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RADICAL OVERHAUL OF ENERGY MARKET IS WELCOME SAYS USWITCH.COM

Today's announcement by industry regulator Ofgem that it is going to tackle failures in the energy market is very welcome says uSwitch.com, the independent price comparison and switching service.

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: "This overhaul is long overdue and shows a determination to root out the thorny weeds threatening to stifle competition and preventing consumers from entering the market. Ofgem has taken a very sensible line, leaving the threat of a Competition Commission referral hanging while also giving suppliers time to get their houses in order. This is absolutely the right approach as a Competition Commission referral at this point, when a huge amount of investment is required in our energy sources and supplies, is not in the interests of consumers or the market.

"What Ofgem has acknowledged today is that the market isn't working properly for consumers. The fact is that not enough people are using it. Around four in ten households have never switched energy suppliers and three quarters of people are sitting on standard tariffs. Incredibly, just one in ten households are paying the cheapest energy prices on the market^[1]. This is clear evidence that consumers are not engaged in the market and Ofgem's earlier remedies have done little to change this. In fact, consumers have told us that annual statements, which were a lynchpin of Ofgem's earlier push to make the competitive market work, are not fit for purpose.

"Today's announcement suggests that Ofgem has taken the criticism on the chin and has come back out again fighting, this time with every intention of tackling the barriers to competition, including tariff complexity, poor supplier behavior and lack of transparency. Ofgem has finally understood that if it wants consumers to come into the market it has to open the way for them. With its proposals today it is clear this is now what it fully intends to do."

For more information visit www.uSwitch.com or call 0800 093 06 07

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Notes to editors:

1. Ofgem:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=RMRFinal%20Final.pdf&refer=Media/PressRel;>

About us

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

The service is also available via fax and post. Consumers should fax 020 7233 5933 or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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