



How to be Broker Savvy

The energy industry can be confusing at best, verging on sharp practice at worst. This blog looks at 3 common traps, and how to avoid them: What is a Letter of Authority, and which LOAs should you not consider signing? Why shouldn't you agree any verbal contracts over the phone? Why should you ask if your broker has preferential relationships with suppliers? Read on and arm yourself against potential pitfalls.

Signing an LOA

A Letter of Authority is a document signed by a business, which gives a brokerage the authority to perform certain administrative tasks on your behalf. The only tasks they should have authority to undertake are-

- Data collection about your site/s and meter/s.
- Find a better deal for your energy rates.
- Liaise with suppliers to make billing queries.
- Make arrangements for you to renew or switch energy contracts.
- Terminate your existing contract.

It is important to note that a broker should **never** have the authority to sign a contract on your behalf. **Never** sign a LOA that gives your broker the authority to terminate a contract and sign a new contract.

This way, you can relinquish the burden of contract negotiations, without losing full control and final say over your next energy contract.

We at Assured Energy will be happy to talk you through all elements of your LOA before you sign.

Verbal Contracts

As with a written contract, a comparison and a recommendation need to be made by a broker and an acceptance made by the customer. Once this is done, a verbal contract is just as legally binding as a written one and breaching parties can be claimed against.

We have all agreed to something in the past that we really didn't want to do, such as helping a friend move house or attending a party and it is just as easy to agree to an energy contract you aren't sure about 'in the moment'. It is often not possible to get into the finer details of your contract, as you can't see the terms and conditions before you agree.

Some brokers will provide energy only unit rates; these look cheap at quotation but on your bill you'll find 'third party' or 'pass-through' charges that can be subject to increases at any time, leaving you unsure of exactly how much you are paying from month to month.

Assured Energy never enter in to verbal agreements as part of their commitment to transparency.

Preferential Supplier Relationships

Less scrupulous brokers may enter in to preferential agreements with suppliers in order to gain additional commission benefits for placing more business with them. This results in driving the broker to push customers to sign with a particular supplier, regardless of the supplier's reputation or customer service. Occasionally, the supplier will offer a lower rate for the customer, but the broker will use this lower rate to increase their commission and so the customer does not benefit from the lower rate.

We have no preferential relationships with any of our suppliers and will always engage the whole market to secure you the best price.

If you need more information on any of the topics discussed in this blog, one of our consultants will be happy to answer any of your questions.

Call Assured Energy right away for more information:

Phone:

+44 (0)330 221 9899

Email:

info@assured.energy

