

Sarah Piggott
Ofgem
9 Millbank
London SW1P 3GE

6 May 2008

Dear Sarah,

I welcome the opportunity to give our views on your review of suppliers' voluntary initiatives to help vulnerable customers, and to respond to your open letter of 21st April 2008. I appreciate your extending the deadline for responding by one day to today, in order to help us respond.

The Money Advice Trust (MAT) is a charity formed in 1991 to increase the quality and availability of money advice in the UK and we work in partnership with government, the private sector and the UK's leading money advice agencies (see Appendix 1). Our vision is to contribute to reducing unmanageable debt of UK consumers.

Ofgem's reporting framework summarising suppliers' voluntary initiatives for vulnerable and fuel poor customers certainly captures and reflects the work done by energy suppliers and I can see that BERR's wish to see suppliers innovate and indeed compete in this area seems to be having some effects.

In the original framework (August 2007), Ofgem recognises the importance of debt prevention and management strategies, whilst not including them fully within the framework.

The money advice sector has done some work with the energy companies – for example, we have been working with British Gas on their “here to help” campaign and they sit on the Money Advice Trust's (MAT) Partnership Board (comprised of funders, advice providers and Government – see Appendix 1 for full membership) which acts as an advisory group to help influence the current and future strategy of the money advice sector. MAT's partners have also developed partnerships with energy companies, either through their Trust Funds or through various schemes e.g. EDF Energy is funding a dedicated CAB and social welfare helpline

Over the years MAT has worked with the financial sector and government to develop ways of working in partnership to deliver high quality, free independent money advice in an efficient and cost effective way. Our model seems to work and we have just had confirmation of Government funding for the next three years to help us develop our front-line services, National Debtline and Business Debtline as well as to deliver training to new money advisers, funded through the Financial Inclusion Fund. We are currently funded approximately one-third by the Government and two-thirds by the private sector. Whilst

we are of course grateful to those fuel companies that have supported the sector over the years you will see from our list of supporters <http://www.moneyadvicetrust.org/content.asp?ssid=7> that a lot more could be done with this group of companies; I believe that specific inclusion within OFGEM's parameters for this additional spend could make a real difference.

As I said at the recent Fuel Poverty Summit, the proportion of clients at National Debtline (the contact centre we run which helps over 100,000 people a year with debt problems) who have fuel debts has almost doubled in the last two years, and other agencies have seen similar rises. For this reason, whilst we applaud the work of the companies who have engaged with debt issues we do believe there needs to be a more joined-up and systematic approach.

We would therefore like to see the OFGEM framework amended to allow funding for debt advice and for training for debt advisers to be fully included. I made this point at the recent OFGEM summit and there appeared to be strong support around the room for this.

Separately and following the summit, I am working with Jude Cummins at OFGEM on identifying action points to be added to the action plan including the dissemination of consumer-friendly materials from the companies to advice services, potentially via our adviser website "wiseradviser", which has over 4,000 registered users. We are also talking to the new NCC about ensuring that there is a wider inclusive definition of 'vulnerable' consumers so that certain money advice clients who we would consider as vulnerable are not excluded. We believe that there is scope to improve referrals from advice agencies to energy companies and we would like to explore the idea of these companies providing a free phone specialist helpline for advisers so that clients can be referred on easily. We would also support the idea of a centralised complaints hotline for consumers, possibly through Consumer Direct and/or NCC.

I hope that this is all clear. If you need further clarification on any point, I would be very happy to help further.

Kind regards
Yours sincerely



Joanna Elson
Chief Executive