

The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dear Chancellor,

We write to you regarding the future of price protection in the energy market after the welcome commitment to consider options for protecting vulnerable energy consumers from April 2024 onwards. The Government has committed to working with organisations to consider the best approach to consumer protection post 2024. We welcome this commitment and urge your department to consider introducing targeted support in the form of a social tariff for the energy market, and to ensure the consultation process for implementing such protections is carried out swiftly.

During this extraordinary time of volatile wholesale gas prices, we know that people's personal finances are under intense pressure because of the costs of energy. While the government was able to offer unprecedented protection for households and businesses from high energy prices, many people in poverty and with higher energy needs (e.g. those relying on medical equipment like dialysis) have still struggled with affording to adequately heat and power their homes.

Even with support, energy prices have had a devastating impact on households across the country. In April 2022, the price cap rose by 54% to nearly £2,000. This resulted in a sharp increase in numbers falling into fuel poverty. Estimates show that the energy crisis had pushed over 6.7 million UK households into fuel poverty, up from 4 million in October 2021. In April 2023, as the Energy Price Guarantee rises to £3,000/year for the typical household and the Energy Bills Support Scheme drops away, this will rise to 8.4m fuel poor households across the UK.

In light of this, we urge your department to consider, as part of your work to protect consumers post April 2024, a targeted support mechanism in the form of a **social tariff** for the energy market – a discounted, targeted tariff aimed at those in greatest need to ensure they are able to live in their homes comfortably. We urge you to consider a progressive funding mechanism which ensures those missing out on the social tariff do not have to bear its costs.

In our view, this kind of targeted support should be automatically made available to those who need it including: people on means tested benefits, disability benefits, and Carer's Allowance alongside those still struggling with their bills but missing out on support from the welfare system. It also gives the opportunity to remove unfair differentials between different geographies and payment types that currently exist in the market for low income and vulnerable households.

Implementing such a change to the energy market may well require some legislative changes. We therefore urge you and your department to ensure that options for consumer protection post April 2024 are consulted on as soon as possible to ensure

that the required work can take place in parliament in order to put a social tariff in place as soon as possible.

We are looking forward to working closely with you on these developments and are committed to ensuring the views of the stakeholders we represent are reflected in this work. We would welcome the opportunity to discuss this with you.

Yours sincerely,



Action for Warm Homes



SCOPE = Equality for disabled people

