

Emailed to: [pricecapchanges@ofgem.gov.uk](mailto:pricecapchanges@ofgem.gov.uk)

4 March 2022

Dear Sir/Madam,

**Ofgem Consultation on Medium Term Changes to the Price Cap Methodology**

Thank you for the opportunity to respond to Ofgem's proposed medium term changes to the price cap methodology.

In our previous responses on the price cap options we supported Ofgem in reconsidering how the methodology could be amended to better mitigate risk and promote a more sustainable retail market. With regard to Ofgem's now preferred option of a quarterly price cap, we echoed concerns that this could lead to increased uncertainty for consumers and could leave some, such as those on pre-payment meters, relatively worse off if they were not able to benefit from potential supplier mitigations, such as the smoothening of direct debits.

However, we understand why Ofgem has reached this conclusion following stakeholder feedback and are ready to support the implementation of it in any way we can. Given the known risks, we would support Ofgem undertaking reviews of its effectiveness in achieving its aims and of any detrimental consequences for consumers. A more frequent change could lead to consumers drifting in and out of fuel poverty more often. And in light of continuing volatility in wholesale prices and broader financial pressures for consumers, we think the impact of the change will need to be looked at very closely, and we will of course continue to support Ofgem with insight from our role as the Energy Ombudsman.

Your sincerely,



Ed Dodman  
Director of Regulatory Affairs

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