energy they have used and should help their supplier with obtaining meter readings and resolving queries.

#### **1. When you move into new premises:**

- Check thoroughly to see how many meters there are on your premises.
- Register with a supplier straightaway.
- Read the meters, and make sure your gas and electricity supplier has your correct name and address - it is your responsibility to ensure your supplier knows your details.
- If you have not registered with a gas or electricity supplier you are deemed to have an energy contract with the supplier that was previously supplying your property. You are expected to pay your bill for any energy consumed.
- Any communication from a supplier addressed to you or the occupier should be opened and read.
- If you do not receive any correspondence from an energy supplier, or the correspondence is addressed to someone else, you must take steps to find out who your supplier is<sup>3</sup> or to register with a new supplier.

#### **2. When you move out of a premises notify your energy supplier and give them readings for all of your meters** – This will help to ensure that you are only billed for the energy you have used.

3. **Give regular meter readings** - Energy Suppliers must take all reasonable steps to obtain a meter reading at least once a year but registering correct meter readings over the phone or online will help your supplier send you more accurate bills. It is your responsibility to make sure you provide access to meter points.
4. **If you think you're paying the wrong amount, contact your supplier as soon as possible** – Fixing the problem early on will avoid building up debt that is harder to pay off. If you are not sure if you are paying too much or too little, call your energy supplier. They can help you understand your energy use and may well be able to offer support, for example through allowing you to negotiate repayments you can manage.
5. **Regular billing** - Check with your supplier how frequently you should be billed. If you are not receiving bills as regularly as expected for all your meters, ensure you contact your supplier as soon as possible.
6. **Keep paying for your energy if you dispute a part of your bill** – Continue to pay for ongoing consumption and undisputed elements of your bill where all or part of a bill is disputed.

### **Standard 2- Understanding your energy suppliers' commitments**

Your supplier will endeavour to provide you with a clear and accurate bill.

1. Conduct regular meter readings – Your energy supplier will take all reasonable steps to Obtain a meter reading at least once every year.
2. Make it easy for customers to submit their own readings - Your supplier will provide you with information on how you can submit your own meter readings, either online, by post or by phone.
3. Provide customers with information on how they can help ensure an accurate bill – Your supplier will make available information on, for example, how to understand your bill and what to do if you believe the bill is inaccurate. Your supplier will endeavour to provide a bill that is

<sup>3</sup> To find out who your energy supplier is, you can contact Citizens Advice Consumer Service on 03454 04 05 06

clear and easy to understand. If you don't understand your bill contact your supplier who should be able to help.

4. Respond to meter readings provided by customers – Your energy supplier will, when an accurate meter reading is agreed, take all reasonable steps to reflect that reading in your next bill.
5. Working with others to help you out – If you do receive a backbill for energy that you have used, your supplier will make your payment options clear. If the bill might place you in financial difficulty and you need independent advice or support, your energy supplier will let you know where you can get advice from an external adviser. Where appropriate, your supplier will take this advice into account when dealing with your backbill.
6. Let you know your rights – Your energy supplier will make every effort to resolve any issue you have with a backbill through their own internal processes. In cases that have not been resolved in eight weeks or where a supplier feels it cannot resolve your complaint, the supplier must inform you of the dispute resolution that is available through the Ombudsman Services Energy<sup>4</sup>. Your supplier should also log all customer contact so that there will be a record of your complaint.

**Standard 3: Where a customer has fulfilled their responsibilities as outlined, suppliers will commit to limit any backbill to three years for electricity bills and to 4 years for a gas bill.**

This is a baseline commitment and any signatory to the standards can go beyond this period of limitation if they wish. If they decide to go beyond this period of limitation, this may be stated in any material produced that displays compliance with these standards or in other communications related to the topic.

This table provides details of each supplier's individual back-billing limitation periods, where a customer has fulfilled their responsibilities:

Supplier	Maximum backbill length – gas	Maximum backbill length - electricity
British Gas Business	1 year	1 year
Corona Energy	4 years	3 years
Dong Energy	2 years	2 years
EDF Energy	1 year	1 year
E.ON	1 year	1 year
Gazprom	4 years	3 years
npower	1 year	1 year
Opus Energy	1 year	1 year
ScottishPower	1 year	1 year
SSE	1 year	1 year
Total Gas and Power	1 year	1 year

<sup>4</sup> Your supplier has a duty to try to resolve your complaint through their internal processes within 8 weeks. If eight weeks have passed or your supplier sends you a "deadlock letter" you can take your complaint to the Energy Ombudsman.

**Standard 4: Suppliers to take into account all relevant circumstances when dealing with a backbill**

When agreeing a repayment amount suppliers will take into account elements such as the age of the bill, length of the contract, payment history and the circumstances that resulted in the backbill. Where the customer clearly needs to repay a backbill over a period of time, the supplier may reflect the age of the bill when agreeing the repayment period.

If you do receive a backbill for energy that you have used, your supplier will make your payment options clear. If the bill might place you in financial difficulty and you need advice or support, your energy supplier will let you know where you can get independent advice. Where appropriate, your supplier will take this advice into account when dealing with your backbill.

This could include free advice from statutory bodies such as the Citizens Advice Consumer Service and Extra Help Unit, and charities such as Business Debtline and StepChange, or paid-for debt advice, legal representatives or insolvency practitioners.

**Standard 5: Suppliers to publicise the voluntary standards, as an industry, through communication channels and a targeted communications campaign**

Such a campaign will communicate principles and guidelines through consumer groups, business federations' publications and workshops, and through other targeted communications channels.

All signatories will agree to contribute to the activities of the industry communications plan.

Suppliers can get it wrong. If you believe this is the case and you cannot resolve your complaint after exhausting all available steps with your supplier, you can take your case to the Ombudsman Services Energy. You can call the Citizens Advice Consumer Service for free and impartial advice about your case at any stage.

## **Appendix A: Illustrative scenarios setting out microbusiness customer treatment in the context of a backbill**

For the avoidance of doubt, the below examples are aimed at giving some broad guidance on how customers and suppliers should behave under the above standards. Each case will be treated on its merits and not necessarily as indicated below.

### **Example 1: Supplier fault – Customer takes steps to resolve incorrect billing**

A customer owns a restaurant that has been on site for around thirty years, it closed four and half years ago for twelve months for refurbishment. When the restaurant reopened the customer noticed that his bills were far too low and even though it had the name of the business on the bill, the address was slightly incorrect. The customer continued to chase the supplier about this and had a lot of site visits from the supplier. In the end his engineer read the meter. This has led to the consumer receiving a back dated bill for 3 and a half years, for the sum of £75k. The customer has been advised by the supplier that he can pay this over five years, but this will be at a cost of five thousand and five hundred pounds a month including his usage.

#### Does the supplier's backbilling limit apply?

Yes. That the customer has taken steps to ensure that they are billed correctly should be taken into account when dealing with the backbill. The time limit for backbilling will apply and the supplier will only be able to issue a backbill for the duration it has agreed to under its commitments (see Standard 2). The supplier should take the fact that they took reasonable efforts to gain accurate meter readings into account when dealing with the customer, for example when setting repayment plans.

### **Example 2: Customer fault – Customer fails to provide access to meter point**

The supplier has attempted to read the customer's meter on a quarterly basis but has been unable to take readings as access to the meter has been blocked each time.

#### Does the supplier's backbilling limit apply?

No. As the consumer should have arranged for the meter to be accessible by themselves or the supplier, the supplier can bill as normal.

### **Example 3: Customer fault – Customer fails to read supplier communications**

A consumer received many bills from the supplier but ignored them because they were addressed to "the occupier" and made no attempt to register their detail with the supplier. The consumer continued to use energy however. When finally billed after a meter reading a very large backbill is presented.

#### Does the supplier's backbilling limit apply?

No. As the customer ignored communications and failed to send in meter readings over a prolonged period they should pay the backbill.

### **Example 4: Customer fault - Late change of tenancy**

The customer called the supplier to say they had moved in a year previously. This was the first contact the supplier had received informing them of the change of tenancy. The supplier advised the customer that they would need a copy of their lease agreement and that upon receipt of this the supplier would be able to amend the account. No contact was initiated by the customer until eight months later, when the customer contacted the supplier to advise of their new details.

#### **Does the supplier's backbilling limit apply?**

No. As the customer failed to inform the supplier that they had changed tenancy, the limit should not apply.

### **Example 5: Supplier fault - Fault with electricity meter**

The customer contacted the supplier as they hadn't received a bill for seven months. After investigating the issue, the supplier discovers that the metering details are incorrect following a meter exchange carried out three years before the date of the customer's call.

Does the supplier's backbilling limit apply?

Yes. The period of the electricity backbill is within the limits of the standard. However, as the customer has taken steps to ensure that they are billed correctly, this should be taken into account when dealing with the backbill.

#### **Example 6: Supplier fault – Failure to bill account**

A customer's electricity account was opened, but a fault occurred when setting up the account (the wrong type of meter was registered), and the account was never billed. The customer has alerted the supplier in good time.

Does the supplier's backbilling limit apply?

Yes. The period of the electricity backbill is within the limits of the standard. However, as the customer has taken steps to ensure that they are billed correctly, this should be taken into account when dealing with the backbill.