

Cost Of Energy Threatens Britain's 'Nation Of Shopkeepers'

- **Over half of Britain's micro-businesses (56 per cent) feel rising cost of energy is crippling their future**
- **71 per cent have been caught out by unexpected T&Cs**
- **45 per cent have been asked to make large upfront payments**
- **31 per cent are on a high tariff because they are seen as a credit risk**
- **21 per cent were turned down by energy suppliers**

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Shaun Underwood
Director
Utilita Business Energy

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A new survey has revealed that over half of UK micro-businesses (56 per cent) feel the rising cost of energy is threatening their future. The findings, from an independent study commissioned by Britain's fastest growing independent energy supplier, Utilita Energy, coincide with the start of Independent Retailer Month on 1 July.

It reveals that the majority of micro-businesses say they are currently penalised by energy providers with almost half (45 per cent) asked to make large upfront payments. A third (31 per cent) claim they are on a high tariff because they are seen as a credit risk, while one in five (21 per cent) were turned down by energy suppliers.

Alarmingly, seven per cent have been cut off - with dire commercial consequences - for missing a payment.

Almost half (42 per cent) feel they get an unfair deal from energy suppliers and over two thirds (71 per cent) say they have been caught out by unexpected T&Cs such as crippling rates, inflexible payment terms, high deposits and extended contracts.

As a result of the findings, Utilita is building on its success in the domestic market by launching into the commercial energy sector with a single tariff, flexible payment options and no upfront deposits.

Should customers face cash flow issues the provider will switch them onto a pay-as-you-go smart meter solution and roll up the current bill so that energy supply is maintained and businesses can carry on trading – improving their credit rating at the same time. More information can be found by visiting <https://utilita.co.uk/business>.

Shaun Underwood, Director of Utilita Business Energy, said: “We should be supporting Britain’s small businesses in these times of uncertainty – but it is clear that there are a significant and growing number of small businesses that appear to be treated unfairly and have very real concerns. I believe customers should not be asked to pay crippling up-front deposits when cash flow is a problem, should not be put onto discriminative contract rates and should not be punished or shunned by suppliers. We faced these very same issues in the early days so we really do understand.”

Clare Bailey, independent retail expert and high street campaigner, added: “Passionate, retail business owners are the life-blood of a place – not only do they break up the monotony of “clone-town Britain”, where the same chain stores, coffee shops and betting shops would otherwise populate our high streets, but they make a considerable commercial contribution. Statistics illustrate that for every £1 spent with a local, independent retailer, some 50p-70p circulates back into that same community. That same £1 spent in a chain store may only return 5p to the local economy. So, when you support local stores you are making 10 times more impact, boosting the economic health of your area.

“A secure, affordable energy supply is vital for these businesses; it literally ‘keeps the lights on’ and the business operating. It is clear from the results of the survey undertaken by Utilita that too many of our small businesses feel they are getting a raw deal on prices and how they are treated. This needs to change and I applaud the initiative by Utilita to give the sector a fairer deal.”

According to the Department for Business, Energy & Industrial Strategy, micro-businesses now account for an estimated 5.2 million UK private sector businesses making up approximately 94% of the UK private business sector*. Utilita’s independent survey of over 500 micro-business owners told us that, on average their fuel costs had increased by £215 in the last year.

Utilita has more than 535,000 domestic customers and almost 1,500 staff as of June, 2017. It was the first independent supplier to challenge the Big 6 in the smart pay-as-you-go domestic market and has been at the forefront of the UK’s smart meter rollout since it was founded in 2003.

According to Utilita’s findings, micro-business owners work over 44 hours a week with almost a third working over 50 hours a week to secure the success of their business.

The full findings of the ‘Powering the UK High Street’ report can be downloaded by visiting <https://utilita.co.uk/business>.

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For more information please contact:

Lisa McGauley or Katie Wadsworth

Acceleris

lisam@acceleris-mc.com

katie@acceleris-mc.com

0845 4567251

Notes to Editors

- The survey was carried out by Censuswide, the independent survey consultants, in May 2017. It questioned a total of 502 micro-businesses in 12 regions of the UK, including cafes, pubs, restaurants, hairdressers, convenience stores and other retail outlets.
- *Ofgem defines a microbusiness as a non-domestic customer that meets at least one of the following criteria: (a) it employs fewer than ten employees (or their full-time equivalent) and has an annual turnover or balance sheet no greater than €2 million; (b) it consumes no more than 100,000 kWh of electricity a year; or (c) it consumes no more than 293,000 kWh of gas a year. These levels of energy consumption would typically cost a business around £10,000 per fuel (before VAT). Microbusinesses now account for an estimated 5.2 million UK private sector businesses.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/559219/bpe_2016_statistical_release.pdf
- Utilita is the UK's fastest-growing independent energy supplier (according to research by respected energy consultant, Cornwall Energy) and has been at the forefront of the UK's smart meter rollout since its formation in 2003. It was also the first supplier to challenge the Big Six in the smart pay-as-you-go domestic energy market.
- The company was the first supplier in the UK to install a smart pay-as-you-go meter (in 2008) and specialises in prepayment smart meters for customers, a sector of the market poorly served by the Big Six due to it being a high cost to serve. The Government has now introduced a target to install smart meters in every home by 2020; whilst many energy providers are playing catch-up to meet these targets, Utilita is well ahead of the curve, with nearly 80 per cent of customers now having a smart meter.