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Dear Sir / Madam

Consultation on default tariff cap

The Scottish Government welcomes any action which contributes to delivering a more equitable energy market for consumers, and is therefore supportive in principle of the Domestic Gas and Electricity (Tariff Cap) Act. The default tariff cap will provide hard-pressed consumers with a short term solution for an enduring problem.

In this context we continue to call for an energy market that serves all consumers fairly regardless of meter type and location. It is therefore essential that the default tariff cap comes as part of wider moves to fix an energy market that is failing so many consumers. In setting the level of the cap full consideration must be given to specific characteristics that distinguish Scottish consumers from the broader GB consumer base.

As part of our vision to build a fairer Scotland we are working to raise the profile of consumers and place them at the heart of Scottish policymaking. This transformation programme will fundamentally change the way consumer issues are viewed and tackled across public policy making in Scotland. To this end improved consumer outcomes must be at the heart of the default tariff cap with appropriate safeguards in place to protect consumers from any unintentional consequences of the default tariff cap its design and implementation.

Scotland's first Energy Strategy was published in 2017 and sets out the Scottish Government's vision for the future energy system in Scotland. The Energy Strategy seeks to strengthen the development of local energy, protect and empower consumers, and support Scotland's climate change ambitions while tackling poor energy provision. To help ensure our policy decisions are shaped by and for the people of Scotland we are developing an energy consumer Action Plan to take a more detailed look into consumer issues across the energy sector. We aim to publish the action plan in Spring 2019.

Ofgem is a key partner in our work to improve consumer experience and outcomes across the energy market. We look forward to building on this work in our joint ambition to ensure consumers are front and centre in the evolving energy market.

Cheryl McNulty
Consumer Policy & Intervention Team