

Press release: New proposals to help vulnerable people benefit from cheaper energy

- government takes further steps to tackle fuel poverty
- government consulting on new powers to make it easier for consumers to be protected from unfair energy bills under the safeguard tariff
- new data-sharing measures means vulnerable consumers would be protected from high energy bills automatically

The government has today (12 February 2018) launched a consultation asking for views on amending the Digital Economy Act to bring in data-sharing measures that could help bring down the bills of those most at risk of fuel poverty.

The consultation will explore the use of powers which would allow the sharing of information between public authorities and energy suppliers so that vulnerable consumers receiving certain benefits would automatically be protected by the safeguard tariff.

The energy regulator, Ofgem, introduced a safeguard tariff cap in April 2017 for 4 million consumers on prepayment meters. This month, it was extended to a further one million who receive the Warm Home Discount. Ofgem consulted on further eligibility for the safeguard tariff cap earlier this year and the powers proposed in this consultation will make identifying and protecting these vulnerable consumers easier while still protecting their data.

The move comes as the government prepares to introduce a Tariff Cap Bill which will put an end to rip-off standard variable tariffs.

Business and Energy Secretary Greg Clark said:

The effects of energy price rises are often felt most by those on the lowest incomes, as they are usually on the highest standard variable tariffs. These people are at risk of being plunged further into fuel poverty if they are left at the mercy of a broken energy market. Enabling energy suppliers to establish who should be on Ofgem's safeguard tariff cap will help these vulnerable consumers.

The government is committed to tackling fuel poverty. We want to make it easier for those vulnerable consumers to bring their energy bills down. And it doesn't stop there. We are working with Ofgem and other partners to ensure that switching is made easier and we'll be introducing an energy price cap bill soon so that we can have an energy market that works for everyone.

The proposed amendments to the Digital Economy Act will allow

suppliers to work with government to carefully identify those whose energy bills are high and potentially putting them in financial difficulty. These people can then be placed under Ofgem's safeguard tariff cap, protecting them from high bills and unfair price rises.

We will shortly be introducing our Tariff Cap Bill which will put an end to rip-off standard tariffs. Our Bill, published in the autumn, has been undergoing pre-legislative scrutiny in order to build cross-party consensus. We expect a report from the BEIS Select Committee shortly so that we can begin the process of getting the Bill through the House in order to protect millions of consumers as soon as possible.

National Energy Action (NEA) Chief Executive Adam Scorer said:

Schemes to take people out of fuel poverty have been hamstrung by an inability to target support on those who need it most. Data matching is a necessary part of the answer and NEA welcomes this consultation as an important step to establishing a safe and effective way of bringing help with energy costs to those least able to afford a warm home.

Energy regulator Ofgem announced today its intention to trial its first 'hassle free' switching service as part of a package of reforms aimed at making it easier for people to switch as well as protecting those who don't switch from being overcharged.

The industry body, Energy UK, has also launched a new Commission today as part of its drive to improve customer engagement with a particular focus on vulnerable customers.

Suppliers would not be permitted to use the information they receive for any purpose other than those that are outlined in the Digital Economy Act. In addition to legislative controls and criminal penalties, a code of practice would be put in place alongside detailed contractual arrangements for the handling and protection of the data – see the recent government consultation on [Digital Economy Act, part 5: data sharing codes and regulations](#)

Ofgem recently [consulted on expanding the eligibility criteria for the safeguard tariff](#)