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Friday 7 July 2006

RED TAPE GIVES WAY TO SIMPLE, CLEAR AND ENFORCEABLE RULES AS OFGEM KEEPS ITS BETTER REGULATION COMMITMENT

- **Red tape halved, with unnecessary licence rules to be removed**
- **Remaining rules to be clearer, focused and easier to enforce**
- **Better protection for customers, especially the vulnerable**
- **Proposals demonstrate Ofgem's commitment to better regulation**

Better regulation brings better protection for customers, with simple and clear rules that are easier to enforce, reveals energy regulator Ofgem today (Friday).

The changes are unveiled in Ofgem's Supply Licence Review which contains plans to cut down on red tape by 50 per cent while better protecting customers with clearer easier to understand customer protection.

Ofgem Chief Executive, Alistair Buchanan, said: "Today's proposals will ensure more effective customer protection and will replace out-of-date licensing requirements which do not reflect the current competitive energy market. By reforming the supply licence Ofgem is demonstrating a firm commitment to Better Regulation and striking an effective balance between competition and regulation.

"Unnecessary rules will be removed and remaining ones will be clearer, focused and easier to enforce, protecting all customers but with a particular focus on the vulnerable. Improvements include clearer, streamlined protection for customers, who have difficulties paying their bills, or the physically vulnerable, who require the provision of special services.

"By utilising self-regulation rather than relying on outdated licence conditions, companies will provide practical and effective solutions for those customers that need it most. For example, the new Energy Supply Ombudsman will be able to offer up to **£5,000** customer compensation."

Less regulation also means more choice for customers as it will be easier for existing companies to come up with innovative ways of helping customers save money, while new companies will find it easier to enter the market. It will also support Ofgem's drive to remove the barriers to smart metering, with licence proposals to remove the requirement for suppliers to inspect meters every two years.

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Notes to editors

1. The Supply Licence Review-Initial Policy Proposals is available from Ofgem's website at www.ofgem.gov.uk
2. The Energy Supply Ombudsman, funded by the industry, gives domestic customers a new independent body, uniquely empowered to settle disputes with energy suppliers and award customers up to £5,000 compensation.

Customers can refer their complaint to the ombudsman if their supplier says it cannot resolve the dispute or if their complaint has not been concluded within three months. The ombudsman's ruling is binding on energy suppliers. The scheme will handle both customer transfer and billing disputes. More information is available from www.energy-ombudsman.org.uk.

3. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000.

For further press information contact:

Mark Wiltsher 020 7901 7006/Out of hours 07774 728971

Chris Lock 020 7901 7225 /Out of hours 07766 511470

Julia Collings 020 7901 7217