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Jemma Baker  
Switching Programme  
Ofgem  
9 Millbank  
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13<sup>th</sup> November 2017

Dear Jemma,

Thank you for providing the opportunity to respond on your proposals for a Vulnerable Customer Safeguard tariff.

Hudson Energy Supply UK Limited provide energy to domestic customers as Green Star Energy. We have noted the recent statements from Government and Ofgem that the market is not working for all consumers which has led Ofgem to conclude that there is a need to intervene in the market to further protect vulnerable customers. We do have concerns that this approach will not best meet consumers' long-term interests and may result in distortion of the market and result in consumers paying more for energy than they otherwise might have in the future. We are also concerned that this proposal may reduce customer engagement in the market, at a time when customer switching has returned to 2011 levels and switching to new entrant suppliers continues to accelerate.

Ofgem's State of the Market report has observed that following the introduction of the prepayment metering price cap from April 2017, there has been convergence of the tariffs available to customer, such that they are now close to the price cap level, whereas prior to the introduction there were tariffs available below the price cap level. Ofgem notes that although the market tariff price has fallen by £60 for a dual fuel customer since April 2017, the choice available for customers has decreased and some customers who had low use tariffs with low standing charge may now be paying more as those tariffs have been withdrawn by suppliers.

The introduction of an absolute price cap for vulnerable customers may therefore result in unintended consequences reducing choice for consumers.

The mechanism Ofgem have proposed to introduce the Vulnerable Customer Safeguard tariff means that those suppliers mandated to provide Warm Home Discount rebates to vulnerable customers will be obliged to apply the capped tariff. We have engaged with both Ofgem and BEIS to determine if this list can be provided to suppliers who opt to offer the safeguard tariff but this list is not available.

If you would like to discuss any part of our response, please contact [jevans@justenergy.com](mailto:jevans@justenergy.com).

Kind regards

James Evans