



3rd Floor North  
200 Aldersgate Street  
London EC1A 4HD  
Tel: 03000 231 231

[citizensadvice.org.uk](http://citizensadvice.org.uk)

**9 November 2017**

Jemma Baker  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Dear Jemma,

**Statutory consultation for a vulnerable customer safeguard tariff**

Thank you for the opportunity to respond to your proposals for a vulnerable safeguard tariff. This response is non-confidential and may be published on your website.

We support the proposal to offer some immediate protection to vulnerable consumers. While recognising the need to address the wider failings in the energy market, we have always been clear the vulnerable consumers must be given priority. As your own documentation makes clear, there is a group of low income vulnerable consumers who face barriers to engagement as well as serious risks from not being able to heat their home. We are pleased to see that Ofgem has recognised the importance of helping these households as a matter of urgency.

We are also pleased to see the proposals take into account the recent developments around the SVT, with many suppliers starting to replace it with a rolling fixed deal. While it is encouraging that suppliers are looking to proactively remedy the situation themselves, the success of such policies should be judged by the extent to which they increase engagement and give consumers the power to keep prices competitive in the long term. By including all default tariffs within the scope, the proposals ensure protection for all vulnerable consumers that did not actively choose their tariff.

We also support the pragmatic approach of bringing forward a solution that may be incomplete but one that can be implemented almost immediately. As you have acknowledged, 'Warm Home Discount recipients' is an incomplete proxy for low income vulnerable consumers, primarily because there are many households who are eligible in the broader group but do not receive the benefit. In a similar vein, using the current level of the prepayment price cap ignores the lower costs involved in supplying credit meter customers.

However we support this less than perfect solution if it means a million low income vulnerable customers can be protected from the most expensive tariffs by February.

The value of this partial solution does of course depend on how and when further measures are introduced. Ofgem have acknowledged the need to protect more vulnerable consumers than those within the scope of the current proposals, while the government have outlined their intention to go further with a market-wide cap on all default tariffs. However while the ambition and intent is clear, what is practically possible and when, is less so.

With regards the current proposals, this firstly raises questions over what happens to households who cease to receive Warm Home Discount before wider protections have been put in place. And while there is confidence these wider measures will be in place by the proposed end date of December 2019, it is also important to ask what will happen to these households if they are not. We would like assurance that once someone is brought under the protection of the cap, they will remain there until wider protections are introduced. Without such a guarantee low income vulnerable households could be left exposed to significant rises in bills, once they cease to be protected.

We look forward to working closely with Ofgem as these further plans are developed.

Regards,

Jake Beavan  
Senior Policy Researcher  
Citizens Advice