



Department for
Business, Energy
& Industrial Strategy

Rt Hon Grant Shapps MP
Secretary of State
Department for Business,
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Domestic Energy Suppliers in GB

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Dear CEOs,

As you know, protecting consumers remains the priority for the Government as we tackle the problems caused by high global gas prices. The Government's Energy Price Guarantee will save a typical British household around £900 this winter, on top of the £400 discount off bills through the Energy Bill Support Scheme. I am also very grateful for your continued partnership with us in improving the energy efficiency of British homes through the Energy Company Obligation and other schemes.

I am writing to you now to set out my expectations on the setting of consumer direct debits.

It is critical that consumers are able to manage their bills effectively and direct debit can be an efficient way for families to smooth their energy costs over the year. However, I was disturbed to read media reports that some consumers are saying their direct debits are going up when they are making huge efforts to reduce their usage to save money at a time when household incomes are squeezed.

It is in all our interests that when consumers take sensible steps to reduce their own bills, such as reducing their boiler flow temperature or making their homes more energy efficient, that they are able to see an impact in their bills. I am very keen that all suppliers find a way to make their systems more responsive to these positive changes in consumer behaviour and have asked Ofgem to report to me on how this can be achieved.

With other costs increasing for households, it is critical that we do what we can to help. I am interested to understand how you intend to ensure that your Direct Debit system does not over-estimate charging.

I am copying this letter to Jonathan Brearley, Ofgem CEO.

Yours sincerely,

RT HON GRANT SHAPPS MP
Secretary of State for Business, Energy & Industrial Strategy