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Kieran Coleman
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Dear Kieran

Consultation on allocation of voluntary redress payments in the context of enforcement cases

I welcome Ofgem's consultation aimed at improving the allocation of voluntary redress payments made in the context of enforcement investigations.

The primary aim for the allocation of voluntary redress payments should be the maximisation of long-term benefits for energy consumers by ensuring funding is appropriately targeted. To achieve this aim fairness, transparency and ease of access must be central to a successful system of allocation that can be delivered as cost effectively as possible.

The current allocation approach is working well for the most part although further consideration must be given to ensuring Scotland's fair and proportionate share of any future redress payments are used to deliver maximum benefit within what is largely a devolved policy space.

This consultation presents a valuable opportunity to review the current system and to build a system that better compensates energy consumers. Limited to the level of detail within the consultation paper it is difficult to assess the full impact of the proposed options. Evidence to support assumptions and costed modelling of these options would provide a more robust basis for analysis.

As the retail energy market continues to change at pace, I urge you to carefully reflect on the additional expertise gathered as part of this consultation process to shape a future model that delivers maximum benefit to energy consumers. This model must be underpinned by relevant safeguards to guarantee Scotland receives a fair share of any future redress payments proportionate to our share of the electricity and/or gas market. As the consultation advances I am keen to engage further to ensure that Scottish consumers are appropriately compensated.

Chris Stark
Heal of Energy Division