

# National Energy Action (NEA) response to Ofgem's Discussion Paper "Developing a framework for assessing whether conditions are in place for effective competition in domestic supply contracts"



Action for Warm Homes

## About National Energy Action (NEA)

NEA<sup>1</sup> works across England, Wales and Northern Ireland to ensure that everyone in the UK<sup>2</sup> can afford to live in a warm, dry home. To achieve this we aim to improve access to energy and debt advice, provide training, support energy efficiency policies, local projects and co-ordinate other related services which can help change lives.

## Main points in this response and recommendations

- The Default Cap is now offering less protection for the most vulnerable customers who were previously captured by the Safeguard Tariff
- There is an urgent need for Ofgem and the UK Government to develop a clear work stream on what protections will remain in place to support low income consumers that can't engage in the market once the market wide cap is removed. Ofgem should look to build on previous work and target this on-going protection using Warm Home Discount (WHD) eligibility as a proxy. Ofgem must ensure smaller suppliers are also required to deliver this vital protection
- The adoption of smart meters is a pre-condition for future competition for Payment Meter (PPM) customers and they should be prioritised for the roll out of smart meters and benefit from new tariff development
- Given the Competition Markets Authority (CMA) minded to decision to role the PPM Cap into the wider Default Cap, the adoption of smart and new tariff development for PPM customers will also need to be explicitly included within any indicators of competition and considered thoroughly in Ofgem's advice to the Secretary of State
- Factors other than customer inertia or engagement in market must also be central to the assessment of how consumers experience benefits of competition

## Background to our representation

Living in cold, damp and unhealthy homes continues to cause shocking levels of unnecessary hardship and premature mortality. Across the UK, at least 9,700 people die each year due to a cold home, the same as the number of people who die from breast or prostate cancer<sup>3</sup>. As well as the devastating impacts cold homes have on their occupant's lives, this problem extends to all of us; needless health & social care costs<sup>4</sup>, queues at GPs and A&E as well as delaying the discharge of the most vulnerable patients from hospital<sup>5</sup>. NEA believes dramatically improving domestic energy efficiency levels remains the most enduring solution to addressing energy affordability<sup>6</sup>, however, we also know other key actions are required in retail energy markets to safeguard vulnerable domestic customers, particularly those living on the lowest incomes<sup>7</sup>.

NEA welcomed both the Pre-Payment Cap and the Safeguard Tariff. NEA was also a key stakeholder during the passage of the Domestic Gas and Electricity (Tariff Cap) Act 2018<sup>8</sup>. As well as noting our general support for the provisions in the Bill<sup>9</sup>, NEA also stressed Ofgem's statutory duties require them to take into account the needs of particular vulnerable groups of consumers; including those households living on low incomes<sup>10</sup>. NEA therefore urged Ofgem and the UK Government to act on the welcome preparatory<sup>11</sup> steps to preserve and extend the Safeguard Tariff<sup>12</sup>. NEA also worked with the Government to confirm<sup>13</sup> that Ofgem could operate the extended Safeguard Tariff at the same time as the Default cap. NEA also prompted amendments to the Digital Economy Act<sup>14</sup> which now allow suppliers to work with government to carefully identify those whose energy bills are putting them in financial difficulty and need most protection from price rises. NEA also welcomed the recognition that the Default Tariff Cap does not afford the longevity that Ofgem<sup>15</sup> and the UK Government<sup>16</sup> have said is needed for the most vulnerable customers.

Whilst this progress was encouraging, NEA was disappointed that when implementing the Default Cap, Ofgem did not adopt this approach and chose to remove 1 million low income pensioners who are not on prepayment meters, but are receiving the Warm Home Discount, from the Safeguard Tariff. The limited rationale noted that the Safeguard Tariff was only intended as a temporary measure and at the time of switching them over, these customers would feel little impact as both caps were set at the same level. Following the recent rise to both the Default and PPM Caps on the 7<sup>th</sup> February however, the majority of suppliers have increased their prices to the level of the new cap and the evident risks we highlighted have now arisen<sup>17</sup>. This outcome is contrary to the stated commitments that were given during the passage of the Bill (see letter to Lord Grantchester from the RT HON Lord Henley (Parliamentary Under Secretary of State for BEIS in annex 1.)

There is now an urgent need for Ofgem and the UK Government to develop a clear work stream on what protections will remain in place to support low income consumers that can't engage in the market once the market wide cap is removed. In particular, NEA highlight Ofgem previously consulted on how data-matching for an extended Safeguard Tariff may operate which used Warm Home Discount (WHD) eligibility as a proxy. NEA agreed with the introduction of a licence conditions obligating suppliers to take preparatory steps to have arrangements in place with the Department for Work and Pensions (DWP) for the necessary data matching exercise. NEA also welcomed Ofgem addressing the

unacceptable variance in the coverage of the previous Safeguard Tariff and we continue to support ensuring all suppliers are able to deliver and target this vital assistance. NEA also welcomed Ofgem committing to develop and implement the necessary data privacy impact assessments in time for when the extended Safeguard Tariff would have been implemented for all customers eligible for the Warm Home Discount (within both the WHD core and broader group). In addition, a letter by the Secretary of State to the BEIS Committee Chair noted the Government's support for working with Cabinet Office, the Department for Work and Pensions and Ofgem on amending the Digital Economy Act to extend the Safeguard Tariff. The Government subsequently amend the regulations to allow the powers within the Act to be used for this purpose. Whilst this response highlights what steps Ofgem can take to protect low income customers, we are also urging UK Government to ensure the Warm Home Discount scheme continues for existing low-income pensioner recipients but be provided automatically to more low income working families, also using the powers under the Digital Economy Act to ensure better targeting. This can be achieved without increasing energy prices for other consumers by adjusting existing tax-funded support.

NEA also believes several tangible barriers beyond simple customer inertia exist within the energy market that must be addressed. The varied reasons for not switching or being stuck on a more expensive tariff or payment type may include:

- Poor mental health or limited financial capability
- Limited internet access
- A preference or need to manage their limited budget via receipt of a paper bill, payment by cheque or cash in advance using a PPM
- Aversion to risk and therefore a reluctance to engage with an unknown (smaller) supplier
- High debt and stringent or out of date credit checks
- A fear of losing key entitlements such as the Warm Home Discount
- Their tenure and a reliance on the current payment type due to their landlord's stipulations
- Access to the benefits of a smart meter and In-Home Display (IHD)

NEA believes Ofgem and the UK Government should explicitly have regard for these issues within their assessment of whether the conditions exist for effective competition and should be considered within any recommendations to the Secretary of State on whether to remove the Default Cap. In addition, we support many of the outcomes that Ofgem set out in their recent Consumer Vulnerability Strategy<sup>18</sup>. In particular:

*"We want energy companies to have a corporate culture that focuses their efforts to identify and support consumers in vulnerable situations."*

*"We want industry have systems to better target and to tailor their customer service to consumers with specific needs."*

*"We want new companies entering the market to be able to provide an adequate level of customer service to consumers in vulnerable situations."*

*"We want consumers to be effectively identified as eligible for priority services; and for them to receive consistent and high-quality priority services in a timely way."*

*"We want consumers to have easy access to relevant information on how well energy suppliers support consumer needs, which they can take into account when switching."*

Again, NEA believes Ofgem and the UK Government should explicitly have regard for these issues within their assessment of whether the conditions exist for effective competition and should be considered within any recommendations to the Secretary of State on whether to remove the Default Cap.

Finally, whilst these issues would address the main factors which currently prohibit most customers who don't (or can't) engage in the market, the Default Tariff Cap also provides greater transparency in the pass through of energy related policy costs and the prospect that bills could fall if input costs drop. It is not clear how these fundamental issues will be considered when Ofgem provide their assessment of whether the conditions exist for effective competition. Again, they should be considered within any recommendations to the Secretary of State on whether to remove the Default Cap.

## **Our response to the consultation questions**

### **Question 1: Are there any features of effective competition that are not covered in our definition?**

Whilst we believe that Ofgem have outlined some of the features of effective competition, there are several others that require to be considered in order to ensure that the market is working for all customers.

Firstly, we believe that an effective market should work for each and every customer within it. This means that vulnerable customers should be able to see the benefits from such competition just as much as other customers. Therefore, the treatment of vulnerable customers should be considered as a feature of effective competition to judge whether suppliers are competing between themselves for these customers, based on, for example, the level of customer service they can offer. Ofgem's updated Consumer Vulnerability Strategy<sup>19</sup> consultation contains several outcomes that we believe are important features of effective competition:

- Ensuring a corporate culture that focuses their efforts to identify and support consumers in vulnerable situations.
- Requiring industry to have systems to better target and to tailor their customer service to consumers with specific needs."
- Ensuring that new companies entering the market are able to provide an adequate level of customer service to consumers in vulnerable situations.
- Consumers being effectively identified as eligible for priority services; and for them to receive consistent and high-quality priority services in a timely way.
- Consumers having easy access to relevant information on how well energy suppliers support consumer needs, which they can take into account when switching.

Secondly, we agree that innovation is key to a highly functioning competitive market, and that participants should be willing to spend money to innovation to gain an advantage. However, we firmly believe that such innovation should be inclusive, and not just focus on those customers who are most able to part with their money. Therefore, any measure of innovation should not ignore whether such innovation is being done in the interests of customers in vulnerable situations. This view is also reflected in Ofgem's draft Vulnerability Strategy 2025. In particular, NEA believes the adoption of smart meters is a pre-condition for future competition, especially for Payment Meter (PPM) customers and they should be prioritised for the roll out of smart meters and benefit from new tariff development. Given the Competition Markets Authority (CMA) minded to decision to role the PPM Cap into the wider Default Cap, the adoption of smart and new tariff development for PPM customers will also need to be explicitly included within any indicators of competition and considered thoroughly in Ofgem's advice to the Secretary of State. As noted above, there is also an urgent need for Ofgem and the UK Government to develop a clear work stream on what protections will remain in place to support low income consumers that can't engage in the market once the market wide cap is removed. As noted above, Ofgem should look to build on previous work and target this on-going protection using Warm Home Discount (WHD) eligibility as a proxy. Ofgem must ensure smaller suppliers are also required to deliver this vital protection.

### **Question 2: What are your views on the conditions for effective competition we have proposed? Are they clear and is there anything else you think we should take into account?**

The proposed conditions are clear. However, there are some extra things that should be taken into account.

1. Any assessment of the smart meter rollout should focus on how it has progressed for customers with prepayment meters, as that is the group that should benefit most from the rollout, but to date have benefitted the least. Suitable complementary tariffs should form part of that assessment. This is in line with Ofgem's endeavour to significantly reduce the number of self-disconnections that occur in the energy market.
2. Whilst it might be desirable for there to be low barriers to entry within the market, and suppliers exiting the market be a good example of a competitive market, these can both be detrimental to the service that customers receive. Ofgem must ensure that all new suppliers have adequate plans as to how they will treat customers in vulnerable situations.
3. We wholeheartedly agree with condition 3. Ofgem is required to set the course to meet the required outcomes through its own vulnerability strategy, and suppliers to follow.

### **Question 3: What are your views on the structural changes that we propose to include in our framework? Are there any specific changes you think we should consider?**

Any condition on smart metering should look to prioritise the installation of meters in prepayment households, who as of yet have benefited the least from the rollout but have the most to gain. As Ofgem have articulated well in their 2025 draft consumer vulnerability strategy, data from smart meters has the potential to help significantly reduce the level of self-disconnection, something that affects hundreds of thousands of customers.

In addition to this, Ofgem need to consider how the CMA's new recommendation to GEMA in its "provisional decision on changes to the Energy Market Investigation (Prepayment Charges Restriction) Order 2016" to "provide protection to prepayment customers when the PCR expires". This is extremely important in the context of the above paragraph. Prepayment customers should continue to be price protected until they have access to the benefits of the smart rollout.

Any structural changes in Ofgem led programmes needs to include the proposals within the new Consumer Vulnerability Strategy. that we have already mentioned in our response.

**Question 4: Are there any indicators of the competitive process not listed here that you think we should consider in our analysis?**

Yes, we believe that there are several changes to indicators that are listed that Ofgem should consider:

- Any indicator that centres around the smart meter rollout should not include installations of SMETS 1 meters that have not yet been enrolled into the DCC. These meters do not yet facilitate competition, as they become dumb when a customer switches between suppliers. In addition to that, as we mention elsewhere in this response, PPM customers should be prioritised in the smart meter rollout, and this should be recognised in any indicator.
- Indicators relating to the entry and exit of firms should come with the caveats that entry firms need to have the capability to provide quality customer service to vulnerable customers, whilst exit is only desirable if the SOLR process is fit for purpose.
- Any indicator relating to in home displays should recognise the need for them to be inclusive as far as is possible, so that customers with certain disabilities can get equal benefit from owning and using them
- The competitive process, within a regulated essential service, should recognise that whilst suppliers must provide support to vulnerable consumers, the consumers might not always be aware of this support. An indicator, therefore, should be the level of awareness of such support amongst vulnerable customers.

**Question 5: What are your views on the consumer outcomes that we propose to assess in determining whether the conditions are in place for effective competition?**

NEA is satisfied with each of the consumer outcomes, but there is a need to ensure that the outcomes are good for vulnerable customers in particular. If proposed outcomes, for example, are judged acceptable if they are positive for 85% of customers, this would not be satisfactory if the remaining 15% of customers were in vulnerable situations. We believe that any measure of success should separately measure how outcomes affect customers in vulnerable situations

**Question 6: Is there any other aspect of effective competition that the framework should consider?**

As noted throughout this response, there is an urgent need for Ofgem and the UK Government to develop a clear work stream on what protections will remain in place to support low income consumers that can't engage in the market once the market wide cap is removed. As well as adequately addressing these issues, NEA believes a number of tangible barriers beyond simple customer inertia exist within the energy market that must be addressed. The varied reasons for not switching or being stuck on a more expensive tariff or payment type may include:

- Poor mental health or limited financial capability
- Limited internet access
- A preference or need to manage their limited budget via receipt of a paper bill, payment by cheque or cash in advance using a PPM
- Aversion to risk and therefore a reluctance to engage with an unknown (smaller) supplier
- High debt and stringent or out of date credit checks
- A fear of losing key entitlements such as the Warm Home Discount
- Their tenure and a reliance on the current payment type due to their landlord's stipulations
- Access to the benefits of a smart meter and In-Home Display (IHD)

NEA believes Ofgem and the UK Government should explicitly have regard for these issues within their assessment of whether the conditions exist for effective competition and should be considered within any recommendations to the Secretary of State on whether to remove the Default Cap. In addition, we support many of the outcomes that Ofgem set out in their recent Consumer Vulnerability Strategy. In particular: Finally, whilst these issues would address the main factors which currently prohibit most customers who don't (or can't) engage in the market, the Default Tariff Cap also provides greater transparency in the pass through of energy related policy costs and the prospect that bills could fall if input costs drop. It is not clear how these fundamental issues will be considered when Ofgem provide their assessment of whether the conditions exist for effective competition. Again, they should be considered within any recommendations to the Secretary of State on whether to remove the Default Cap.

## Annex 1 – Letter to Lord Grantchester to letter from the RT HON Lord Henley (Parliamentary Under Secretary of State for BEIS)

Lord Grantchester

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22 June 2018

Dear Lord Grantchester,

I am very grateful for your continued interest in the actions of Government in protecting consumers, and for your support for the Domestic Gas and Electricity (Tariff Cap) Bill.

When we last met, we discussed protections for vulnerable consumers.

Firstly, we're working on information sharing to help better target assistance for those in fuel poverty.

On 17th May the Government laid the Digital Government (Disclosure of Information) Regulations,<sup>20</sup> before Parliament. That affirmative statutory instrument is designed to enable specific public bodies to share information to improve the provision and targeting of public services to benefit individuals and households. This includes the ability to share information for the alleviation of fuel poverty. The Regulations are scheduled for debate in both Houses on 25 June.

The new powers will enable the Government to share information with energy suppliers, so they can more readily identify households in need and provide support to those who are eligible. This support is specified in the list of fuel poverty measures in the Act and amending Regulations. It includes the Warm Home Discount (WHD), Ofgem's Safeguard Tariff and the Energy Company Obligation (ECO).

Secondly, on the matter of whether Ofgem's Safeguard Tariff will remain in place alongside the new price cap proposed by the Bill, I can confirm that Ofgem is proposing to keep the Safeguard Tariff in place if the new price cap is materially higher (i.e. gives less protection) than the level of the Safeguard Tariff. Ofgem have also committed to ensuring that vulnerable consumers are on the cap that gives them the highest protection, to ensure these consumers do not lose out when the wider price cap comes into effect. As I am sure you're aware, the existing Pre-payment Meter (PPM) Cap will be unaffected by this Bill and will be retained subject to a review of its duration by the Competition and Markets Authority (CMA) in 2019.

Thirdly, you also raised whether powers were required to allow a further price cap for vulnerable consumers to be brought after this cap has ceased. I can confirm that Ofgem already has the power to protect vulnerable consumers in this way as evidenced by the extension of the pre-payment meter cap to Warm Home Discount customers by licence modification.

You may recall the comments made by Dermot Nolan, Ofgem CEO, to the Committee during the Bill's pre-legislative scrutiny on the ongoing support Ofgem may provide to vulnerable consumers upon the removal of the price cap. When asked whether a price cap or other protection may be needed for vulnerable

consumers upon the removal of a market-wide price cap, Mr Nolan responded *“In my view, yes...I would envisage a very possible situation in which if a full, market-wide price cap was removed, Ofgem would continue with the price cap for vulnerable consumers”*<sup>21</sup>.

I hope you find these points useful. I would, of course, set these out clearly in my response to any debate on these matters at Report on 27 June.

Yours sincerely,

**THE RT HON LORD HENLEY**

PARLIAMENTARY UNDER SECRETARY OF STATE

<sup>1</sup> For more information visit: [www.nea.org.uk](http://www.nea.org.uk).

<sup>2</sup> NEA also work alongside our sister charity Energy Action Scotland (EAS) to ensure we collectively have a UK wider reach.

<sup>3</sup> NEA's recent joint briefing with E3G highlighted the UK has the sixth-worst long-term rate of excess winter mortality out of 30 European countries. Over the last five years there has been an average of 32,000 excess winter deaths in the UK every year. Of these, 9,700 die due to a cold home—the same as the number of people who die from breast or prostate cancer each year. The new analysis was released on Fuel Poverty Awareness Day the national day highlighting the problems faced by those struggling to keep warm in their homes. To read the press release and the full copy of the report visit: <http://www.nea.org.uk/media/news/230218/>

<sup>4</sup> 6 In 2016 BRE released its revised Cost of Poor Housing (COPH) report, which estimated the cost of poor housing to the NHS based on EHS and NHS treatment costs from 2011 and includes treatment and care costs beyond the first year. It also includes additional societal costs including the impact on educational and employment attainment. Finally, it provides information in terms of QALYs (Quality adjusted life years) as well as cost benefits, and to compare with other health impacts. The report estimates that the overall cost of poor housing is £2bn, with up to 40% of the total cost to society of treating HHSRS Category 1 hazards falling on the NHS. Overall, the cost to the NHS from injuries and illness directly attributed to sub-standard homes was estimated at £1.4billion, and the total costs to society as £18.6 billion.<sup>6</sup> Research by the BRE in 2013 suggested that if all of the English housing stock with a SAP below the historic average of 41 was to be brought up to at least the current average of 51 through heating and insulation improvements, the health cost-benefit to the NHS would be some £750 million per annum.<sup>6</sup> Other estimates put the costs to the NHS of energy inefficient housing at £192 million (£35 million of which was in the private rented sector). Use of the BRE category 1 calculator put the estimated private rented sector costs to the NHS at between £37 and £674 million depending on SAP rating and occupancy level.

<sup>5</sup> Elliot AJ, Cross KW, Fleming DM. Acute respiratory infections and winter pressures on hospital admissions in England and Wales 1990-2005. J Public Health (Oxf). 2008 30(1):91-8.

<sup>6</sup> NEA stresses to the UK Government the central importance of domestic energy efficiency remaining the most enduring solution to achieve collective goals; ending fuel poverty, a successful industrial strategy<sup>8</sup>, supporting small business growth in every region, helping to achieve carbon emissions reductions, improving local air quality, reducing health & social care costs whilst providing real benefits to households who are struggling financially. In this context, NEA has warmly welcomed the publication of the National Infrastructure Commission's (NIC) interim National Infrastructure Assessment (NIA). The interim NIA rightly identifies the need to urgently address the energy wastage in UK homes and states dramatically enhancing energy efficiency must be a key national infrastructure priority. NEA is also an active member of the Energy Efficiency Infrastructure Group who strongly support this approach. This approach is also currently supported by a growing number of Non-Departmental Public Bodies, academics, industry and NGOs. They all highlight why ending cold homes and reducing needless emissions via improving domestic energy efficiency must be a priority; no other form of investment can deliver so much.

<sup>7</sup> NEA highlights that net disposable income after housing costs of a low income household is £248 per week (£12,933 per year), equating to 60% of the UK median of £413 per week. The income after housing costs of a fuel poor household is even lower: £10,118 per year, equating to a net disposable weekly income of £194. Investigating income deciles shows the poorest 10% of UK society have a gross average weekly household income of £130 (£6,760 per year). Fuel poor households overwhelmingly comprise the poorest fifth of society: 85% of households in fuel poverty in England are located in the first and second income deciles and 78% of English households in those two deciles are fuel poor.

<sup>8</sup> NEA provided oral evidence to the BEIS Committee during pre-legislative scrutiny of the Domestic Gas and Electricity (Tariff Cap) Bill in March 2018 and subsequently, following the publication of the Bill in Parliament, oral evidence to the Public Bill Committee in April 2018.

<sup>9</sup> NEA noted the Default Tariff Cap could provide some temporary relief from unpredictable price increases, greater transparency in the pass through of energy related policy costs and the prospect that bills could fall if input costs drop. For the majority of customers who don't (or can't) engage in the market, this continues to be a positive development, despite the recent rises that were announced on the 7<sup>th</sup> February.

<sup>10</sup> In this context, whilst welcoming the new price protections for some vulnerable households who can't or don't engage in the energy market, NEA highlighted the risk that a million low income pensioners protected by the previous Safeguard Tariff could end up paying more than they would have done without the new Default Tariff cap.

<sup>11</sup> Ofgem consulted on how data-matching for an extended Safeguard Tariff may operate. NEA agreed with the introduction of a licence conditions obligating suppliers to take preparatory steps to have arrangements in place with the Department for Work and Pensions (DWP) for when the necessary data matching exercise. NEA also welcomes Ofgem addressing the unacceptable variance in the coverage of the previous Safeguard Tariff and we express our support for ensuring suppliers over 50,000 customers were able to deliver and target this vital assistance effectively in the near future. NEA also welcomed Ofgem committing to develop and implement the necessary data privacy impact assessments in time for when the extended Safeguard Tariff would have been implemented for all customers eligible for the Warm Home Discount (within both the WHD core and broader group), by no later than December. In addition, a [letter](#) by the Secretary of State to the BEIS Committee Chair noted the Government's support for working with Cabinet Office, the Department for Work and Pensions and Ofgem on amending the Digital Economy Act to extend the Safeguard Tariff. The Government subsequently amend the regulations to allow the powers within the Act to be used for this purpose. However, the consultation failed to provide clarity these steps will be introduced.

<sup>12</sup> NEA also stressed the need for and then the need to utilise the new data sharing powers that are now available via the Digital Economy Act which allow suppliers to work with government to carefully identify those for who energy bills are high and potentially putting them in financial difficulty.

<sup>13</sup> Following a series of cross party amendments NEA were subsequently given assurances in the House of Commons by Claire Perry MP, BEIS Energy Minister, and subsequently in the Lords by the Parliamentary Under Secretary of State Lord Henley during the final stages of the Bill that "Ofgem is proposing to keep the Safeguard Tariff in place if the new price cap is materially higher (i.e. gives less protection) than the level of the Safeguard Tariff". Following these developments, the Chief Executive from Ofgem also met with NEA, the Energy Minister and the Chair of the BEIS select Committee and gave similar reassurances.

<sup>14</sup> Business and Energy Secretary Greg Clark said: "the effects of energy price rises are often felt most by those on the lowest incomes. Enabling energy suppliers to establish who should be on Ofgem's safeguard tariff cap will help these vulnerable consumers. The proposed amendments to the Digital Economy Act will allow suppliers to work with government to carefully identify those whose energy bills are high and potentially putting them in financial difficulty. These people can then be placed under Ofgem's safeguard tariff cap, protecting them from high bills and unfair price rises".

<sup>15</sup> Dermot Nolan, Ofgem CEO said to the BEIS Committee during the Bill's pre-legislative scrutiny "In my view, yes...I would envisage a very possible situation in which if a full, market-wide price cap was removed, Ofgem would continue with the price cap for vulnerable consumers"<sup>15</sup>.

<sup>16</sup> Claire Perry MP, BEIS Energy Minister also stated publicly to the Public Bill Committee in April that the UK Government recognised the need for the Safeguard Tariff to continue even if the SVT wide cap is in place by this winter. Further to this, the Minister also restated that the UK Government supported the positive case for the Safeguard Tariff to be expanded to those eligible for the Warm Home Discount scheme and this would be possible once the revisions to the necessary data-sharing in the Digital Economy Act schedules have been made.

<sup>17</sup> Over 1 million low income pensioners are now likely to pay a minimum of £4m more than they would have done under the previous Safeguard Tariff.

<sup>18</sup> [https://www.ofgem.gov.uk/system/files/docs/2019/06/draft\\_consumer\\_vulnerability\\_strategy\\_2025\\_0.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/06/draft_consumer_vulnerability_strategy_2025_0.pdf)

<sup>19</sup> [https://www.ofgem.gov.uk/system/files/docs/2019/06/draft\\_consumer\\_vulnerability\\_strategy\\_2025\\_0.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/06/draft_consumer_vulnerability_strategy_2025_0.pdf)

<sup>20</sup> Link to Draft Digital Government (Disclosure of Information) Regulations 2018:

[https://www.legislation.gov.uk/ukdsi/2018/9780111169445/pdfs/ukdsi\\_9780111169445\\_en.pdf](https://www.legislation.gov.uk/ukdsi/2018/9780111169445/pdfs/ukdsi_9780111169445_en.pdf)

<sup>21</sup> See Page 9 of the BEIS Select Committee Oral Evidence Session from 10<sup>th</sup> January 2018:

<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/business-energy-and-industrial-strategy-committee/prelegislative-scrutiny-of-the-draft-domestic-gas-and-electricity-tariff-cap-bill/oral/76719.pdf>