

TARIFF PROTECTION CALL FOR INPUT END FUEL POVERTY COALITION RESPONSE 10 May 2024

The End Fuel Poverty Coalition is a <u>broad coalition of more than 70 anti-poverty, health,</u> <u>housing and environmental campaigners, charities, local authorities, trade unions and</u> <u>consumer organisations</u>. It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

We welcome the focus Ofgem is placing on this consultation and our members look forward to engaging with the team on these issues.

Many of our members have already responded individually to the call for input and the wider membership would echo the views they have put forward The Government abandoned plans to introduce a meaningful social tariff and industry has botched the smart meter roll out. This means we are very concerned that the necessary reforms to energy tariffs are going to fail and there is no understanding of what the consequences could be.

We fear that the result of this consultation is that people will become energy exiles, locked out of accessing the most beneficial tariffs.

According to new data from 38 Degrees and the Survation polling firm, this means that millions of people (over half, 54%) are at risk of being energy exiles, unable to access new market innovations. Up to one in five (21%) of people are locked out of deals because they don't have a functioning smart meter or their energy firm won't install one. For up to 15% of people, they will be unable to access TOU tariffs due to medical or disability needs. Others will be penalised because they are unable to respond to surge opportunities due to work or care routines.

The evaluation of the <u>ESO winter flex scheme</u> from last winter highlighted some of the issues disabled people face trying to participate. They were less likely to participate and could face difficulties turning off lights, and had slightly worse experiences. This helps to underline the need for equalities impact assessments - what are Ofgem and the Government doing to make sure that inequality isn't replicated in future market design?

Are the regulators even considering their duties toward the vulnerable? As Scope has said, these reforms along with other government actions make it feel like there is a full on assault on disabled people.

Additionally, Future Energy Associates analyst Dylan Johnson, who helps to compile the Tariff Watch reports, identified data showing evidence that specific suppliers are raising prices in certain regions over and above what is justifiable on operational grounds.

The report found that one of the challenger brands, Outfox the Market, offered consistently cheaper fixed prices to many customers, but would charge a staggering £2,413 per year to customers in northern Scotland. The current <u>Ofgem price cap</u> for the average household is £1,690 - meaning some Scottish customers would be left £716 worse off if they switched. This raises alarm bells too.

What safeguards are in place to ensure there is no return to discriminatory pricing based on demographics as Tariffs Change? Innovation does not always result in benefits for the majority of citizens. Look at the current EV vs E7 price comparisons for proof of that where despite being the same type of tariff rewarding usage at night, E7 tariffs are 60% more expensive than EV ones [TW4].

In 2009 Ofgem banned discriminatory pricing, after tariffs emerged which had unexplained differentials between payment methods, between regions and between fuels (gas and electricity). However, in 2012, the licence condition which banned these tariffs was allowed to lapse. Ofgem should consider reintroducing a ban until the market has stabilised and also include meter type so non-smart customers are not penalised.

About the End Fuel Poverty Coalition

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We believe that everybody has the right to a warm, dry home that they can afford to heat and power.

Members of the Coalition include: Action with Communities in Rural England, ACE Research, Advice for Renters, AgeUK, All Birmingham's Children, Austerity Action Group, Association of Green Councillors, Association of Local Energy Officers, Association for Decentralised Energy, Asthma + Lung UK, Basingstoke & Deane Borough Council, Beat the Cold, Brighton & Hove City Council, Bruton Town Council, Camden Federation of Private Tenants, Child Poverty Action Group, Church Poverty Action, Chartered Institute of Environmental Health, Chartered Institute of Housing, Community Action Northumberland, Centre for Sustainable Energy, Climate Action Network West Midlands, Debt Justice, Disability Poverty Campaign Group, Disability Rights UK, E3G, EBICO, End Child Poverty Coalition, Energy Saving Trust, Energy Cities, Fair Energy Campaign, Epilepsy Action, Fair By Design, Foster Support, Friends of the Earth, Fuel Poverty Action, Fuel Poverty Research Network, Generation Rent, Good Law Project, Greenpeace, Groundwork, Hackney Foodbank, Heat Trust, Home Start Oxford, Independent Age, Inner City Life, Joseph Rowntree Foundation, Lambeth Pensioners Action Group, London Borough of Camden, London Borough of Lewisham, Marie Curie, Mayor of London, Moorland Climate Action, National Pensioners Convention, National Union of Students / Students Organising for Sustainability, NCB, National Energy Action, New Economics Foundation, National Federation of Women's Institutes, Northern Health Services Alliance, Oxford City Council, Positive Money Tower Hamlets, Redcar & Cleveland Council, Repowering London, Retrofit Bruton, Right To Energy Coalition, Rossendale Valley Energy, Ryecroft Community Hub, Save the Children, Sense, Scope, Shaping Our Lives, Social Workers Union, South East

London Community Energy, Southwark Group of Tenants Organisations, South West London Law Centres, Stonewater Housing Association, Stop The Squeeze, Uplift, UNISON, Warm & Well North Yorkshire, Warm & Well in Merton, Young Lives vs Cancer.

The coordination for the <u>End Fuel Poverty Coalition</u> is provided by social enterprise <u>Campaign Collective</u> and the Coalition is also part of the <u>Warm This Winter</u> campaign. In Scotland we work closely with <u>Energy Action Scotland</u>. In Wales, we work with <u>Climate</u> <u>Cymru's Warm This Winter</u> activity and in Northern Ireland with the NEA-backed<u>Fuel</u> <u>Poverty NI coalition</u>.

Contact: info@endfuelpoverty.org.uk

[1] https://www.endfuelpoverty.org.uk/about-fuel-poverty/

[2]

https://www.endfuelpoverty.org.uk/households-at-risk-from-mould-in-cold-damp-homes-crisis

[3]

https://swu-union.org.uk/2024/04/social-workers-report-children-living-in-dangerous-conditions/

[4]

https://www.endfuelpoverty.org.uk/struggling-households-need-73-a-month-to-keep-warm-thi s-winter/

[5] https://www.endfuelpoverty.org.uk/public-priced-out-of-essential-warm-home-measures/