

Hospitality chief demands energy regulator names and shames suppliers

The energy watchdog must step in to penalise price-gouging behaviour by energy suppliers, according to the head of the lobbying group representing thousands of pubs, restaurants, hotels and gyms across Britain.

In a letter to the chief executive of Ofgem from Kate Nicholls, the boss of UK Hospitality, which has been seen by Sky News, she urges the regulator to “name and shame” energy companies that have acted “in bad faith” towards business customers.

Her letter comes ahead of a drastic cut in support for energy bills for British businesses, with the government having announced plans for a revised scheme several days ago.

Ms Nicholls was among the business leaders who met Jeremy Hunt, the chancellor, for talks about the government’s business energy support package in recent weeks.

Her intervention underlines the scale of the concern among private sector bosses about the potential spike in prices, although falling wholesale costs are expected to mitigate the pain, particularly for households, during the coming months.

In her letter to Jonathan Brearley, she said the “dramatic decrease in support for hospitality businesses will be catastrophic for the sector and inevitably businesses will fail”.

She blamed this partly on “the behaviour of energy suppliers in the summer and autumn of 2022”.

“Businesses were encouraged to move to fixed price deals but

could only access very high contracted rates,” she wrote.

“As well as extortionate rates, well above wholesale prices, suppliers hiked standing charges, demanded eye-watering deposits from hospitality businesses in particular, and some even cancelled existing contracts.”

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Ms Nicholls urged Ofgem to seek new legislative powers to allow businesses to cancel or renegotiate energy contracts, as well as to seek appropriate compensation.

She said that energy suppliers that have customers on fixed contracts “at more than double the government’s floor price should be compelled to offer a renegotiation of contracts”.

The hospitality industry chief also urged Mr Brearley to ban the blanket withdrawal of supply quotes to entire sectors.

Speaking separately, Ms Nicholls said the conduct of some energy companies had been “nothing short of disgraceful”.

“It’s clear some rogue companies saw the significant intervention by the government to support business as nothing more than a cash cow,” she added.