

INDUSTRY PROFILE

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Energy 4

Utility bills continue to be a major part of convenience stores' outlay but, says Energy 4's Tom Collier, by knowing when renewal contracts are due, using direct debits and improving credit ratings costs can be minimised

RETAIL NEWSAGENT You've helped 5,000 c-stores with their utility bills. What's the most common problem you've come across?

TOM COLLIER Around 70% of businesses don't know when their contract is up for renewal.

Retailers get what they think is junk mail, but is actually a renewal letter.

If you don't respond by a certain date, contracts can automatically roll over and lock you in on a deal with rates that the supplier dictates that can be around 30% higher.

RN How does your service work?

TC If the renewal date hasn't passed we can recommend the best prices and help businesses get a better deal because we deal with 15 energy companies and have greater buying power. We offer a free service and freephone number.

Retailers can send us their bill plus meter details and we can save them quite a bit of money.

We never enter into verbal contracts, which can be legally binding.

RN Give us an example of how you've helped an independent retailer.

TC We worked with a newsagent in Darlington.

They were missold a contract by their previous company, which had offered "36 months at the same rate", but actually that meant a 12-month price plan that was reviewed every year for three years.

We managed to get them a fixed deal at 11.95p per unit for four years.

The retailer expected to pay a total of £1,347.90 a year, but that was reduced to £1,080.25 on the deal we found him.

RN So retailers are getting tripped up by the small print?

TC Terms and conditions need checking. Stores can be on variable rate contracts, so when market prices go up, their bills go up too. And people can be offered rates that look too good to be true.

If you're offered 9p per unit, that's very likely to go up.

RN Besides renewals, how else do you help businesses?

TC We can help with billing issues, telling people when they have been overcharged, for example.

Retailers don't have to put their cigarette and sweets prices up if their energy bills go up.

They should use our services instead to get the best contract and save money.

RN How about businesses which are in trouble?

TC We can work with suppliers to agree a payment plan, for example



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fixed payments over 12 months. Companies can get bad credit ratings because of missed payments and certain suppliers wouldn't touch them.

We can help with credit checks.

RN What are prices like in the utilities market?

TC Gas prices are down, but I expect that electricity and gas will go up despite the price of crude oil coming down.

E-on recently announced a 0.8% rise in electricity prices for one-year contracts, 1.2% extra for two-year contracts and 0.4% for three-year ones, for example. But gas prices were down 6%.

RN Any final tips for our readers?

TC It's better to take a fixed deal for a longer period. The Darlington newsagent could have paid 11.53p per unit for one year or 11.95p for four years, so there's barely any difference and a longer contract lessens the hassle of renewing.

Also, paying by cash and cheque affects the rate you pay. E-on offers a 4% discount if you pay by direct debit, for example. And if you're a multi-site retailer you can combine bills and receive a much better deal.

** Company CV **

Company Energy 4

Managing director Tom Collier

Profile An independent consultancy brokerage that provides free advice on utility savings to 65,000 UK companies such as retailers, manufacturers and hospitals and deals with 15 energy companies. Around 5,000 of its customers are news and convenience retailers.

Latest news Energy 4 is willing to work with any kind of business and can assist retailers by phone or, in some cases, store visits.



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