

Statement

22/04/2013

Claims in media reports today (22 April) that Ofgem's reforms will lead to higher prices for energy consumers are mistaken.

Most people currently don't engage with the energy market; Ofgem's reforms aim to change this and make the market simpler, clearer and fairer.

The proposed Tariff Comparison Rate is similar to the 'typical APR' used in financial services. It is intended to help consumers see how their current deal compares and give them a call to action. It will sit alongside information on every bill and annual statement allowing personalised price comparisons, plus details of the supplier's cheapest deal. This approach draws on extensive consumer research.

We share Which?'s desire to make the energy market less complicated. But this particular analysis misrepresents our plans, and the statistics regarding a supposed loss to consumers are meaningless. To simplify the market even further we are taking forward innovative proposals which include looking at putting the market cheapest deal on consumers bills - even if it is from a rival supplier. This would remove the need to compare tariffs altogether. We hope Which? will respond positively and join this next stage of our work.