

Friday 22 September 2023

## **Levelling the cost of standing charges on prepayment meters**

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Utility Warehouse was one of the first ‘challenger’ brands when it entered the retail energy market over 20 years ago, and we have a unique perspective in that we operate across numerous regulated markets: energy, telecoms and insurance. Today we serve over 900,000 households.

### **We broadly support Option 2**

Our preference is for Option 2. Option 2 delivers the government’s ambitions to levelise prepayment standing charges without also removing the cost-reflectivity of standard credit. We believe that we should seek to avoid artificially incentivising customers on to Standard Credit as a payment method, for reasons we set out in our previous response. Further, the Government did not request that Ofgem deliver such a change.

We believe levelisation should be done in a way that retains the incentive for a supplier to be able to promote the most cost-efficient payment method to the customer. We support the points made by Energy UK on this topic and agree that the impact assessment carried out by Ofgem for Option 3 does not provide conclusive evidence of the benefits case for levelising Standard Credit payment costs.