

Things Ofgem has achieved for consumers in the past year



Complaints numbers fall

The total number of complaints by domestic energy consumers fell by **32%** last year, dropping from **five million** in 2015 to **3.5 million** complaints in 2016. This is the lowest point in three years. Most large and medium suppliers solved on average at least **90% of complaints** within eight weeks.

Prepayment meter price cap

We've implemented a price cap on prepayment meters, saving most consumers around **£80** per year on gas until 2020.



Returning money to consumers

Since 2014, large suppliers have **returned to consumers** almost **£670m** in outstanding credit, thanks to our regulations.





Connecting fuel poor households

Network companies are incentivised to support the vulnerable and fuel poor. We continued the Fuel Poverty Network Extension Scheme, under which gas distribution network companies are required to connect over **91,000 fuel poor households** by 2021. Since its introduction in 2008, more than **58,000 fuel poor households** have been connected to the gas grid.

Supplier insolvencies

If suppliers become insolvent, there's now a safety net in place to protect its customers' credit balances. Ofgem takes into account who can best protect customers' credit balances while it appoints a replacement supplier.

This was put to the test last autumn when GB Energy supply ceased trading and we appointed Co-operative Energy to take on its customers. All customers were switched from GB to Co-op while remaining on the same tariff, while their credit balances were protected, and outstanding credit balances honoured.



Getting more consumers engaged

We're trialling prompts for the 'stickiest' customers to engage in the market to get a better deal – as one of the recommendations to us from the Competition and Markets Authority's investigation into the energy market. We recently sent out **100,000** letters to consumers in our largest-ever randomised control trial.



Supplier objections



We looked at why suppliers might object to domestic and non-domestic customers switching. Domestic objection rates are falling, and we said suppliers should carry on ensuring this dropped, especially when it comes to switches that are blocked because customers are at relatively lower levels of debt. We want to see more customers switching even if their transfer has been objected to because of debt.

Regulating the retail market and better protecting vulnerable consumers

We're moving towards regulating the retail energy market through principles, rather than detailed prescriptive rules. This means that suppliers are being forced to focus on exactly what they're doing to attract, retain, and help customers, and especially get better at identifying who among their customers might be vulnerable and need extra attention.

Reduced network charges



National Grid announced in March that it will voluntarily defer **£480 million** of its allowed expenditure. This will initially reduce network charges on consumers' energy bills by around **£100 million** between 2019 and 2021. We assessed how much distribution network companies and National Grid were spending on reinforcement work, but because electricity demand was lower than expected, and there were fewer new connections needed than forecast, we were able to adjust allowances.



Switching programme



We want consumers to be able to switch energy supplier reliably and quickly. The customer experience has been central to our designing of policy and process underpinning the entire programme.

There were **7.7m gas or electricity** switches in 2016, and that was a **28%** increase on the previous year. These were the **highest switching rates** since 2010. Nearly half were switches to small or medium suppliers.

When energy companies break the rules

Energy companies who've not complied can now agree to redress the balance by making payments to help energy consumers, via charities, trusts and third parties. This is a process we have created. We make sure the funding is well-targeted and maximises the impact of the redress payments, particularly among vulnerable consumers.

In 2016-17 we completed four investigations and concluded enforcement action, resulting in **£27.75m** returned in compensation to consumers, or redress. This included **£18m** against ScottishPower for customer service failings, and **£4.5m** against British Gas for missing a deadline to install advanced meters.

Working with other regulators



We work with the UK Regulators Network and Ofwat on helping vulnerable consumers in the water and energy sectors. The more information we share about them, the more we understand, and the better we can protect them.