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SOCIAL TARIFF DRIVE DOUBLES UPTAKE

- **Awareness drive doubles uptake of social and other discounted tariffs**
- **Savings to customers from social tariffs increased by 36 per cent**
- **Some suppliers are already complying with Ofgem's stricter definition of a social tariff**

A drive by energy regulator Ofgem and the industry to increase awareness of energy suppliers' social or discounted tariffs has doubled the take up of these deals to 800,000 with total savings up by more than a third. These findings are in a report published today (Friday) by Ofgem looking at the range of measures suppliers undertook to assist their vulnerable and fuel poor customers throughout 2007-08

Key findings in the reports are:

- suppliers' collective social expenditure during 2007-08, calculated in accordance with Ofgem's July 2008 guidance, was £57.12 million;
- most social spend was directed at social tariffs, rebates and trust funds which provide direct assistance to customers in, and vulnerable to, fuel poverty;
- the savings to customers from being on social tariffs was £33.87 million, an increase of 36 per cent on the previous year; and
- almost 303,000 customers received some form of rebate from their supplier in 2007-08 giving them savings totalling £7.97 million.

Ofgem's Managing Director for Corporate Affairs, Sarah Harrison, said: "This boost in the number of vulnerable households benefiting from suppliers' discounts makes encouraging news as we go into winter. People who are struggling with their bills should contact their supplier to check their eligibility for discounts. We continue to advance in our work to make sure those with the greatest need for assistance are aware of what help is available".

The Ofgem-led Fuel Poverty Summit in April 2008 focused awareness on measures to help vulnerable customers and delivered a plan of actions. Ofgem is working with Citizens Advice to deliver the Energy Best Deal scheme which helps vulnerable customers get the best deal for them. A pilot carried out by eaga and the major energy suppliers has also assisted in more people being transferred onto their suppliers' social tariff.

Scottish and Southern Energy, Scottish Power and E.ON have already taken steps to ensure that the tariffs they describe as social tariffs comply with Ofgem's new stricter requirement offering reassurance to consumers that if they are on their supplier's social tariff they could not get a better deal from that supplier even if they changed payment method.

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Notes to editors

1. This is the first time Ofgem has reported on suppliers' social programmes under the revised framework published in July 2008.
2. In the 2008 Budget the Chancellor announced an increase in suppliers' collective expenditure on their social initiatives to at least £150 million by 2011, which will result in an additional £225 million spent over 2008-11.
3. In July, Ofgem published guidance on the types of measures that would be counted towards suppliers' social spend targets. We also published revised guidance setting stricter criteria for social tariffs. For a supplier's tariff to now qualify as a "social tariff" it must be at least as good as the lowest tariff offered by that supplier to a customer in that region on an enduring basis, regardless of payment method.
4. The Home Heat Helpline, set up by the Energy Retail Association, provides free advice to energy consumers on benefits, grants for free home insulation, reduced tariffs and special payment options: **Freephone 0800 33 66 99**
5. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000. In this note, the functions of the Authority under all the relevant Acts are, for simplicity, described as the functions of Ofgem.

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