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Dear Derek

**RE: Future of the Ban on Acquisition-only Tariffs (BAT) after March 2025**

Thank you for the opportunity to comment on the future of the Ban on Acquisition-only Tariffs (BAT) post-March 2025.

In the absence of an alternative mechanism which ensures tariffs are fair to all consumers and sustainably cost-reflective, our position still stands the BAT should remain in place. Without the BAT, competition existed in a loss-making part of the market, subsidised by the loyalty penalty. This penalised the least engaged consumers, who are also potentially the most vulnerable consumers.

With competition returning to the market, the BAT will ensure suppliers continue to price responsibly and place greater emphasis on customer service and innovation as ways to attract and retain consumers as well as providing both new and existing customers the best deals. It continues to provide protection for vulnerable customers and those in debt who are unable to switch between suppliers in order to access the best rates. Thus in turn maintains the consumer trust in the energy market. The BAT could also provide a way out of eventual price-capping by protecting existing customers without the market-distorting effect of a price cap.

While we support the retention of the BAT, we reiterate our request from previous consultation responses that Ofgem provide clarity on their 31 March 2023 Tariff Appropriateness letter, where Ofgem stated that, *"...rewards and promotions that are exclusively aimed at new customers are almost certainly going to be contrary to the BAT licence condition."* We have written to Ofgem on several occasions since March 2023 seeking clarity and we have yet to receive a response.

We interpret a continued reduction to unit rates, only available to new customers, as an acquisition only tariff. We do not interpret a one-off, cost-reflective, sign-up reward (e.g. a voucher) to be an acquisition only tariff.

The voucher example provides a cost-reflective marketing tool to support responsible competition. Suppliers incur running costs for all acquisition channels (e.g. marketing budgets, salary and bonus for sales staff, etc). Where a supplier can save money by using a low-cost acquisition channel (e.g. online sign-up) the supplier should be allowed to pass on a cost-reflective saving to the customer in the form of a one-off reward.

We would expect the intent of the above to be reflected in Licence to avoid further ambiguity.

Yours sincerely

**Nick Gatfield**  
Regulatory Manager