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OFGEM RECRUITS ADVISORS FROM BRITAIN'S HOUSEHOLDS

Energy regulator Ofgem has unveiled a plan to beef up its expertise by recruiting domestic energy consumers to help sharpen its focus on consumer concerns. The regulator will start recruiting for a new consumer panel (Consumer First panel) drawn from Britain's household energy consumers to be in place by 1 October 2008.

Ofgem chief executive Alistair Buchanan said: "Tapping into developing consumer attitudes to energy is a key concern for Ofgem, especially as we move into an era of rising energy costs and climate change priorities.

"Our new consumer panel will be a ready sounding board for the regular consumer's take on issues that matter most and on the key challenges such as willingness to pay for security of supply and curbs on environmental damage caused by energy supply.

"Ofgem's new panel will complement our Consumer First programme. The initiative is a 'belt and braces' approach and will work alongside new National Consumer Council – the statutory independent consumer body which replaces energywatch in October 2008.

Consumer Affairs minister Gareth Thomas greeted the proposal: "I am delighted that Ofgem has taken the initiative of launching a consumer panel and is, therefore, working together with the very people that can most help the consumer. I look forward to seeing the results".

Chairman of the new National Consumers' Council (new NCC) Lord Whitty said he looked forward to working with Ofgem to develop the panel proposal: "I welcome these moves by Ofgem to engage more closely with consumers and to find out more about how customers are treated by energy suppliers. It is, after all, Ofgem's main role to improve the deal for consumers and we at the new NCC will look forward to working constructively with Ofgem to work these proposals through and, more generally, to collaborating to improve the consumers' lot in what has been a very difficult industry – particularly for the most disadvantaged consumers faced with increasing fuel poverty."

The panel will be drawn from energy consumers across Great Britain and will be called regularly. A proportion of its membership will be retired periodically to ensure it remains in tune with everyday consumer issues.

Ends

Notes to editors

- 1. Consumer First.** Ofgem's Consumer First Programme was introduced to improve the way it takes consumers' interests into account in its decision making. The initiative was sparked by growing public awareness of issues such as smart metering, microgeneration and the rising cost of environmental programmes, all of which make the question of what matters to consumers more complex. The Consumer First programme assesses how well Ofgem understands what matters to consumers and aims to increase the scope for getting direct consumer contributions to Ofgem's deliberations over policy on customer issues. Ofgem runs a programme of social and market research to help inform this and the new Consumer First Panel will be a major part of this going forward.

Ofgem is currently finalising the model for its Consumer First Panel, drawing on leading edge techniques that are being used across the public and private sectors to improve the way that organisations engage consumers and citizens in policy development and decisions that involve complex trade-offs.

- 2. Changes to consumer representation.** New arrangements have been put in place by Government to replace energywatch. From 1 October Consumer Direct will take on responsibility for providing initial advice to energy consumers, as it does already in other sectors. The new National Consumer Council will bring together the current NCC with some of the functions of energywatch and postwatch to create a more powerful and streamlined consumer body. The new arrangements involve Ofgem in setting complaint handling regulations for the energy sector. Ofgem has published for consultation its proposals for the standards that are to be prescribed, together with its reasons for making those proposals and how those standards will be enforced. The new arrangements involve the creation of a new statutory redress scheme. This will formalise the industry-led arrangements that Ofgem required to be put in place in 2006 to provide redress to energy customers who could not resolve their disputes with suppliers.
- 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. In this information note, the functions of the Authority under the relevant Acts are, for simplicity, described as the functions of Ofgem.

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