



BRITISH INSTITUTE OF INNKEEPING



Mr Jonathan Brearley
Chief Executive,
The Office of Gas and Electricity Markets (OFGEM)
10 South Colonnade,
Canary Wharf,
London,
E14 4PU.

23rd March 2023

Energy suppliers threaten the survival of great British pubs in every community.

Dear Mr Brearley,

The British Institute of Innkeeping has over 10,000 individual members independently operating pubs across the UK. With meaningful Government energy support falling away in the next few days, our members are now facing business failure due to excessive and unfair energy costs. I am writing to you to ask for rapid intervention into an unfair market with a clear imbalance of power that has been leveraged to the chronic disadvantage of small vulnerable pub businesses.

A recent survey of our members revealed that around 50% had to take new contracts from July to December of 2022. During this period an unfair and uncompetitive market was in place providing little choice, with fixed term contracts being aggressively pushed by suppliers. In addition to this poor practice, fixed charges rapidly escalated without any justification. Your recent letter to the Chancellor confirmed that you have initiated a review into the non-domestic market which is welcomed, however without urgent action now, many vulnerable pub businesses will fail, losing local skilled jobs and livelihoods.

We are asking for your support to enable pub business customers that contracted unfairly last year to be given the option to reset their contracts with current tariffs. In addition we would ask for your support to rapidly stamp out the clear bad practice on exploitative fixed costs. The evidence of bad practice is clear and has been extensively provided to your organisation and to the Department of Business & Trade, action is now urgently needed.

Your role to protect energy consumers and in particular in *stamping out sharp and bad practice, ensuring fair treatment for all consumers, especially the vulnerable* is critically urgent to save viable and vibrant pubs in every community. I would appreciate a prompt response outlining actions that can prevent unnecessary business failure.

Yours sincerely,

Steve Alton
Chief Executive Officer
British Institute of Innkeeping (BII)