

Dear all,

I am including my responses to the consultation below. I am a consumer.

2.23 and 2.24: Speaking as a consumer, it is completely intransparent what maintenance and servicing does and why heat providers are charging what they are charging for this. I have no means of testing their cost efficiency; and they do not seem obliged to deliver a testable result from their maintenance and servicing, as all repairs of the heat network must be paid for by the consumers. There is no incentive for the heat network to provide any efficient servicing and maintenance at all, and it is completely unclear what servicing and maintenance even consists of if all faults and repairs must be paid for by the consumer.

Additionally, heat networks charge the individual consumer/the landlord, and the housing association for maintenance and servicing, and it is completely intransparent what the money is spent on.

2.29: Yes, this cost pass through restriction must absolutely be put in place, otherwise heat providers have no incentive at all not to incur fines if they can simply pass them on to their customers.

2.30: Capital cost recovery should be restricted. Heat networks are making a profit through selling consumers heat; it is their job to run a company that is capable of recouping capital investment through the product they sell, not through an extra charge which effectively means that the consumer is paying a fee in order to be able to pay the company for heat, rather than for the heat, ie the product.

Corporate risk should be restricted; that should not at all be passed on to or paid by the customer. The heat networks take that corporate risk to make money from the consumers; it is their job to run a profitable company and the shareholders' job to carry the corporate risk, not the consumers.

2.35: Heat networks will leverage their monopoly status to charge unfair prices until Ofgem introduces a price cap. I am using less energy yet paying more for energy than in any flat I have previously lived in, where I had gas boilers. If you wish for consumers to participate in this energy transformation, the standing charge for heat networks will have to come down, and it cannot have to be paid twice (as consumer and as member of the housing association). It is completely intransparent what it is being used for, and it is simply too high.

2.44 Shock bills have to be avoidable.

2.54 as noted above, there is currently no consumer confidence in heat networks. Everyone is convinced that they are overpaying and considers the price of heat, including the service charge, disproportionate.

2.56 the fairness test is inadequate to protect consumers. A case-by-case evaluation is inadequate, as it will disadvantage consumers with regard to companies who have deeper pockets, and it will put the onus on the consumer to demand and evaluation. The principle-based model is inadequate to protect consumers, firstly because it is going to produce a lengthy and complicated assessment process (so is 'objectivity' as described in this document), but most importantly because of the nature of the product: what heat networks are selling is a product that is essential to consumers' survival. Whether it is delivered cost efficiently or not according to a complicated matrix does not matter with such a product, what matters is that consumers can afford it. That is why gas and electricity are subject to a price cap. Ofgem has not explained convincingly why this is not the case for heat provided through heat networks.

All my best,

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Author