

R/31

18 AUGUST 2009

SPENDING PLAN DELIVERS £100 MILLION HIKE IN HELP FOR FUEL POOR

- **Suppliers triple spending on voluntary social programmes during 2008-09**
- **Social tariff uptake reaches one million**

Britain's Big Six energy suppliers spent £157 million on voluntary social programmes in 2008-09, a near three-fold increase compared with 2007-08 (£57 million). Most was spent on social and other discounted tariffs for vulnerable and fuel poor customers. Suppliers have exceeded their spending target for 2008-09 by £59 million.

The number of customer accounts on social tariffs grew to one million by March 2009 from 800,000 in October 2008.

The Government announced in the 2008 Budget a three-year commitment given by energy suppliers to increase their spending on social tariffs and other social programmes. Ofgem's report on the first year of the suppliers' commitment shows that each supplier met its target for 2008-09 and jointly they exceeded the target of £151 million set for the end of the period in 2010-11.

Maxine Frerk, Ofgem's Director of Governance, Consumer and Social Affairs, said "This is a very encouraging outcome for the first year of the commitment, especially in the current tough economic climate. We are particularly pleased to see the increase in the number of customers benefitting and encourage suppliers to continue to focus on how best to help their vulnerable customers who are struggling to pay their bills".

Other key points from Ofgem's report include:

- Vulnerable customers on social tariffs received £130 million worth of discounts in 2008-09.
- All suppliers (with the exception of E.ON) now have a social tariff that meets the new stricter definition set by Ofgem in July 2008 (see Notes to editors 1).

-Ends-

Notes to editors:

1. In July 2008 Ofgem published guidance on the types of measures that would be counted towards suppliers' social spend targets. Ofgem also published revised guidance setting out stricter criteria for social tariffs. For a supplier's tariff to qualify as a social tariff it must be at least as good as the lowest tariff offered by that supplier to other customers in the same region of the country on an enduring basis, regardless of payment method.
2. See the full report, *Monitoring suppliers' social programmes 2008-09*, here:
<http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Pages/CSR.aspx>
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. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

For further press information contact:**Alison Wright 0207 901 7217 / 07771 980297**