



Fuel Poverty Action Response to Ofgem Forward Work Plan 2025/6

Feb 2025

Fuel Poverty Action is a grassroots organisation taking action against inflated energy bills and working towards an affordable, sustainable and democratic energy system. We have campaigned for many years against the UK's unfair, unaffordable and environmentally damaging energy pricing system. Our [Energy For All](#) proposal delivers universal price protection with a guarantee of essential energy to keep everyone safe. A universal guarantee is increasingly needed in a future with increasingly variable supply. This has gained widespread support from over 100 other organisations and over [660,000 petition signatures](#). The New Economics Foundation also modelled a rising block tariff to deliver a [National Energy Guarantee](#).

The core duty of Ofgem is “to protect energy consumers, especially vulnerable people, by ensuring they are treated fairly and benefit from a cleaner, greener environment.” Given that, and the fact we are in a fuel poverty crisis with no end in sight, it is shocking that there is not even a mention of **Fuel Poverty** in the Ofgem programme of work for 2025 and 2026 that we have been asked to respond to.

This glaring omission is a symptom of Ofgem becoming increasingly focussed on other objectives such as “investor confidence” and “innovation” which are indeed included. Millions of us are again spending the winter huddled under blankets because the Ofgem price cap is 70% above 2020, standing charges have shot up and electric heaters cost a fortune to run. Millions of lives are being destroyed by fuel poverty, many falling sick and thousands dying of cold. Ofgem is not even tracking those trying to survive on dangerously low levels of energy, let alone having a strategy and plan to end energy starvation.

Ofgem needs to refocus on its core consumer duty and spend less time being influenced by energy firm lobbying. Ofgem needs to do a much better job of protecting us from profiteering, harassment and incompetence by energy firms. Energy is an essential good so our energy system should at least give everyone the essential energy they need to stay warm and safe. The Ofgem Programme of Work should be focussed on delivering this. We already generate a lot of clean, cheap energy, but this is not evenly distributed. Ofgem allows energy firms to cherry pick affluent customers by offering them cheap rates for their EVs, batteries and heat pumps whilst low income vulnerable customers pay much more on

legacy time of use tariffs like Economy 7. Ofgem allows this blatant price discrimination to happen in the name of innovation, regardless of the horrific suffering these inflated prices inflict on those of us who are less fortunate and tech savvy. Ofgem's failure to stop discrimination in the name of innovation will also undermine wider public support for the transition.

Energy innovations should be directed at eradicating fuel poverty instead of further increasing inequalities. Cheap and excess renewable energy should be shared equally rather than gobbled up by a privileged minority. This would also save us lots of money in wasteful constraint payments and reduce the need for expensive and environmentally damaging battery farms.

The whole way that Ofgem sees energy economics is flawed. More low and off-peak users mean much lower energy costs as the high cost and dirty generation sources are not needed, and fewer expensive grid upgrades and batteries. But the Ofgem pricing system does the opposite by penalising low and off peak users with high standing charges and inflated Economy 7 pricing. A pricing system with a rising not falling block tariff would better match total system impacts and reward energy efficiency instead of energy waste.

Ofgem has also failed to stop the widespread harm caused by incompetent and aggressive energy firms sending extreme bills and then instead of correcting them, threatening people with debt collectors and prepayment meters. Ofgem has also let firms run up billions in excess credit from overcharging, and flouting back-billing rules. Instead of losing their license, these energy firms are allowed to make big profits and pay big bonuses.

Ofgem needs a fundamental rethink, and the new Government is rightly reviewing how Ofgem should be reformed to be more effective. Part of the blame for Ofgem's failure is the Government trying to set Ofgem new conflicting objectives like increasing investor confidence. Higher profits lead to higher prices and fuel poverty. We hope to see the major changes needed to rebuild our energy system around people and the planet, not maximising profits and executive bonuses.

Ofgem has a critical mission and vast resources, paid for by even those on the lowest incomes trying to survive without heating, hot water or washing. The millions getting cut off by prepayment meters each year. Ofgem needs to refocus on ending widespread energy injustices and energy starvation, so everyone can benefit from our increasing supply of cleaner, cheaper energy.

Contact Information:

[Fuel Poverty Action Website](#)

[Energy For All Website](#)

jonathan@fuelpovertyaction.org.uk