



Retail Energy Markets & Consumers Team
Department for Energy Security and Net Zero
Floor 3, Abbey 1
1 Victoria Street
London
SW1H 0ET

Dear DESNZ Retail Energy Markets & Consumers Team,

In January 2023, almost a third of older people, equivalent to 4.7 million over 60s, reported their home was too cold most or all the time and 5% (or around 800,000) reported that they had had to recently leave their home to keep warm elsewhere. We are concerned older people will yet again face a tough winter ahead and yet the Government has not taken this opportunity to consult on meaningful solutions. Instead, it has taken the decision to focus on market innovation within this call for evidence (CfE).

Facilitating fair competition, rewarding innovative tariff options, and incentivising products which help achieve net zero will only get us so far if many consumers cannot meaningfully engage with the market or access comprehensive affordability support.

With this said, Age UK would welcome innovation in the retail energy market so long as it accounts for consumer needs. This means ensuring offline access for customers not using the internet, delivering consumer support for those people struggling but not in receipt of welfare benefits, addressing the loyalty penalty, and putting an end to the poverty premium. This must include supporting the 770,000 older people not in receipt of their Pension Credit entitlement, two fifths of those aged 75+ not using the internet, and market disengaged households who are more likely to be struggling financially.

To achieve this the Government needs to view the energy market in a more holistic sense. For instance, comprehensive targeted energy support, such as a social tariff, protects vulnerable customers from price shocks but also protects them from unsustainable debt levels, self-disconnection, the loyalty penalty, and the poverty premium – harms which make impossible the fair and competitive market we would all like to see.

Age UK

7th Floor

One America Square

17 Crosswall

London EC3N 2LB

t 0800 169 87 87

f 020 3033 1000

e contact@ageuk.org.uk

www.ageuk.org.uk

Our view is that the Government's focus is too narrow. The energy retail market and fuel poverty strategies should be fully revised, ushering in a new approach which is consumer centric and focused on addressing market inequalities and ensuring affordability for all. Alongside innovation, this will create pathways towards a more functional and sustainable market.

This new strategy must also include a commitment to extend the full range of consumer safeguards to the roughly 900,000 UK residential households reliant on a non-domestic energy supply, generally receiving their energy via a commercial contract (e.g. retirement homes, care homes, park homes), and consumers relying on alternative fuels, such as heating oil, coal, and bottled gas. These are often some of the most at-risk older customers as they frequently miss out on Ofgem's consumer safeguards and the full benefits of affordability and energy efficiency schemes.

We are particularly concerned that some of the innovative products suppliers could offer in the future will place an increasing proportion of older people on non-domestic supply contracts. A commitment to extend domestic consumer safeguards to these customers would ensure innovation does not come at the expense of consumer protections.

Sincerely,

Age UK

Age UK

7th Floor
One America Square
17 Crosswall
London EC3N 2LB

t 0800 169 87 87
f 020 3033 1000
e contact@ageuk.org.uk
www.ageuk.org.uk