

3 March 2023

Open letter: Energy Equality

The Rt Hon Grant Shapps MP
Secretary of State for Energy Security and Net Zero
1 Victoria Street
London
SW1H 0ET

Cc: The Rt Hon Jeremy Hunt MP, Chancellor of the Exchequer
Jonathan Brearley, Chief Executive, Ofgem



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Dear Secretary of State,

Energy Equality Matters Campaign

As the UK's largest social landlord, we are requesting an urgent meeting to discuss our newly launched campaign, which aims to secure equal access to affordable energy for our residents and the millions of other people in social housing.

We provide homes for over 350,000 people. This gives us a unique insight into the unfairness that persists in the energy market for low-income and vulnerable households. As your department considers critical reform of energy supplier prepayment meter practices, as well as options for protecting vulnerable energy consumers from April 2024 onwards, we are keen to work in partnership with you to tackle these issues head on. While the Government has offered unprecedented protection for households from rising energy prices, and has taken decisive moves to tackle the particular issues around prepayment meters, gaps still remain. We believe we can achieve even more together.

Our Energy Equality Matters campaign has three pillars, spanning short-term policy decisions and longer-term reform:

- 1. Support: Ensuring equal access to financial help with energy bills.** We have today written to the leading energy providers and Energy UK to appeal for urgent action to boost Energy Bills Support Scheme (EBSS) voucher redemption rates, for our residents and residents across the social housing sector on prepayment meters. We have asked suppliers to join us to discuss working directly with us to raise awareness about unclaimed support. We have a unique relationship with our communities and are confident we can support suppliers in overcoming barriers to the uptake of vouchers.
- 2. Choice: Maintaining the option for residents to choose how they pay for energy.** We know that 21% of our households currently have prepayment meters and many of these residents value the ability to manage their energy budgets in this way. As the government and Ofgem review energy supplier prepayment meter practices, we want to ensure that our residents retain the ability to opt for this payment method where it works for them, but with the confidence of enhanced protections. The forced installation of prepayment meters should have no place under the future regime.
- 3. Fairness: Ending the poverty premium with the introduction of a new social tariff.** Low income energy customers face a double burden from the current energy crisis: the rising cost of bills, and a longer term issue that they often face higher charges than direct debit customers. Under the Energy

Price Guarantee (EPG), prepayment meter customers often pay a higher unit price and higher standing charges for gas and electricity than customers paying by direct debit. We urge you to take immediate action to abolish higher standing charges for prepayment meter customers and consult on a permanent low-cost social tariff for low-income households struggling to afford their basic energy needs. Given the importance of the issues, we appeal for the Government to take urgent action, whether at the budget, through unilateral moves by Ofgem, or through a consultation on legislative changes to protect vulnerable energy consumers from April 2024.

I would be grateful if you would meet us to discuss the aims of our campaign and how we can work together to realise our vision of more affordable energy for all and improved access to support for those who need it.

Yours sincerely,

A handwritten signature in cursive script that reads "Clare Miller".

Clare Miller
Chief Executive, Clarion Housing Group