

To all interested stakeholders, particularly energy suppliers and networks companies

Email: NonDomesticRetailPolicy@ofgem.gov.uk Date: 19 September 2024

Dear stakeholders,

Guidance on scope and application of the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008

The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 (CHS) prescribe standards for handling of consumer complaints by energy suppliers and network companies. They have applied to complaints made by:

- Domestic Customers
- Micro Business Consumers, which are businesses with:
 - Fewer than 10 employees (or their full time equivalent) and an annual turnover or annual balance sheet total not exceeding 2 million Euros; or
 - An annual consumption of electricity of not more than 100,000 kWh; or
 - $\circ~$ An annual consumption of gas of not more than 293,000 kWh.

From 19 December 2024, the CHS will also apply to:

- Small Business Consumers, which are businesses with:
 - \circ Fewer than 50 employees or their full-time equivalent AND an annual turnover of at most £6.5 million or a balance sheet total of £5.0 million; or
 - $_{\odot}$ $\,$ An annual consumption of electricity of not more than 200,000 kWh; or
 - An annual consumption of gas of not more than 500,000 kWh

For Non-Domestic Customers, those in scope of the CHS are described as "any person, other than a domestic consumer, who a regulated provider knows or, acting reasonably, considers falls within the description of consumers who are covered by a Section 47 Order".¹ The "Section 47 Order" is the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 and its associated Amendments.² The Section 47 Order includes Domestic Customers and Micro Business Consumers, and **will include Small Business Consumers as of 19 December 2024**, as described above.

The definition of Micro Business Consumers will also change on this date. The reference to euros will be changed to pounds, to reflect that a business with an annual turnover or annual balance sheet total not exceeding 2 million pounds will fall under the Micro Business Consumer definition

The CHS should be read alongside the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 to understand its scope.³

² Please see the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 here: <u>www.legislation.gov.uk/uksi/2008/2268/made</u>, its 2014 Amendment here: <u>www.legislation.gov.uk/uksi/2014/2378/made</u> and its 2024 Amendment here: <u>The Gas and Electricity Regulated</u>

Providers (Redress Scheme) (Amendment) Order 2024 (legislation.gov.uk) ³ Please see the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 here:

¹ The CHS definition only uses the term 'Micro Business Consumers' to define the Non-Domestic element of the consumers in scope. For avoidance of doubt, this includes Micro Business Consumers and Small Business Consumers as defined above. The definition must be read alongside the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008.

www.legislation.gov.uk/uksi/2008/2268/made, its 2014 Amendment here: www.legislation.gov.uk/uksi/2014/2378/made and its 2024 Amendment here: <u>The Gas and Electricity Regulated</u> <u>Providers (Redress Scheme) (Amendment) Order 2024 (legislation.gov.uk)</u>