

Energy Helpline WHD Consultation Response (Email)

At first glance the price cap seems like a generous move and one which will protect vulnerable customers from price increases on variable rates. In reality it acts in direct opposition to Ofgem's campaign for engaging previously disengaged customers. Setting a price cap promotes a false message that the customer is protected and could lead to complacency; this could then cause further disengagement, which in turn affects competition. From experience we find that due to the way the Warm Home Discount scheme works consumers become trapped into less attractive deals with their current supplier because of worries that they'll lose the discount if they move away; they could be losing out on savings which far outweigh the amount covered by the WHD. The current scheme actively prevents those in the non-core group from switching as they risk losing the WHD payment.

If vulnerable consumers are truly at the heart of this concern the WHD process should be investigated, instead of a quick fix being put in place. The scheme needs to allow customers to switch supplier in order to make the most of savings available and receive their winter fuel payment to help them at their most difficult time. One solution would be to have a specific set of criteria for non-core customers which applies across all suppliers and for suppliers that are part of the scheme to pay into a central fund; each eligible customer would then be paid from the fund and can still switch in order to take up more attractive offers.

Regards
Carol.

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