

6 Nov 2024

**Future of the Ban on Acquisition-only Tariffs (BAT) beyond March 2025**

Consumer Protection and Retail Markets, Ofgem  
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Utility Warehouse was one of the first ‘challenger’ brands when it entered the retail energy market over 20 years ago, and we have a unique perspective in that we operate across numerous regulated markets: energy, telecoms and insurance. Today we serve over 1 million households.

**UW overarching view**

- We agree with Ofgem’s proposals to retain the BAT until March 2026.
- Our preference would be to make the BAT a permanent feature, mimicking the insurance sector where in 2021 the Financial Conduct Authority (FCA) introduced a permanent ban on the practice of inflating prices for loyal customers i.e. ‘price walking’.
- We appreciate Ofgem would prefer to undertake its own research before coming to conclusions about the permanency of the BAT, so we welcome proposals to test the BAT in new market conditions.
- Market stability should continue to be achieved through a variety of distinct policy measures. Thus, while the price cap isn’t part of the discussion in the consultation document, we would reiterate our view that the BAT and the price cap provide different policy solutions to distinct - and significant - challenges in the market. Our firm belief is that the price cap is an essential and enduring feature of a competitive market that ensures fair pricing for disengaged and default customers.

**Consultation questions**

<b>Q1.</b>	<b>Do you agree that the BAT should be extended for another 12 months post 31 March 2025, i.e. until 31 March 2026?</b>
	We agree with Ofgem’s proposals to retain the BAT until March 2026. Our preference would be to make the BAT a permanent feature, mimicking the insurance sector where in 2021 the Financial Conduct Authority (FCA) introduced a permanent ban on the practice of inflating prices for loyal customers i.e. ‘price walking’.
<b>Q2.</b>	<b>Do you agree with the reasons set out in this section supporting our proposal to extend the BAT until 31 March 2026?</b>
	Yes.
<b>Q3.</b>	<b>Are there any other factors which Ofgem should consider, when determining whether or not the BAT should be extended post March 2025?</b>
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<b>Q4.</b>	<b>Do you believe that the existence of the Market-wide Derogation, and the ability of suppliers to offer bespoke retention-only deals, is consistent with the principle of consumer fairness within the retail market?</b>
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<b>Q5.</b>	<b>Do you believe that the Market-wide Derogation has (or is likely to have) a significantly positive or negative impact on consumer interests, or on competition within the retail market? Please provide supporting evidence wherever possible.</b>
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<b>Q6.</b>	<b>Are there any other factors which should be considered when looking at the impact of the Market-wide Derogation on the market?</b>
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<b>Q7.</b>	<b>Do you agree with our proposal to retain the Market-wide Derogation until March 2026, and our reasons therein supporting this proposal?</b>
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<b>Q8.</b>	<b>Would you recommend any changes to the operation of the Market-wide Derogation (assuming that it was being retained for the longer term)?</b>
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