

The UK Government and Devolved Administrations set out a strategy for sustainable development, *Securing The Future*, in 2005. Drawing on this framework and stakeholder feedback, we focus on the five themes which we think capture how the Gas and Electricity Markets Authority should contribute to the sustainability challenges of the 21<sup>st</sup> century.

The second of the five themes is eradicating fuel poverty and protecting vulnerable customers. While the causes of fuel poverty go beyond energy markets, we are committed to driving forward the debate and working with Government to eradicate fuel poverty. Competitive markets can deliver lower prices, better service and more innovative products than regulated markets, but some regulation remains necessary to protect vulnerable energy customers. Our position recognises the potential conflicts between seeking to tackle climate change and reducing fuel poverty but we aim to ensure that sustainable development is achieved in a way that delivers value for money for current and future consumers.

The government considers a household to be in fuel poverty if it needs to spend more than 10 percent of its income on fuel for adequate heating.

## Table of Contents

### **Indicator 6: Total number of households in fuel poverty..... 2**

Figure 11 – Estimated number of UK households living in fuel poverty 1996-2009 (updated January 2012)..... 2

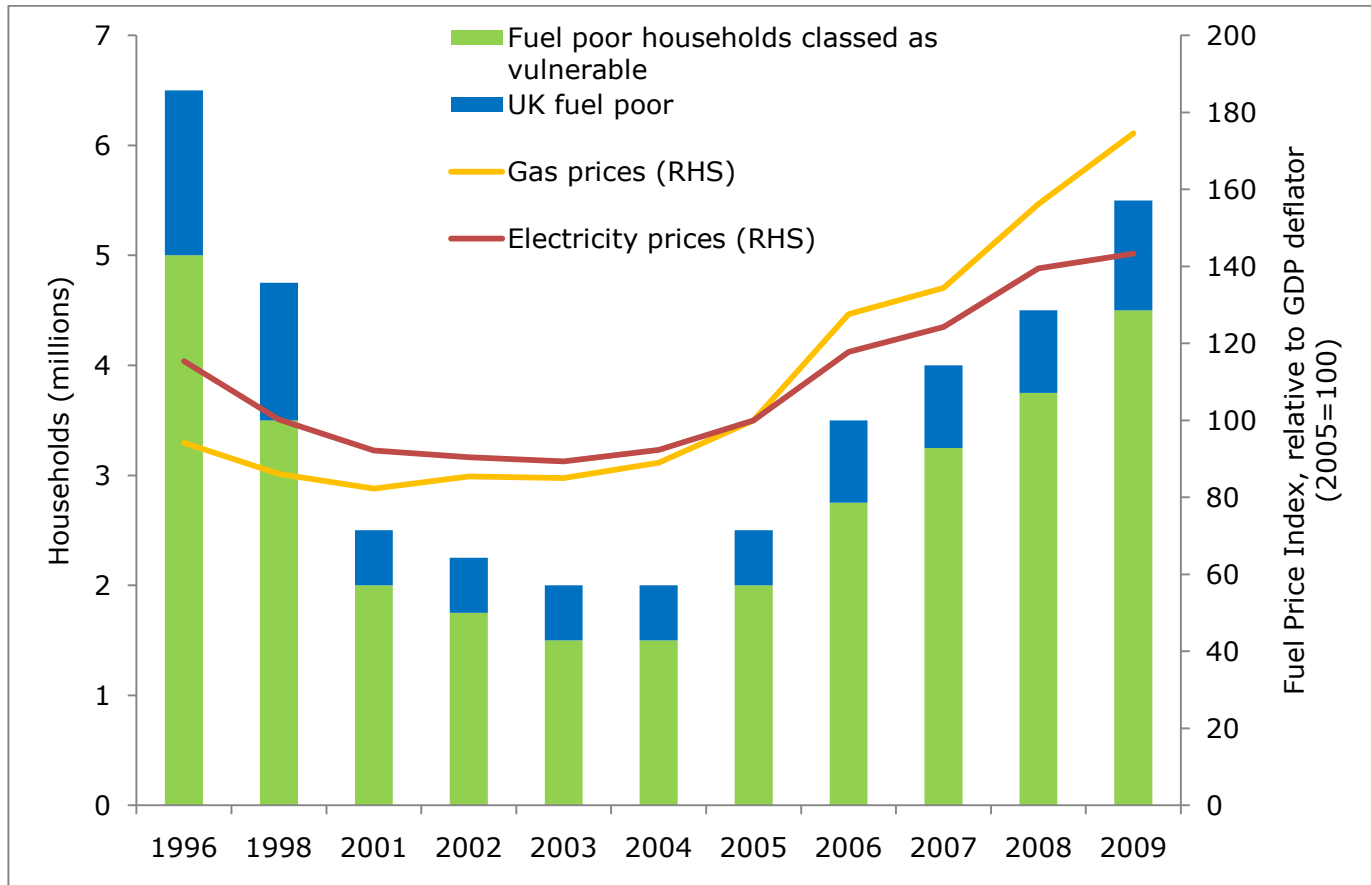
### **Indicator 7: Competition and vulnerable customers..... 3**

Figure 12 - Number of customers who have never switched energy supplier (updated July 2011)..... 3

### **Indicator 8: Disconnection for debt..... 4**

Figure 13 - Total number of customers disconnected for non-payment of debt (updated July 2011)..... 4

## Indicator 6: Total number of households in fuel poverty

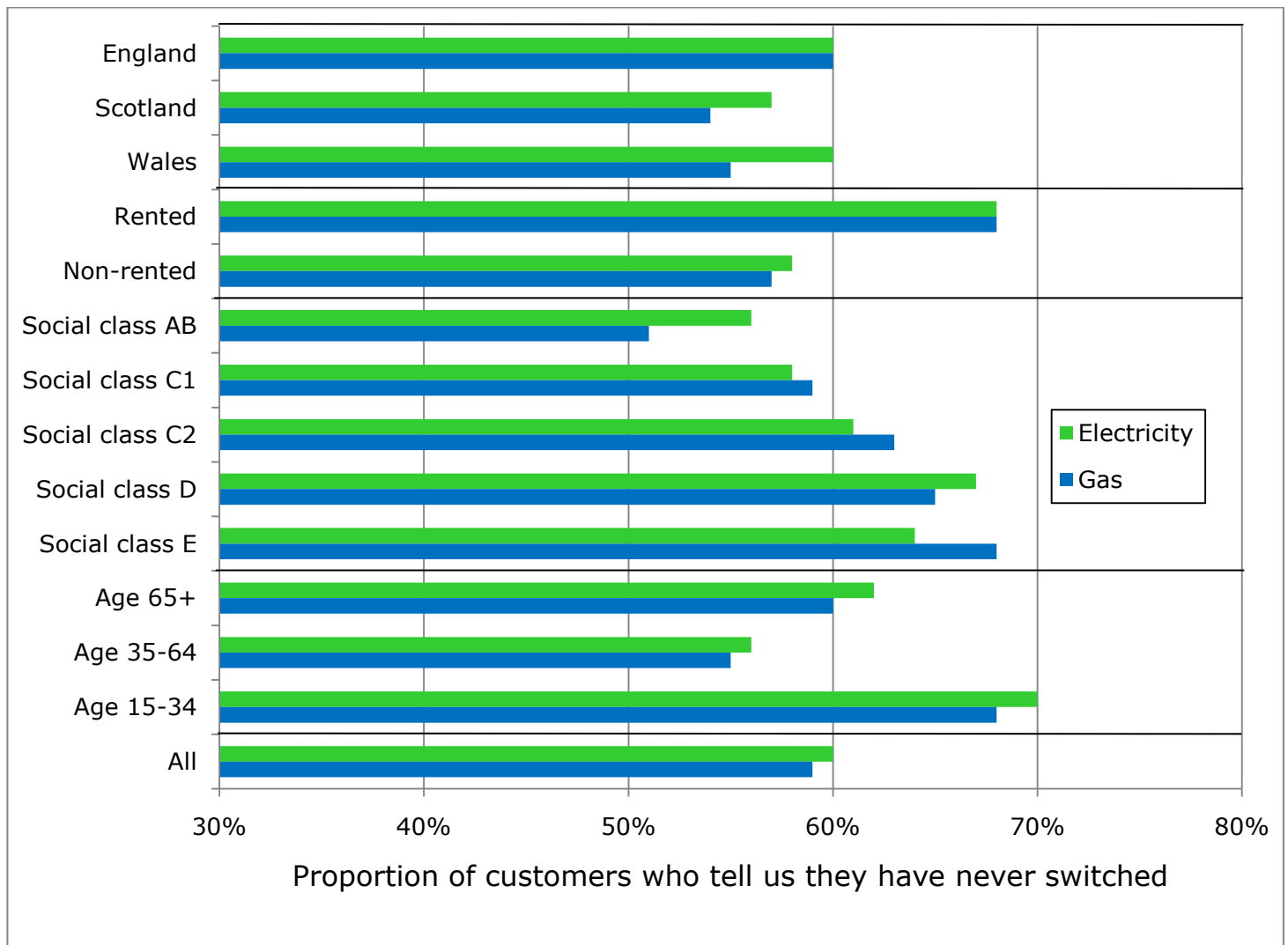


**Figure 11 - Estimated number of UK households living in fuel poverty 1996-2009 (updated January 2012)**

Source: DECC

This graph shows the number of households in fuel poverty, in relation to the fuel price index, relative to the GDP deflator. Most customers that are fuel poor are also classed as being in a vulnerable household (82% in 2009). Declining incidences of fuel poverty from 1996 to 2003 can be largely attributed to rising incomes, energy efficiency improvements and low, stable energy prices. Since 2004, escalating fuel prices have outweighed these factors; the gas price has more than doubled since its lowest point in 2001.

## Indicator 7: Competition and vulnerable customers



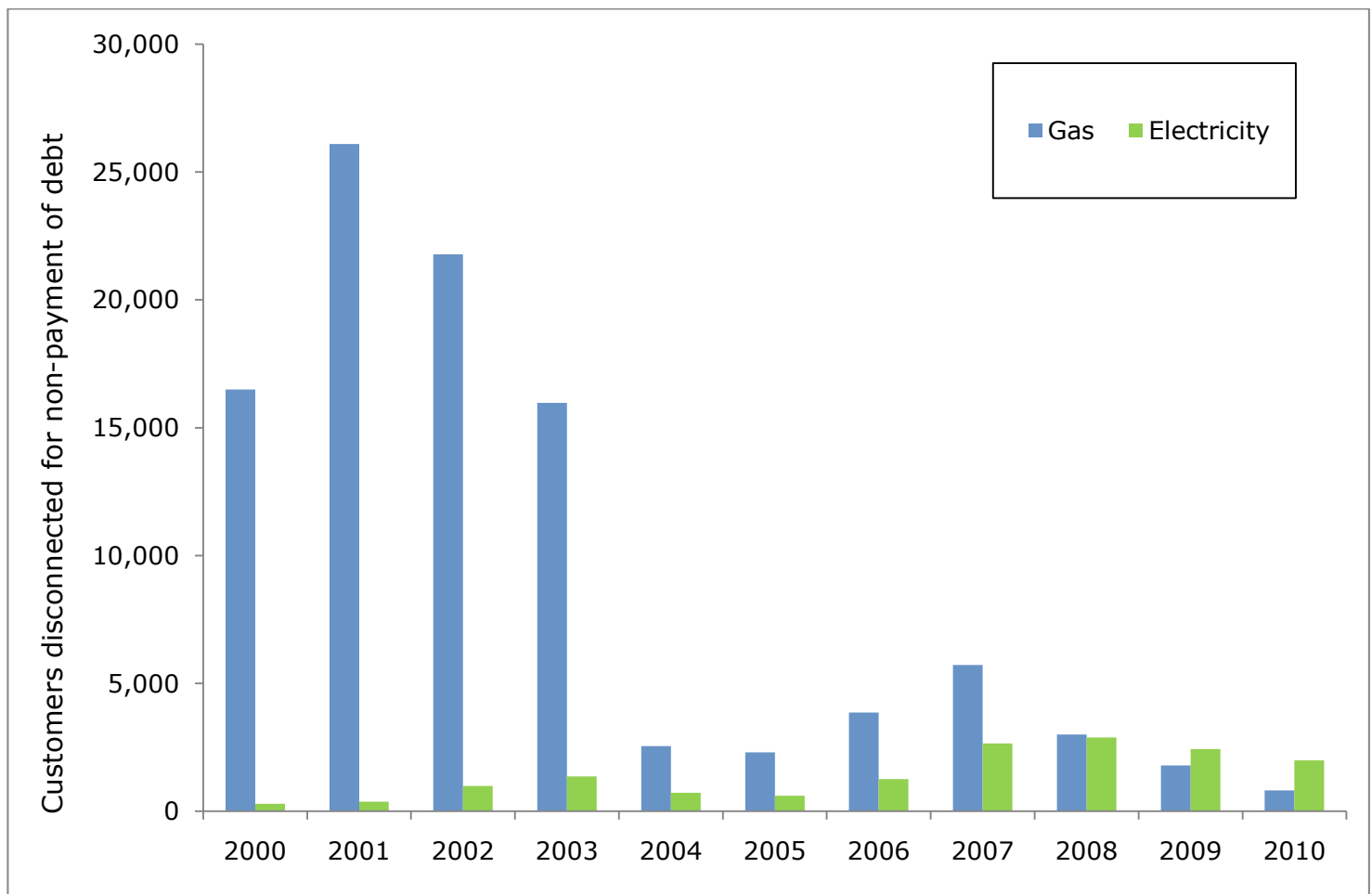
**Figure 12 – Proportion who tell us they have never switched energy supplier (updated July 2011)**

Source: Ipsos MORI Consumer Engagement Survey, Jan 2011<sup>1</sup>

Our latest Consumer Engagement Survey shows that around 60 percent of consumers have never switched. The graph above tells us that those consumers who are more likely to be vulnerable consumers are generally less likely to have switched supplier.

<sup>1</sup> Based on a sample size of 1500 consumers for electricity and 1331 consumers for gas

## Indicator 8: Disconnection for debt



**Figure 13 - Total number of customers disconnected for non-payment of debt (updated July 2011)**

Source: Ofgem report

The number of overall disconnections for debt has followed a downward trend since 2007 and is significantly lower than earlier in the decade, particularly for gas.