

Business owners more worried about rising cost of energy than Brexit

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ENERGY PRICES THREAT TO FUTURE OF UK BUSINESSES

Energy companies failing SMEs: businesses forced to cut jobs and scale back opening hours to make ends meet

- Nearly half of micro-businesses (48%) have slashed staff working hours to pay for rising energy bills
- More business owners are worried about the rising cost of energy (50%) than they are about Brexit (44%)
- One in ten (9%) have seen their energy bills jump by a massive 500GBP or more per year

The energy market is failing Britain's small businesses, as a new study reveals businesses are even scaling back staffing costs to compensate for rising energy bills.

The data also revealed SMEs are more concerned about the rising cost of energy and its impact on their business - than they are about the potential fall-out of Brexit.

More than three quarters (77%) of 1,000 small businesses surveyed have seen the cost of their energy supply rise by at least 100GBP per year – with one in ten (9%) forking out an additional 500GBP or more, according to an independent survey commissioned by UTILITA ENERGY.

Its third annual Powering the UK High Street Report, looking into the treatment of small businesses by energy companies, also found more than a third of micro-businesses (39%) have been forced to make staff redundant to reduce the cost of running their business - with half (48%) reducing staff hours to pay for their energy.

Utilita specialises in providing tailored energy packages for small businesses; customers won't be turned down for low credit ratings and are charged no upfront deposits.

Despite Ofgem's announcement of its strategic review of the micro-business energy market, two thirds of micro-businesses (66%) say they are still caught out with unexpected terms and conditions or costs when signing a new energy deal.

Shockingly, more than a third (37%) are still asked to make large upfront deposits to secure their supply or are being placed on high tariffs (34%) as they're seen as a credit risk.

Utilita CEO, Bill Bullen, said: "We commissioned our first annual Powering the High Street report in 2017 as we knew many micro-businesses found it hard and costly to engage with suppliers to find a better deal on energy.

"We've learned 68% of businesses surveyed do believe their provider gives them a fair deal. Let's hope this is a sign of things to come.

“But there is a lot of work to do - it’s still concerning to see so many businesses worried about the cost of their energy rising and payment pressures and how this impacts their workforce. Further still, almost a third (29%) of businesses are tackling inflexible payment terms and a quarter (24%) are asked to pay crippling rates. This just isn’t fair.”

Utilita is one of Britain’s largest independent energy suppliers, now supporting more than 800,000 domestic and commercial customers across Great Britain.

Bill continued: “The country’s micro-businesses have a lot to contend with in today’s uncertain economy as business rates continue to climb and the power of the pound isn’t what it was – it is concerning that access to energy is such a huge concern for many.”

Utilita commissions its annual Powering the UK High Street report to understand the barriers microbusinesses are faced with in running their enterprises. The report questioned 1,000 microbusinesses in ten regions of the UK, including cafes, pubs, restaurants, hairdressers, convenience stores and other retail outlets.

There were 5.7 million small businesses in the UK last year, accounting for 96% of all businesses. This population fell by 0.5% from 2017 reflecting closures of smaller, non-employing businesses. This decrease in the business population is the first fall in these records, which began almost 20 years ago in 2000, and reflects the state of the UK’s high street today where business collapses and closures are rife.

View the full report here: <https://bit.ly/32s8nZo>

This year Utilita opened its second high street energy hub in Shirley, Southampton, after revealing its plans to open a further nine across the country.

ENDS

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Notes to editors

The survey was carried out by Ginger Comms, the independent survey consultants, in September 2019. It questioned a total of 1,000 micro-businesses in 10 regions of the UK, including cafes, pubs, restaurants, hairdressers, convenience stores and other retail outlets.

Utilita was the first supplier in Great Britain to install a smart meter (in 2008) and specialises in Pay As You Go smart meters, a sector of the market poorly served by the Big 6 due to it being a high cost to serve.

The Government has recently extended the deadline to install smart meters in every home by 2024; whilst many energy providers are playing catch-up to meet these targets, Utilita is well ahead of the curve, with more than 90% of its consumer customers having a smart meter.

Utilita continues to innovate; in 2019 Ofgem praised the energy supplier for its market-leading self-service app, Power Up, and the business has launched a national roll-out of community energy hubs, putting power back into the high street.

The business has grown rapidly over the last few years and now has more than 800,000 customers*.

*as of 1 October 2019