



Councillor Barry Anderson  
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*Promoting choice and value for  
all gas and electricity customers*

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Date: 14 June 2012

Dear Councillor Anderson,

### **Fuel Poverty**

Thank you for your letter dated 30 April 2012 regarding your inquiry into fuel poverty and the concerns you raise. Please accept my apologies for the delay in getting back to you.

We acknowledge that consumers particularly value the offer of assistance in finding the most appropriate fuel tariff to help reduce the cost of energy. Since 2008 Ofgem has worked with Citizens Advice on a public awareness campaign known as Energy Best Deal. The campaign works by giving practical presentations to low income consumers and frontline staff (Citizens Advice as well as other organisations) who work with people at risk of fuel poverty. These sessions give advice on how to shop around for the best energy deal; how to reduce energy bills through energy efficient measures and get help if consumers are falling behind in paying their bills. Since 2008 14 sessions have taken place in Leeds reaching 60 frontline staff and 66 consumers. Using the estimate of each frontline staffer using the information to help at least 15 consumers in the year following the training, the potential reach in Leeds is 1,026 low income consumers helped by next spring.

The following two case studies illustrate how this campaign has helped two energy consumers in Leeds. The two consumers have given us permission to provide their experiences.

Consumer number 1 is a 68 year old member of the community at Halton Moor in Leeds. Having participated in an Energy Best Deal session she felt she was able to contact her supplier and ask for the cheapest tariff as her energy company (npower) wanted to increase her monthly payments. As she was only on a state pension she telephoned npower to say that she could not afford the increased monthly payments and that she wanted to find the cheapest tariff for her. She was asked how many rooms her house had, how many people lived there and whether the house was terraced, semi-detached, detached and how old the property was. She was also asked about the insulation in her home. Marjorie said she felt a lot more confident dealing with her energy supplier having been to the Energy Best Deal session. She has also passed on her knowledge from the session to a community group, Good Neighbours, who supports the elderly in East Leeds (Crossgates).

Consumer number 2 is a 22 year old single mother and is also a member of the Halton Moor community. Having participated in the Energy Best Deal session, she went to the One Stop Centre Desk (at Leeds City Council) and requested an electrician to look at the Emersion Heater in her house. Her electricity bills were very high as she could not switch off the emersion heater without getting an electric shock and so was leaving the emersion running all the time. She was also in debt to her energy supplier and believed she could

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not switch as she was still paying her arrears. Leeds City Council sent out an electrician so she now has a safe switch for the emersion heater. She is also now considering switching her energy supplier even though she has some arrears on her electricity account. She thought she had to stay with her supplier indefinitely because she owed them money. However, if a customer paying through a prepayment meter has a debt of less than £200 then they can switch to a new supplier and take their debt with them.

With regard to our Retail Market Review consultations on simplifying tariffs, we have received a large number of responses with a range of views expressed by stakeholders. We are currently refining our policy proposals in light of these consultation responses and aim to publish our updated proposals for consultation before the Winter. As ever, we are committed to ensuring that our proposals will deliver the best possible outcome for consumers. We recently published an update letter to this effect which is available at

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=207&refer=Markets/RetMkts/rmr>

We have also recently announced that we are developing a new Vulnerable Consumer Strategy. Last month we sort views on what we should incorporate in our strategy and what more we can do to help vulnerable gas and electricity consumers. The consultation document is available at:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=54&refer=Sustainability/SocAction>

I hope this letter is helpful. If you have any further questions please contact me or my colleague Lisa Taylor ([lisa.taylor@ofgem.gov.uk](mailto:lisa.taylor@ofgem.gov.uk)).

Yours sincerely

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