

Ofgem
9 Millbank
London
SW1P 3GE

21 November 2017

Dear Ofgem,

Re: “Vulnerable Customer Safeguard Tariff”

We write because we are concerned that your plans to implement a very limited, discriminatory, “safeguard” cap on energy tariffs would exclude many of the people who need the cap most.

This will lead to deaths, ill health, and misery, notably for people who are disabled or have long term illnesses, and for young children and their parents. Both may be eligible for Warm Home Discount, which should qualify them for the cap, but only those who actually **receive** the Warm Home Discount will be protected by the cap under your plans. While pensioners on low income will be covered automatically, disabled people, young children, and others who could benefit from the cap will instead continue to pay extortionate sums to their energy suppliers.

Disabled people often need more heat, for medical reasons or if they are home a lot, and can suffer much worse effects if they can’t afford to keep warm. What’s more, they have been hit the hardest by multiple cuts to incomes and services, leaving them in a poor position to deal with rising fuel prices.

The same is true of parents with babies and young children, who have endured benefit cuts, low wages and, now, universal credit, which have all caused a massive increase in child poverty.

Both may lose out on both Warm Home Discount and the safeguarding cap because:

- Non-pensioner applications to the Warm Home Discount will be offered from a limited pot and, as such, will be made available on a “first come first served” basis. The “first come first served” nature of this initiative will cause those who are eligible for the Warm Home Discount, and subsequently the “safeguarding” cap, to be excluded from being “safeguarded” from extortionate energy prices.
- Some smaller suppliers don’t offer the Warm Homes Discount, excluding their customers from the “safeguard” cap.

The Warm Home Discount can save £140 a year off an electricity bill, whilst you estimate that the “safeguard” cap could save the average user up to £120 a year. That is an average saving of £260 a year missed by those who need it most – and more for people who need a lot of heat.

There is a real risk that people who don't qualify for the cap will even see their fuel prices rise, as suppliers try to recoup the losses caused by a cap on their prices. We do not share your faith that a competitive market will prevent this.

We cannot accept your claim in your consultation paper that these exclusions are necessary in order to bring the cap in quickly. We see no reason why implementation of the cap could not be immediate for Warm Home Discount recipients already on suppliers' lists as receiving Warm Home Discount, and then **extended, before next winter, to others who qualify for it** – some of whom, under the present plan, will apply and will be refused.

Going further

Linking the selection criteria for the Warm Home Discount is in itself problematic.

- Benefit assessments have a high level of inaccuracy, with over 60% of benefit assessment decisions overturned at appeal for both the Personal Independence Payment and Employment and Support Allowance.
- Some customers, like many asylum seekers, who are excluded from welfare benefits, will automatically be excluded from the cap, as well, and, already living below subsistence, will be forced to pay more for fuel.
- By your own calculations, there are 1.7 million Warm Home Discount recipients on Standard Variable Tariffs, whilst there may be around 5.6 million households on Standard Variable Tariffs that contain at least one individual on income or disability-related benefits.
- In addition, the selection criteria for the Warm Home Discount are determined by energy suppliers (usually conditional on which benefits one is receiving), which means that someone's eligibility may be arbitrarily determined by whichever energy supplier they happen to be in contract with.

Energy prices are too high for everyone now, and thousands of people in all sorts of situations are dying from cold every year. As the body responsible for customer protection, Ofgem should be acting on this now.

But in the meantime, the cap scheduled to come in this coming February should apply to everyone who would be eligible for Warm Home Discount, whether or not they actually receive it.

Yours sincerely,

Sam Hayward, **Fuel Poverty Action**

Linda Burnip and Ellen Clifford, **DPAC (Disabled People Against Cuts)**

and

Jacky Peacock, **Advice4Renters**

Geraldine Takundwa, **All African Women's Group**

Frances Howe, **Biofuelwatch**

Cristel Amiss **Black Women's Rape Action Project**

Kamran Mallick, CEO, **Disability Rights UK**

Charles Montlake, **District Heating Stakeholders Group**

Ed Matthew, **E3G (Third Generation Environmentalism)**

Michael Cormack, **Edinburgh Coalition Against Poverty**

Cari Mitchell, **English Collective of Prostitutes**

Selma James, **Global Women's Strike**

Alan Kerr, **Greenwich Association of Disabled People**

Samir Jeraj, **Hackney Green Party**

Tracey Lazard, **Inclusion London**

Cllr Ian Rathbone and Cllr Deniz Oguzkanl for **Lea Bridge (Hackney) Labour Party**

Penny Savage, **LAMPAG (Lambeth Pensioners Action Group)**

John Hamilton, **Lewisham People Before Profit**

Ronald Douglas, **London & Anglia Region RMT/RMA**

Jan Shortt, **National Pensioners Convention**

Ilrena Fick, **Older Feminists Network**

Mena Rego, Chair, **Oval Quarter Residents Association**

Benoit Martin, **Payday men's network**

Chris Baugh, Assistant General Secretary, **PCS**

Anne Lamming, **Queer Strike**

Hannah Smith, **Reclaim The Power**

Kim Sparrow, **Single Mothers' Self-Defence**

Simon King, CEO, **SK media**

Emma Hughes, **Switched On London**

Sampson Low, Head of Policy, **UNISON**

Claire Glasman, **WinVisible (women with visible & invisible disabilities)**

Sara Callaway, **Women of Colour in the Global Women's Strike**