

FAO David Hunt

Ofgem Consultation Domestic Energy in the UK retail pricing & industry practices.

You might like to consider the following articles that I have written recently on the UK domestic energy companies especially the pricing and industry practices of the big six energy companies:

Do the big six energy companies think the British public are fools? ...to treat the UK population with such contempt?

Their very recent pathetic gesture; playing follow my leader offering an average of just 5% off either domestic electricity or gas; but not both, is little more than the famous quote made by the French Queen consort Marie-Antoinette; just before the French revolution: *'Qu'ils mangent de la brioche'*; which translates, **let them eat cake!** She is supposed to have said this when told the French populace had no bread to eat: The usual interpretation of the phrase is that she understood little about the plight of the poor and cared less: **Ditto the big six energy companies**, who have little or no understanding of just how many poor and elderly are suffering because of their greed or have died in recent cold winters; due to not being able to afford to heat their homes because of the extortionately high prices charged by the big six utility companies for domestic gas and electricity; including by default charging the highest prices to those who don't own a computer or hold a current account therefore have no access to the cheapest online tariffs. How wrong is that!... yet the Government regulator Ofgem allows these myriads of deliberately confusing tariffs to continue. As for the 5% reduction, it is no more than a 'sweet tiny piece of cake' to keep the grumbling consumers quiet; recent surveys have shown around 50% of the British public are unhappy with their energy supplier. Not surprising when wholesale prices of both gas and electricity have both fallen more than 15% since their peak last August 2011; this fall in costs is not being passed on.

It seems all the greedy energy companies want to do is to ensure massive increases in profits year on year. They are not really interested in the poor customers who are too frightened to use their heating during the cold winter months. No they continue to charge the maximum they can get away with, there is no real competition in this domestic UK energy market; and the truth is there never has been; they just play 'follow my leader price fixing'; with very little significant difference in prices between the companies on comparison websites. Also let's not forget the tens of thousands of customers who were urged to fix their prices just before Christmas and 'protect themselves from further massive price hikes'; (like we experienced from August to October 2011, mostly averaging around 20%); these poor people won't be receiving a penny of the miserly 5% reduction.

It tells us all we need to know about the 'cynical pricing games' these companies are playing with the public in that the reductions for the most part were only offered in one of the energy tariffs, with **notable** previous major British Gas supplier only offering a reduction in electricity and the previous 'electricity companies' offering only a reduction in gas. IMO they are just playing games to suit their clever marketing ploys, they know they can do what they want when they want to whom they want and

the Government regulator Ofgem won't do a thing about it. These companies think they are untouchable, for this reason they can continue to treat the British public with contempt: **"LET THEM EAT CAKE!"**



Also previous articles/comments for your consideration:

Further to **The Daily Mail's Headline Today 11 January 2012 ...'The Great Energy Bills Protest'** front page article written by you and our telephone conversation we had earlier, I copy below an email that I sent to Helen Loveless (MoS) on 27 November 2011 and Sam Dunn (DM) on 23 November but giving further information on the big six domestic energy suppliers in the UK, **based on more than five years of closely monitoring their activities as an independent unpaid campaigner for fairness to UK utility /energy domestic consumers;** based on my experience as an early retired Local Government accountant and retired Financial Services Manager; which has given me the knowledge and experience to observe and comment on the many bad practices of the big six utility companies that have and still are in most cases being offered to the British public every day of the week; including unregulated cold calling with very sharp practices, using false unqualified claims such as 'we are definitely cheaper than 'British Gas' say or we can save you money, without knowing the details of the individuals existing tariffs or consumption etc; just sweeping unqualified statements also using intimidating pressure techniques, cold telephone calling at all times of day and night including weekends; harassing recipients, perhaps starting off friendly and turning quite nasty when the householder doesn't want to change... this happened to a good friend of mine recently, who lives alone, she made it clear she was happy to stay with British Gas but received an harassing cold call from an Npower salesman, who eventually became quite nasty when she refused to change.

This continued unregulated, unqualified and undocumented cold selling (not professional selling what is known in the sales industry as 'policy flogging', which means selling without establishing a need or ensuring best advice in the interest of the customer is given) is outrageous and should have been stopped along time ago.

I know that due to Ofgem pressure some companies have made some changes and have stopped 'door knocking' and some have sacked their direct sales force, rather than risk more bad publicity, however, there are still many examples of mis-selling that are still going on today and which will continue to do so until this industry is cleaned up from top to bottom and the selling of new business is properly regulated with evidence that best advice was given and a paper record at the point of sale with a customers signature and ability to cancel and claim compensation if they can later show they were mis-sold to. My previous emails sent to Helen & Sam pick up on other sharp practices still being used by certain companies to sell new business. If Financial Services can be properly regulated by the FSA why can't this industry, which has a well documented history of a massive number of customer complaints with more than 50% of customers being unhappy with the service they receive from

their energy provider. I hope you will follow up your most welcome headline DM article today and put more meat on the whole sorry story regarding the big six UK energy companies and the way they have been getting away with murder for so long, playing cat and mouse games with the toothless government regulator Ofgem and the UK media and it seems until now, always managing to say one step ahead of their critics and also creating a smokescreen or plausible smart excuses when questioned by the media or consumers. Which for years seems to have satisfied any enquiries by ofgem, the media or consumers. But enough is enough the time has come for a day of real accountability for the big six utility companies and to put a stop to one of the worst financial scandals of the last decade or more.

Regards



From: [REDACTED]

To: Sent: 27/11/2011 16:14:36 GMT Standard Time

Subj: Fwd: Elderly & poor shut out of energy companies on-line tariffs sent 23.11.11

FAO of Helen Loveless : Re your article in the Mail on Sunday : The Enterprise, Financial Mail.

'Ofgem finally to get tough on brokers and suppliers' (how many times have we read a headline like this in the last five years!)
I think you will find my recent letters copied below on the great UK energy companies 'rip-off' of the British public to be of interest.

It seems that five years of campaigning on this issue is starting to have some effect on the 'big six' energy companies with British Gas's welcome announcement last Thursday that it was going to simplify tariffs, making just two tariffs available to all people; whether they have on-line access or not or whether they can pay by direct debit or not; this following last week's Daily Mail, Sam Dunn's article on the same subject and many previous letters from me and many other campaigners to Government ministers, Ofgem, the UK media , Energy UK, Utility Week and the other five big utility companies.

It may be at long last the public humiliation and naming and shaming of these companies is beginning to break the 'dam' , that is showing signs of cracking to the demands of public pressure, which is so long over due; to

bring about fairness, openness to this whole industry which for years has literally got away with the indirect killing of hundreds if not thousands of people, who were just too frightened to use their heating in the cold weather, people have frozen to death in their own homes; including the poor, the chronically ill, disabled and elderly due to the callous greed and profiteering of the big six energy companies during previous bitter cold winters.

Well done to The Mail and the Mail on Sunday for using its great campaigning strength to bring about much needed change, accountability and regulation to this UK energy industry that for so long has done what it wants, when it wants to who it wants, accountable to no one but themselves and their greedy bosses and shareholders.

With Grateful thanks for joining this good cause on behalf of the poor the elderly and the chronically ill and disabled well done for joining the fight (even if a little late; a bit like the yanks who took a long time to come to the aid of so many in need of help) to stand up to these big six greedy bullies; who up to now it seems couldn't care less about the plight of so many UK citizens.

PS With wholesale prices of electricity and gas falling dramatically I wonder how long it will be before the big six reduce their prices to domestic customers?...as long as they can possibly get away with it I expect!

From: [REDACTED]
To: BCC: Sent: 23/11/2011 13:26:19 GMT Standard Time
Subj: Elderly & poor shut out of energy companies on-line tariffs
F.A.O Sam Dunn (and other news editors),
Daily Mail

Dear Sam,

Congratulations on your very good article in the Daily Mail today (Page 42 & 43, 23 November 2011) highlighting the fact that discounted domestic electricity & gas tariffs are not available to millions of elderly, disabled, chronically sick and the poorest people, simply because they are not on-line, therefore, the poorest and the most vulnerable of our society have no access to the cheapest domestic rates or tariffs which are available to people who have access to an on line computer. It is a scandal that the poorest, the elderly and the frail, the very people who are at the highest risks of cold related deaths in their own homes are paying the most expensive tariffs; no matter which of the big six energy companies they are with. All discounted tariffs **should be available to all people irrespective of whether they are on line or not**. Plus the myriad or maze of tariffs currently on offer by 'the big six' need to be simplified so that the customer can easily see if they are receiving the best deal or not; which at the moment even for the most articulate or financially aware of customers, it is almost impossible to compare one company to another; let

alone one tariff to another. I believe these tariffs are deliberately intended to be confusing so that people don't switch from one company to another or one tariff to another. We need action now from the government regulator OFGEM; not more empty promises or sound bites, that we have heard many times before.

PS FYI Please see below a copy of two previous articles written by me on the same subject.

Dear Sir/Madam,

At last people are waking up to the insatiable greed of the big six utility companies in the UK over their extortionate domestic electricity and gas prices which leaves many poor and elderly facing a very bleak winter and with many thousands expected to freeze to death in their own homes; too frightened to use their heating. This is what happens when callous capitalism is given free reign, it has no conscience, only greed as its motivation and increase in profits as its goal, people have no value, they are there to be exploited to the max; even if it means a few thousand people dying as a result.

Meanwhile the spineless Government regulator Ofgem and the government energy minister just stand by and watch making mealy mouthed sound bites as they wring their hands in despair pretending to care whilst the utility companies continue to laugh in their faces, knowing they can do nothing to stop their obvious profiteering, mis-selling sharp practices, 'follow- my-leader price fixing'; behind a smokescreen of multiple confusing unintelligible tariffs, and unjustifiable annual price hikes without any accountability to any one but themselves.

In other words they can do what they like to who they like when they like, knowing they are untouchable: It is an absolute scandal!

By [REDACTED]
06.10 .2011

British Gas price hikes will cost many lives 08.07.2011 by [REDACTED]

Dear Sir,

The massive price hikes in both domestic gas and electricity prices by around 20 % from August 201, as announced today by British Gas (Centrica) are totally unjustified and sickening and just so callous; as they are likely to cost the lives of many thousands of poor and elderly people this coming winter.

For years now the big six utility companies supplying domestic gas & electricity have been completely out of control and it now seems these companies are oblivious to the already existing severe financial hardship being experienced by millions ordinary people in the UK.

The Government regulator Ofgem talk tough but seem to do very little, besides the utility companies know they are in charge of the market; without fear of proper regulation.

Meanwhile the poor and elderly continue to die each winter from cold related illnesses in their thousands; too frightened to use their heating.

Our callous, greedy and selfish society led by the big six utility companies who play 'cat and mouse games' with the toothless tiger Ofgem. Who continue to make 'mealy mouthed' promises about how they are going to get tough with the greedy utility companies, but in reality nothing changes or only superficial changes at best.

The profits on domestic electric and gas continues to soar as they all play 'follow my leader' in charging the highest price they can possibly get away with, no one knows how they arrive at their prices or whether they are competitive or not, they seem to have no moral or social conscience in the human suffering that follows.

Everything is wrong with this industry, the tariffs are unclear; deliberately I believe, the people with no computers or current accounts pay the highest prices, these are often the poor and the elderly.

It is not possible for a customer to see clearly if they are on the best tariff or the most expensive and almost impossible to compare one company to another, especially if they are not online.

There is also obvious mis-selling with sharp practices being used in accosting people in shopping centres, supermarkets and door to door cold calling, cold calling by telephone at all hours of the day and night 7 days a week; all promising to save vast sums of money if the person switches to them; all promises are unqualified and non regulated (there is no paper record or 'fact find' to prove best advice was given) and in many cases they are costing the customer more money, than they are already paying if they stayed with their existing company.

There are also enticing inducements; a chance to win tickets to switch, or the favourite enticement, is offering supermarket points. In one well known supermarket chain the utility company were stopping shoppers in the aisles, asking do you have a store card? Which most people obviously answered, yes, so the salesman said, If so we can give you a 1000 points on your card if you switch to our company. As a retired Sales Manager from the properly regulated Financial Services Company. I couldn't believe they were allowed to 'accost' shoppers in this way and use such tactics to reel in one shopper after another. I made a formal complaint to the store manager who just shrugged her shoulders and was far too busy to worry about their loyal customers were being sold to in this way. This type of hustling should be stopped immediately.

Just to give you an idea how callous these salespeople are, when my father died aged 85 of cancer I had to deal with his estate; to my horror I found that in the last six months of his life before he was taken into a home he had been asked for his signature and cheque book details by three different utility companies who had cold called at his house, despite his very confused and fragile state not to mention his great age, he was mis-sold to three times by callous utility salespeople taking advantage of a frail dying old man! I felt sick and so upset when I realised what had happened to him.

This is why I am so angry and determined to stop shameful selling practices and profiteering by these utility companies, who have got it made with massive increases

in profits year on year, as the poor and the old continue to die in their thousands every winter, not to mention the many confused and elderly who continue to pay 'top dollar' because they just don't understand what is going on.

This whole industry needs to be radically changed from top to bottom, including replacing the ineffective regulator Ofgem.

And perhaps the government could stop the false green stealth taxes which are also fuelling price rises beyond what people can afford. Ordinary people are being squeezed till the pips squeak every which way they look at the moment: As a result, I fear that many people will take their own lives, rather than live with such financial pressures and bills and debts they cannot afford to pay; but who really cares?

Mr Cameron? The Energy Minister? The Utility Companies? The Government? Ofgem?

I think non of the above!

Yours faithfully

