

Working paper #1: setting the default tariff cap

Ofgem working paper

A Response by Utility Warehouse

This document sets out the views of Utility Warehouse regarding the Ofgem Working paper #1: setting the default tariff cap published by Ofgem on 12 March 2018.

Utility Warehouse is the UK's only fully integrated provider of a wide range of competitively priced utility services spanning both the Communications and Energy markets. Customers benefit from the convenience of a single monthly statement, consistently good value across all their utilities and exceptional levels of customer service. Utility Warehouse does not advertise, relying instead on 'word of mouth' recommendation by existing satisfied customers and distributors in order to grow its market share.

We take our responsibilities as an energy provider very seriously and make every effort to ensure we provide such essential services to our customers with the utmost integrity; the customer is at the heart of our business model and the way in which we operate. Customer value is the cornerstone of the success we have had and continue to achieve.

We are supportive of the bottom-up cost assessment for setting the benchmark, as we were previously for the Ofgem consultation "*Providing financial protection to more vulnerable consumers*" published by Ofgem on 20 December 2017.

We support a payment method differential being set to reflect the true cost to serve customers based upon payment type. We agree with Ofgem's expectation that the cap should vary for different meter types and for different regions.

We would welcome further clarity on how the conditions for effective competition would be defined that could lead to the cap being lifted by the end of 2020 or as late as 2023.