

Press release: Ministers welcome protection of 1 million more from high energy prices

- Ministers welcome move by regulator to protect more vulnerable consumers
- Move will now see a total of 5 million consumers protected by safeguard cap this winter
- Government's new energy price cap legislation will be introduced later this year

Energy and Clean Growth Minister Claire Perry today (7 February) welcomed the protection that 1 million more vulnerable consumers will get this winter from the extension of the energy regulator's safeguard tariff cap.

With the cap in place, these consumers will only see an increase of around 3.7% in their bills compared to an average 8% increase of dual-fuel standard variable tariffs of the Big Six last year.

Ofgem's extension of the current prepayment meter cap to those who receive the Warm Home Discount means 5 million people are now protected from unfair energy price rises.

The move comes as the government's own energy Tariff Price Cap Bill is expected to be introduced to Parliament shortly. The Bill will extend the price cap to the highest tariffs.

Energy and Clean Growth Minister Claire Perry said:

It is a positive step that a million vulnerable consumers are now being protected from unfair energy price rises through the energy cap.

But energy tariffs are still too high – customers of the Big Six energy suppliers are overpaying by up to a staggering £1.4 billion a year. This is totally unacceptable and why government will continue to go further – including by bringing in new laws in the forthcoming energy Tariff Price Cap Bill to put an end to rip-off standard tariffs.

Notes to Editors:

1. More information on Ofgem's safeguard tariff cap can be found [here](#)
2. Based on Ofgem's current typical domestic consumption values the new prepayment meter dual fuel cap will be £1089 from April 2018 compared to £1050 in April 2017, an increase of 3.7%. All figures include VAT.
3. In 2017 the six largest energy suppliers increased their standard variable tariffs by an average 8% (based on a simple unweighted

average).

4. The latest figures from Ofgem show that 57% of the ten largest energy firms' domestic customers were on standard variable tariffs and that the average customer could save over £300 by switching to a cheaper deal.
5. The energy Tariff Price Cap Bill will give delegated powers to Ofgem to amend industry licences for the purposes of implementing and managing the price cap. The Bill will require Ofgem to place a price cap on all poor value standard variable tariffs.
6. The government is committed to an energy market that works for all which is why we have put in place a series of measures, in addition to the planned introduction the Tariff Price Cap Bill. These include:
 - The rollout of smart meters, which will put consumers in greater control of their energy use and will save £300 million off bills in 2020 alone
 - ECO: Help to Heat which was launched in April 2017 will upgrade the energy efficiency of more than 300,000 homes a year, tackling the root cause of fuel poverty. This includes installing measures like including solid wall, cavity wall and loft insulation
 - Under the Warm Home Discount Scheme, 2 million low income and vulnerable households will be provided with a £140 rebate off their energy bill each winter
 - These proposals combined will see £770 million of support for low income and vulnerable households each year in 2017-2018.