

Emailed to: FWP@ofgem.gov.uk

25 February 2022

Dear Sir/Madam,

Ofgem Forward Work Programme 2022/2023

We write in response to the Ofgem Forward Work Programme 2022/2023. We have provided some general comments welcoming the proposed plan of work and highlighted a number of specific areas where we hope we can continue to support Ofgem.

General comments

In recent months, the energy retail sector has experienced significant challenges, with multiple market exits and ongoing supplier volatility. Building on the package of reforms published in December 2021, a focus on stabilising the market, protect consumers and restore confidence is important and we think building consumer confidence in the market will be necessary to help the UK transition to net zero with the uptake of low carbon technologies, electric vehicles (EVs), heat networks and smart meters.

The two enduring priorities and the five strategic change programmes all make sense. We are keen to support you where we can in this work and help to reduce consumer and microbusiness detriment and help to build trust and confidence in the energy sector. Below we have provided views on certain areas where we can continue to support and work with Ofgem.

Future Retail Market

We support Ofgem's continued work within its core regulatory functions and building on this to make the retail market fit for the future and the aims for this strategic change programme which means identifying what reforms are required to best deliver net zero; protect consumers, particularly those in vulnerable situations; and providing them with a safe, reliable source of energy.

Reviewing price cap policy and the financial resilience of suppliers will be important as will ensuring that consumer protections remain robust. The pandemic, energy price rises and the cost of living situation may have shifted the position that consumers find themselves in; they may be less willing to adopt new technologies or switch suppliers if the risks seem too high. Indeed, those in financially vulnerable circumstances may simply not be in a position to do so. Equally, as the UK moves to net zero, stronger, positive relationships between suppliers and consumers are likely to be more necessary to build trust and confidence in the new products and services.

Heat Networks

We know that Heat Networks will play a vital role in helping the UK meet net zero targets 2050. The regulation of the heat networks sector should bring more protections to consumers and certainty to heat network providers and investors. We will continue our work with Ofgem, the Department for Business, Energy and



Industrial Strategy (BEIS), Citizens Advice, heat network providers and other stakeholders in ensuring that heat network consumers across the whole of the UK have the same levels of protections.

Electric Vehicles

We support Ofgem's work with BEIS looking at EV energy flexibility and setting out a vision for EV smart charging. As the uptake of EVs increases, we are likely to see more complaints that may emerge in relation to tariffs or equipment. In order to build consumer trust and confidence to adopt new technologies, engage and adjust to the future energy changes, we think it is important to get things right now. If consumers cannot see a market that works for them now, they may find it more difficult to trust energy suppliers in the future. We will continue to participate in the Electric Vehicle Energy Taskforce (including chairing the Complaints Handling Group) and we would welcome the opportunity to continue to work with Ofgem and share data and insights.

Working together

We will continue to share our data and insights for example, through the Tripartite working group to help Ofgem undertake its core regulatory functions as we think early identification of potential or actual consumer and microbusiness detriment is important, particularly where sectors begin to converge as technology, new products and services begin to blur traditional sector boundaries. It will become even more important to ensure that organisations work effectively together to meet this challenge and help protect consumers and build consumer trust and confidence in the energy sector.

Please do not hesitate to contact us if you would like further information regarding our response. Our response is not confidential.

Your sincerely,



Ed Dodman
Director of Regulatory Affairs

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