

(DON'T) ROLL WITH IT

The Office of Gas and Electricity Markets (Ofgem) U-turn on its proposal to ban automatic energy contract rollovers for micro businesses will anger salons up and down the land.

The energy markets regulator backtracked because of the worry raised that anyone reaching the end of their contract would be automatically put on "out of contract" or "deemed rates" – the highest possible charges – if customers failed to get in touch to negotiate a new contract or failed to switch to a new supplier.

The U-turn enables suppliers to roll over contracts for 12 months without customers negotiating a new deal which industry insiders say would not be as onerous as if they had been put on deemed rates which was the threat if a ban on automatic rollovers was imposed.

Ofgem is now proposing suppliers write to customers at least 30 days before they need to switch or negotiate a new contract. Customers will also be able to give notice that they wish to switch at any time from the inception of contract up to the close of the regular notice period rather than having to abide by the narrow windows some suppliers currently stipulate.

This may sound reasonable on the face of it but the problem as I see it is that energy companies are not renowned for communicating clearly and unless they brush up in this area, as indeed Ofgem has asked them to, customers might mistake a notice letter as junk mail or something other than it actually is and the letters might go unread.

So customers might still be rolled over onto a contract they are not happy with because of lack of clear communication, albeit that one of Ofgem's proposed measures following its consultation on last year's *Energy Supplier Probe* was that suppliers be required to inform small business customers clearly in writing of the key terms and conditions in their contract, especially those related to switching and contract rollover.

But I remain to be convinced, based on suppliers' past record on clear communications that clarity will be forthcoming, at least in the short to medium term which could mean lots of salons end up being rolled over for a year when they do not want to be.

It is imperative salon owners are made aware of when their contracts are due to end clearly and concisely – not in letters running to 15 pages – so they can make preparations in plenty of time either to stay with their existing supplier and negotiate their rate or to switch to a more competitive provider.



"Ofgem should have stuck to its guns...If energy companies communicate with customers in the way they should, there is no reason why anyone should be forced on to deemed rates."

Should the U-turn on the blanket rollover ban fall flat on its face, then Ofgem says it reserves the right to return to banning rollovers completely.

Ofgem should have stuck to its guns in the first place. If energy companies communicate with customers in the way that they should, there is no reason why anyone should be forced on to deemed rates.

Oh, and can you guess, apart from the energy companies, which organisation wanted the proposed ban on rollovers reversed?

It was **Consumer Focus**, the new body that was supposed to pick up where **energy-watch** left off defending the consumer and micro businesses.

A spokesman told me it feared "unintended consequences" of banning the rollover but he said in almost the same breath that he was staggered the rollover existed.

Now would someone please explain that to me like I'm a two year old please?

SALON TODAY WHO THEY?

When an editor asks a minister to write an article tailor-made for his readers, you might suppose said minister might put in a bit of effort

Ian Lucas, new business minister at the equally new **Department for Innovation, Business and Skills**, was supposed to tell readers what his department would do to help salon owners.

The article that came back was full of the government's own PR and historic information that was so general that it

told our readers nothing they did not know already, making it unpublishable.

The only reference made to our sector was as follows: *"I understand that some of the challenges faced by hairdressing salons are unique, but many are not."*

There's no flies on him then. But to cap it all, his department could not even get our name right.

"*Salon Today*", it called us.

Nicely done, minister!

Andrew Don
Editor