

From: [REDACTED]
Sent: 05 December 2012 09:47
To: Consumer Affairs
Subject: RE: Simplified tariffs and charging.

Dear [REDACTED],

Thank you once again for your very prompt and helpful reply. I will endeavour to read the 139 page document when I have a little bit of free time.

In the meantime I would be most grateful if you would be kind enough to pass on my comments concerning standing charges and iterate my belief that such a charge should be done away with altogether since it penalises those who are often least able to pay.
I am happy for them to contact me if they would like to discuss the matter further or require any more information.

Thanks and kind regards,

[REDACTED]

From: [REDACTED] **On Behalf Of** Consumer Affairs
Sent: 04 December 2012 16:51
To: [REDACTED]
Subject: RE: Simplified tariffs and charging.

Dear [REDACTED]

Thank you for your email. Please accept my apologies for the misspelling of your surname.

In my earlier response I stated that Ofgem has not requested that suppliers reintroduce standing charges. What we are consulting on is whether there should be standing charges for tariffs. You are welcome to comment on these proposals – the link to the document I provided earlier explains further why we have made this proposal or, if you prefer, I can forward your emails below and ask that they be treated as a response to the consultation. If you would prefer the latter action please let me know.

Yours sincerely,

[REDACTED]

Consumer Affairs

From: [REDACTED]
Sent: 04 December 2012 16:35
To: Consumer Affairs
Subject: RE: Simplified tariffs and charging.

Dear [REDACTED]

Thank you for your prompt reply. However I think you have missed the point. I have been told that you require all suppliers to quote a daily standing charge and a price per unit. (IS it true that you insist on a daily standing charge?)

My point is that there should not be a daily standing charge but a simple rate per unit only (with probably a lower rate above a usage threshold).
If you do not use anything, you do not pay anything.
With a daily standing charge you pay even if you are not using anything (you might be hospitalised).

Kind regards,

[REDACTED]

From: [REDACTED] **On Behalf Of** Consumer Affairs
Sent: 04 December 2012 15:49
To: [REDACTED]
Subject: RE: Simplified tariffs and charging.

Dear [REDACTED]

Thank you for your email.

Ofgem does not set energy prices. Energy prices are determined by the suppliers themselves based on their assessment of the wholesale and retail markets. Our role is to ensure that the market works in the interests of energy consumers. We are consulting on plans for a package of simpler, clearer and fairer measures to improve the competitiveness of the household energy market. Following feedback from consumers and extensive consultation, we are extending our proposals to simplify tariff structures and limit core tariff numbers across the whole market, while still allowing consumers choice. We are proposing to simplify the market by limiting each supplier to no more than 4 core tariffs for each fuel and by ensuring all tariffs are expressed as a standing charge and single unit price. These are proposals, and I can confirm that Ofgem has not requested that energy suppliers reintroduce standing charges.

Our proposals were published on 26 October for consultation and the closing date for responses is 21 December. I have copied the link to our proposals consultation document: <http://www.ofgem.gov.uk/MARKETS/RETMKTS/RMR/Documents1/The%20Retail%20Market%20Review%20-%20Updated%20domestic%20proposals.pdf>. Should you wish to respond to the consultation please do so by 21 December 2012.

Yours sincerely,

[REDACTED]

Consumer Affairs

From: [REDACTED]
Sent: 04 December 2012 12:25
To: Consumer Affairs
Subject: Simplified tariffs and charging.

Dear Sirs,

I have recently been offered a new gas and electric deal by Marks and Spencers fixed for 2 years. I am currently with Eon.

I was, on checking the details, somewhat taken a back to see a daily standing charge amount, for both gas and electric. I was on the basis of what I deem to be an unacceptable charge going to cancel my take up of their offer to switch to them. I contacted Eon to find out the likelihood of their charges increasing or to see what they could offer me as a fixed 2 year contract as I have been happy with their service and wish to give them a chance to retain the business if they wished, they also quoted me unit rates and a separate daily standing charge.

I expressed my disappointment regarding this and asked that they make my opinion known to their appropriate department.

I think daily (or any other period of time) standing charges are totally unreasonable and completely unnecessary. I am informed by the M+S salesman that the simplification of tariffs that they are being required to carry out, means they now have to charge a 'standing charge'.

I would be grateful if you could confirm that you are requiring this charge to be made.

I would also ask you to note that if you are insisting on this, I think it is an absolute disgrace. I absolutely disagree with being charged a daily rate irrespective of whether I use the service or not.

Currently, if I don't use any electricity or gas during a quarter, for whatever reason, I would pay nothing, under this new system I would pay the daily rate - about £36 for gas and £20 for electricity.

I am quite willing to pay a higher price per unit with no standing charge. (Obviously that would have to be the case.)

I would also ask you to consider that having a standing charge is most likely to be a great disbenefit to the sick and the elderly who through illness or staying away from their homes for a while, may not use electricity or gas for a period. A standing charge always seems to be most unfair to consumers since they are often not in a position to be able to cancel a contract at short notice especially if unwell or in hospital.

It is clearly the case that if the standing charge were removed and included in the unit price then a higher user would be paying more towards the infrastructure costs and this would seem perfectly equitable and appropriate.

Please would you confirm whether the companies are being forced by you, or any other agency, to introduce a daily, or any other period standing charge?

If not may I request that you mount a campaign and identify any company(ies) which will not be introducing a standing charge, so that you can assist us consumers in having a choice. I would also suggest that you should make all suppliers have at least one tariff option that does not have a standing charge component.

Thanks in advance for your attention.

Please call me if you would like to discuss any of the above. (mobile [REDACTED], home (evening and weekends) [REDACTED])

Yours faithfully

[Redacted signature]