

MoneySavingExpert

Response to Ofgem: Price cap - Statutory consultation on changes to the wholesale methodology

MoneySavingExpert emailed a response to [Ofgem's consultation](#) on 14 June 2022. Below is the copy, with personally identifiable information removed.

- We have concerns that the process being consulted on will increase consumer prices at the worst possible time.
 - Under the current proposals, changes to the cap level will be made every 3 months. Ofgem suggests that this approach will help provide stability in the market and reduce supplier failures. It makes clear that price decreases, as well as increases, will be passed on to consumers more quickly.
 - However, in the current climate, on the balance of probability this change will result in an additional price hike in January 2023, following a significant hike expected in October 2022. This would worsen the winter crisis and lead to additional consumer suffering. Without this change, prices would have been very high, but at least stable from October 2022 until April 2023.
 - This change is particularly egregious in the context of the wholly unacceptable announced changes to the market stabilisation charge, which take away any chance of competitive market options helping the situation.
 - Within the price cap structure, it is also important to note the moral hazard that is occurring due to pumping up the standing charge. This means those who are desperate and trying to cut back their energy usage, gain little benefit from it. Too much of the burden of fixed costs has been shifted into the standing charge.
 - We would also like to strongly suggest that Ofgem publishes forward guidance on regular fixed dates as to the likely rate of forthcoming price caps.
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About MoneySavingExpert.com

[MoneySavingExpert.com](https://www.moneysavingexpert.com) is dedicated to cutting consumers' bills and fighting their corner. The free-to-use consumer finance help resource aims to show people how to save money on anything and everything, and campaigns for financial justice. It was set up in 2003 for just £100, and its free-to-use, ethical stance quickly made it the UK's biggest independent money website, according to internet ranking site Alexa.com, and the number one 'Business and Finance – Business Information' site, according to Hitwise.

It has more than 8.4 million people opted-in to receive the weekly MSE's Money Tips email, and more than 12.4 million unique monthly site users who visit more than 21.8 million times a month. This includes the MSE Forum, which has more than two million registered users. In September 2012, it joined the [MoneySupermarket.com](https://www.moneysupermarket.com) Group PLC.

In the event of any queries, please contact the campaigns team:

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