

Citizens Advice response to DESNZ call for evidence on the future of default tariffs



Citizens Advice strongly supports reforms which reward flexible electricity usage, lowering bills for those who are able to use electricity at less expensive times, and minimising costs associated with electricity generation and grid infrastructure for all consumers as we transition to an energy system dominated by renewables.

Following Marketwide Half Hourly Settlement (MHHS) we expect suppliers to offer more Time of Use (ToU) tariffs. While this will help deliver the overall benefits of a more flexible system, these changes will also give rise to new distributional impacts and some new risks for consumers who don't engage and are on non-ToU (single rate) default tariffs. These are currently used by the large majority of households.

In particular there are risks that:

- Consumers who already use at non-peak times and can benefit from new ToU tariffs *without* changing their behaviour will disproportionately switch away from single rate default tariffs, making these more expensive for consumers who remain.
- Consumers who use a large amount of energy at peak times and can't - or don't want to - be flexible in their energy usage actively choose to be on single rate defaults to avoid paying their fair share of system costs, pushing up the cost of these products for other consumers.

At the same time, some consumers may struggle to engage with time of use products or can't be flexible in their energy usage and face higher costs as a result, potentially including those who have higher heating needs or who use medical equipment.

There are also important considerations around protections for consumers coming to the end of their contract, and some new harms that could arise as a result of moving onto a default contract with different features. These reforms also offer an opportunity to consider the possible benefits and risks of a market-wide move to ToU tariffs - for both active and default tariff customers - as a way of maximising flexibility in the energy system.

We welcome the Government's review of default tariff arrangements to consider these issues and find the best way forward. Ensuring these reforms are taken forward in a way that is fair is important to manage consumer risks and maintain public consent for the move to a net zero power system. We're keen that any new rules are proportionate and do not limit scope for innovation, or prevent the benefits of a flexible system.

We set out some key thoughts on the options presented and suggest some next steps:

1. The scale of the various risks and benefits identified by DESNZ and Ofgem, and the pace at which they may develop following MHHS, is not currently clear enough. Further analysis is needed to underpin an assessment of which policy approach is the best way forward.
2. Current rules for customers coming to the end of fixed term contracts largely offer the right protections, though some additional safeguards may be needed. In general, narrow and prescriptive rules are unlikely to deliver the best outcomes for more complex products.¹ An FCA-style Consumer Duty could be more appropriate to drive suppliers to deliver outcomes like fair pricing for these services.
3. In principle we support targeted action to tackle risks from certain consumers using large amounts of electricity at peak times. Further analysis is needed to demonstrate the scale of the risks posed by different technologies, and more consideration is needed of how targeted defaults would be applied in a way that is effective and fair. We suggest some alternatives, including 'fair usage' limits.
4. We think there should be further consideration of the additional benefits of moving all 'inactive' default consumers onto simple ToU tariffs (like Economy 7) and how any risks could be mitigated. We would not support change of this significance being at the discretion of individual suppliers.
5. We would not support changes that mean 'inactive' consumers who are currently on single rate default tariffs are moved to the most complex ToU products (eg dynamic ToU tariffs which change price throughout the day).

Changes to default tariff design need to be carefully considered alongside Ofgem's review of price protection.² This is currently delivered through a price cap on default tariffs, though we agree with Ofgem that the operation of this cap will need to evolve following MHHS. We will share more detail in our forthcoming response to Ofgem's discussion paper.

It's also important to recognise that default tariff design and price protection play an important role in improving fairness, but can't deliver fully affordable or fair outcomes. We continue to strongly make the case for better targeted energy bill support which can tackle the significant affordability challenges that exist in the current market, while also protecting those most at risk from the distributional impacts of future reforms.

¹ Citizens Advice (2022) [Raising the Bar](#)

² Ofgem (2024) [Future Price Protection Discussion Paper](#)

While default products play an important role in the market, they cannot deliver better outcomes than consumers making their own high quality choices over what energy products and services work for them. To maximise consumer engagement - and benefits - in a more flexible market it's also vital to:

- upgrade protections and provide high quality advice that give consumers the confidence to engage
- ensure the market is inclusive and tackle barriers to engagement
- enable more innovation and consumer choice in the market.

Consumers without smart meters or who opt out of sharing the necessary data for MHHS are likely to make up around a quarter of households by the end of 2025. In future, the price of energy products for traditional meters are likely to be higher than those for smart meters. As such it's important to tackle the ongoing barriers to smart meter adoption and ensure consumers who can't get a smart meter installed are protected from unfair price rises.

We set out our wider view on the changes that are necessary in the coming years in our recent report, [Don't settle for second best](#).

Responses to detailed questions

1. Do you agree with these principles?

Yes, we broadly support the principles laid out in the consultation.

We support principle 1 (the market should be free to reward households for using energy smarter). We recognise that in the future market the best consumer outcomes are likely to flow to those who are able to engage with the market and use low carbon technologies. The corollary of this is that those who don't use energy smartly are likely to face higher relative costs - and perhaps in absolute terms depending on how the market develops following MHHS.

To support engagement we have called for actions to improve consumer confidence to engage through upgraded consumer protections, as well as action to tackle barriers that make it harder for some consumers to engage and enabling more consumer choice and innovation. Further details on these important elements of reform are set out in our paper [Don't Settle for Second Best](#).

It's also important to recognise that current market reforms only increase cost reflectivity for some of the costs of supply. Further reforms like improving locational

signals will be required to make it easier for consumers to benefit from taking action that avoids costs related to network constraints. There are also certain costs that are driven by decisions by policymakers, such as some network charges and policy costs, as well as market factors like the loyalty penalty for disengaged consumers. These mean there must be ongoing consideration of how fair outcomes are achieved overall, not just through default tariff design but also price protection and better targeted bill support for those at most risk.

In relation to principle 2 (default tariffs should protect consumers from unnecessary complexity and costs) there is a tension between aggregate costs and complexity. For example, while a dynamic time of use default could be the most complex option, it may also have the lowest aggregate cost through a lower margin and lower system costs (albeit with greater distribution of outcomes between consumers). At the other end of the spectrum, consumers without a smart meter (or who opt out of data sharing for MHHS) may retain the simplest tariff available, but face higher costs as a result.

The extent to which different solutions achieve the right balance between these two is likely to depend on the scale of price risk that could arise in future. To better recognise these tensions we suggest the principle refers to 'undue' or 'disproportionate' complexity and costs.

We generally support principle 3 (households should not be exposed to excessive costs from the inefficient use of high-consuming items by other consumers) though the call for evidence subsequently focuses largely on electric vehicles (EVs). It would be useful to clarify whether this is based on an assessment that the risk related to EVs is more significant, that they are a uniquely flexible type of demand, or that there is a clearer fairness argument for intervening compared to technologies like heat pumps and storage heaters. Users of the latter are arguably displacing another domestic energy demand (gas or other heating technology) rather than adding new types of demand (eg transport) that have traditionally been fuelled outside the home.

2. Are there any other key decisions concerning the future regulation of default tariffs that you believe these principles would not cover?

Other key decisions in relation to default tariff design which aren't covered by the principles are:

- The extent to which the government or regulator should apply targeted defaults based on data about consumers energy usage or characteristics, as compared to a more universal approach like the one we have today where this is determined by meter type and/or a previous active choice by the consumer. Some

consumers could view options that use data to target certain default tariffs at certain consumers as invasive, and data rights like the opt-out from

- Transparency for consumers of what type of default tariff they are on and why. Any approach that targets default tariffs should be based on good quality data about actual energy usage and avoid loopholes that could undermine trust. Consumers should also have the ability to challenge these decisions if they think there has been a mistake.

3. With current licence conditions, do you believe most domestic consumers will continue to default onto single-rate standard variable tariffs in future or are suppliers likely to consider using Time of Use tariffs as a default?

Current Ofgem rules require suppliers to move consumers at the end of their fixed term contract onto the cheapest evergreen or fixed term default tariff based on their 'current relevant meter type'.³ This refers to 5 categories of tariff type, including single unit rate, generic 'time of use' and 3 specific time of use configurations based on common legacy meter arrangements.⁴ These rules would prevent suppliers rolling customers onto time of use defaults if they were not on a time of use tariff previously.

Deemed tariffs (a specific type of default product for those who move in after a change of tenancy) have less specific rules on the type of tariff that can be used. However, they are prevented from being 'unduly onerous'. This is defined broadly, though the licence includes additional detail around when the cost of the tariff could be considered onerous. While deemed ToU tariffs already exist (eg for Economy 7/10), this should still be clear from the physical meter configuration. It's less apparent how consumers would know their deemed tariff was time of use if they move into a property with a smart meter, though they may identify this from the IHD if one is installed.

The large majority of consumers are currently on default tariffs, and this may still be the case at the time of MHHS. To move these customers onto ToU tariffs suppliers would need to either seek to amend the terms of their default product, or withdraw it and move consumers onto a ToU default product, though they would have to follow rules on notifying consumers of disadvantageous contract changes or on dead tariffs respectively.⁵ Any change of this nature would need to consider the application of overarching rules to treat customers fairly, taking account of the needs of those in vulnerable circumstances. While suppliers could argue that consumers affected by such

³ See Supply Licence Condition 22C.7

⁴ 2 unit rates across 2-3 time periods (which would include Economy 7 and Economy 10), 2-3 unit rates across 3 time periods, and radio teleswitched metering

⁵ See Supply Licence Condition 23 / 311 and 22D

a change would be given the opportunity to switch away, in practice many consumers face barriers to switching, including consumers in debt, people in rented homes and those with limited digital access, and may not engage with these notifications.

4. Should protections be placed on the type of default tariffs that suppliers use for domestic consumers? If so, what should those protections be; for example, is there a case for limiting default Time of Use tariffs to static rather than dynamic pricing?

For consumers rolling off contracts, we generally support the current rules that enable consumers to be moved onto Time of Use defaults at the end of their contract - as long as this aligns with the characteristics of their original tariff. An exception to this rule would be required in order to target default requirements for certain types of energy users - for example for an EV driver rolling off a fixed term single rate tariff to be moved to a ToU default.

At this point we don't see a strong case for requiring consumers rolling off more dynamic ToU tariffs to be moved to a static ToU default, though this may need to be kept under review. There may need to be additional guidance on how the current end of contract rules operate, which we explore further in response to question 14.

For consumers who are already on single rate default tariffs or are on a deemed tariff following a change of tenancy, we think there should be limits on the discretion of suppliers to move them to ToU defaults. A 'free for all' in which different suppliers take differing approaches to moving inactive customers onto ToU defaults could create consumer confusion and poor outcomes. It could lead to significant negative reputational impacts for the government-led programmes that have enabled these changes, including smart metering and Half Hourly Settlement, and the net zero transition more broadly.

We would therefore support safeguards against suppliers being able to move existing default and deemed customers onto ToU default tariffs. This could include:

- guidance on the application of existing rules, including treating customers fairly and limits on 'unduly onerous' terms in deemed contracts.
- restrictions preventing legacy default consumers being moved to dynamic ToU defaults, as we agree these are likely to lead to consumer risks
- temporary restrictions on the movement of legacy default customers onto static ToU defaults pending consumer trials and other consumer insight

- requirements to pre-notify Ofgem of any planned change (similar rules already exist for trade sales) in order to ensure that appropriate safeguards are in place and that stakeholders (including advice organisations) are aware of the changes

The rules should not preclude a possible future coordinated market-wide move to static ToU defaults. Further analysis of the benefits and risks of this option should be conducted, including possible trials to understand consumer responses. Any decision would need to be subject to a high bar given the challenges of such a change. It would necessarily be coordinated by the government and/or the regulator in a way that managed consumer risks.

In all circumstances we also think the increased complexity in the market means that regulation needs to adapt, and that the FCA's Consumer Duty framework could offer significant benefits. It includes new overarching requirements to ensure consumers achieve promised outcomes for and that prices offer fair value. We explore these issues further in our paper [Raising the Bar](#), and in response to later questions.

5. Should there be different default arrangements for consumers identified as being vulnerable?

We don't see targeted default arrangements as the best way to ensure good outcomes for consumers who are vulnerable. While we recognise that some individual consumers may find it harder to change their behaviour in response to ToU tariffs, evidence on the distributional impacts of HHS has shown there aren't demographic groups who are at particular risk of higher costs. Instead, there is a large variation in outcomes (positive and negative) *within* groups.⁶ As such, any decision to apply certain defaults to certain groups will cause some within that group to gain financially but will see others lose out. This evidence should be kept under review, and if it's apparent that risks to particular groups are emerging then further consideration should be given to targeting a different default arrangement or providing alternative support.

Given the challenges of identifying those most likely to experience harm, we instead think the best approach is to proactively support those who are already struggling and will be least able to afford higher costs: those on low incomes with high energy costs. We've called for better targeted energy bill support via a 'tiered' Warm Home Discount, which improves generosity and expands coverage to a wider group of people on means tested benefits compared to the current scheme. We set out further detail in our report [Shock Proof](#).

⁶ Ofgem (2021) [Electricity Retail Market-wide Half-hourly Settlement: Decision and Full Business Case](#)

No fuel poverty or bill support scheme will reach all consumers at risk, there is likely to be a role for additional support for some consumers. This could be delivered through WHD industry initiatives and other additional support schemes, based on consumers coming forward or being referred for support, or being identified as 'at risk' by suppliers.

6. What rights should domestic consumers have over the type of tariff they default onto? Should all suppliers be able to provide both single- and Time of Use default tariffs for households to move onto?

Given that default arrangements are by definition for those who have not engaged, we think there is very limited benefit for consumer choice between defaults. Instead we support the current rules that enable consumers to be moved onto a default based on the characteristics of their active tariff.

Consumers already on default tariffs should continue to be informed about better deals for them, via the 'Cheapest Tariff Message' and other prompts to engage by supplier. A continuation of the Ban on Acquisition Tariffs should ensure that consumers have a wide range of options of tariffs to move onto.

While consumers may not be able to choose their default tariff, we expect suppliers to continue offering both single rate and time of use defaults over the medium term while current universal service obligations continue. This is because they will be required to serve consumers without smart meters or who have opted out of sharing half hourly usage data, for whom single rate defaults will be the only option.

7. Are there specific default tariff arrangements that you believe industry or public bodies should trial?

There are some key areas where trials could improve the understanding of the benefits and risks of different options. These include:

- Moving current single rate default consumers onto a static ToU default, including response to communications, engagement with tariff choices to avoid this change and what benefits and risks are observed for those who do move.
- The application of 'fair usage' restrictions on peak usage allowed under single rate defaults which trigger a penalty or movement onto a ToU default, with an opportunity for any vulnerabilities being identified by suppliers or consumers that should prevent this change. We explore this option further later in our response.

Trials could be delivered by reintroducing powers in the electricity licence for Ofgem to direct suppliers to test engagement measures.⁷ These were successfully used previously to test prompts to switch, but the powers were time limited and allowed to lapse at the end of 2022.

8. Do you agree that default tariffs for households with electric vehicles should be smart Time and/or Type of Use Tariffs?

While suppliers should be heavily incentivised to offer time of use tariffs to EV users, most of whom are likely to benefit if they're able to be flexible, we recognise that there may be some for whom there are limited financial benefits or who choose not to engage. We know that in the past consumers who would benefit from engaging have not done so even where reasonably large savings are available, due to various cognitive biases like loss aversion and status quo bias.

A better assessment of the scale of this risk and how fast it may develop is required. This should include data on the current number of EV drivers who aren't on ToU tariffs or don't have smart meters, to understand how many may already have entrenched 'peaky' charging behaviours. Current behaviour may be a helpful guide to future risks, although we would caution that early EV adopters may not be representative of subsequent cohorts.

It should also look ahead to consider what EV take up may be at the time of MHHS and over the following years, as well as factors like the disparity in energy prices at different times of day. And it should consider other types of risks, such as perceptions of unfairness by other energy consumers without EVs if they feel they are at risk of higher prices due to the behaviour of people charging EVs at home.

The policy would also need to be considered alongside other risks, like those posed by other technologies (which we explore in question 11) as well as 'adverse selection' of ToU tariffs by non-peaky consumers who can benefit without behaviour change. This would also lead to an increase in the cost of single rate default tariffs, and would not be tackled by an approach which targets specific technologies.

If the risks from EV charging behaviour are shown to be particularly significant, we would support a policy which requires ToU default tariffs for EV drivers. However, we're keen to understand more about how this targeting would be delivered in practice.

One option would be to target those with smart EV chargers installed, though combining these datasets may be challenging and the targeting is likely to be imperfect.

⁷ See Supply Licence Condition 32A

For example, some consumers will live in homes where an EV charger has been installed but where they don't drive an EV themselves, or where an EV is only charged occasionally. This targeting would not include people charging EVs using lower voltage electricity via a standard outlet.

The way to most accurately identify EV users who are regularly charging at peak times would likely be to use smart meter data to identify usage patterns that show regular EV charging. However, some consumers may see this as a more invasive approach, and it would rely on consumers being opted in to sharing half hourly data.

In addition to any changes to defaults, it will be important to also enable engagement with EV drivers, including information and guidance at point of sale and subsequently by energy suppliers, good quality independent advice, as well as timely installation of the necessary technologies to support smart charging, like smart meters and smart chargers.

9. Should there be protections to the type of tariffs that households with electric vehicles default onto? If so, what should those protections be; for example, should they use static rather than dynamic pricing?

For EV drivers rolling off a ToU tariff contract we think it is reasonable for them to continue onto a default tariff with the same characteristics as their fixed deal, including a dynamic ToU default - as long as the design of this product is not substantially different.

For EV drivers who are already on a single rate default or are rolling off a fixed single rate tariff it would be preferable for the user to be moved to a static ToU tariff to limit consumer confusion.

10. What should default tariff(s) be for electric vehicle owners who do not possess a smart meter or smart charge point? Do you believe many electric vehicle owners are likely to be in that situation in future?

As discussed in question 8, many of the options for targeting default tariffs are only applicable for smart meter users who have not opted out of sharing half hourly data. This will likely act as a 'loophole' for peaky users who wish to actively avoid facing a more cost reflective price in future.

We've previously set out that in the current market it would be reasonable for the cost of non-smart meter default tariffs to be higher than smart meter defaults to ensure the benefits of smart are shared with those who have adopted them, as long as these price

differences are not excessive.⁸ However, the behaviour of ‘peaky’ users who want to avoid costs could exacerbate this price differential following MHHS. This risk could be reduced through requirements for EV drivers to have a smart meter installed and by removing their ability to opt out of data sharing for HHS, though this would be a significant change to the current approach and may be challenging to enforce in practice.

We’re concerned that those who don’t have a smart meter installed in future will face dual risks - a lack of ability to use new products and services, but also higher costs for non-smart products. While this may be appropriate for consumers who have chosen not to have a smart meter, we’re concerned that a significant proportion of consumers who want a smart meter still can’t have one, because of their housing type, barriers due to landlords or lack of local smart meter network coverage. Certain demographic groups are among those who are less likely to have a smart meter, including renters, younger people and those on a low income.

If the price of non-smart meter tariffs does rise in the future, one option would be to protect those who don’t have a smart meter for reasons outside their control. This could include consumers who have requested a smart meter but have not been able to get one installed yet, as well as those who are shown to be outside the smart meter network. This approach is used in the water sector, where consumers who request a water meter but can’t have one installed for technical reasons are nonetheless given a lower price.⁹

We also strongly support action by the Government to tackle barriers to smart meter adoption by some consumers, particularly renters and those housing types which are harder to install. It must also ensure consumers who want smart meters can access them in a timely way in future. While some consumers have so far not had a smart meter installed because they perceive a low level of benefit, this may change following MHHS and if prices for non-smart meter tariffs rise.

11. Are there any other technologies, for example storage heating, which you believe should influence the default tariff arrangements of the households?

Households with storage heaters and with legacy meters are already likely to be on an Economy 7/10 tariff, either by default or active choice. Some consumers who’ve moved onto smart meters may have chosen to switch to a single rate tariff, though this is

⁸ Citizens Advice (2023) [Citizens Advice response to the Ofgem working paper about energy price cap operating cost review benchmarking](#)

⁹ Citizens Advice (2024) [Changing to a water meter](#)

unlikely to be the lowest cost option for them if they use their storage heaters overnight.

A growing number of households are adopting electric heat pumps, which may also have the capacity to affect the cost of single rate default tariffs if they are not used flexibly. Trials have shown differing results around the capacity and willingness of heat pump users to be flexible with their energy usage.¹⁰

A better analysis of these risks is needed before a clear assessment can be given as to whether any different default arrangements would be appropriate for people with either type of electric heating.

However, in general we are concerned that targeting additional classes of products would be reliant on good data about which homes have energy devices, or require analysis of smart meter data on electricity usage to identify types of use. This could make delivery increasingly complex, and require ongoing assessment of different technologies by policymakers.

A technology neutral approach may be easier to implement, and potentially simpler for consumers to understand - similar to 'fair usage' thresholds that exist with other products and services. It could also better minimise the risks that single rate default tariffs rise in price for other consumers.

An annual electricity usage threshold could be used above which a ToU default would be applied to capture those with significant EV charging and other devices. A more refined version (which would apply to smart meter users only) could target those who use electricity at peak times. Prior to being moved automatically to a ToU default (or more expensive single rate default for those on non-smart meters), affected customers could be sent information about other tariffs as well as energy efficiency support and energy behaviour that could support them to reduce their usage overall and at peak times.

This would cover a wider group of high and/or peaky users, including some on traditional electric heating, as well as potentially those with heat pumps, high demand from other sources like hot tubs or swimming pools. However, it could also include some medical devices or equipment with high electricity demand.

Further analysis of possible thresholds and the types of household this would include would be required before progressing with this type of option. However, an opt or additional support would be needed for those who were identified as at risk from a ToU default.

¹⁰ Utility Week (2024) [Heat pump flex trials cause half of customers 'discomfort'](#)

12. We do not believe that evolutions in default tariff types is likely to have significant impacts on households' ability to use or export power they generate at home with equipment like rooftop solar panels. Do you agree? If not, why?

We generally agree that this is the case.

People with solar panels on single rate import/export tariffs are currently incentivised to maximise their usage of the energy they generate, in order to offset import costs, which are higher than the price for export given the associated costs of supply (eg operating costs, policy costs etc).

Following MHHS, people with solar panels will see their export settled on a half hourly basis and we would expect the export tariffs that are offered by suppliers to move to a ToU model. Consumers who take up these export tariffs and are able to be flexible with their usage would be incentivised to also move to a ToU import tariff, as a way to maximise the difference between import and export prices throughout the day and maintain the benefits of using self-generated energy where possible. These changes could also further incentivise take up of batteries to be able to store power that can't be used and either use at a time of higher prices or export to the grid.

We're also keen to see legacy solar installations installed under the Feed-In Tariff moved to metered export (most are currently paid based on deemed usage) at a minimum, with these users also ideally opting to move onto competitive export tariffs rather than the fixed FIT rates to pay a fair price for export and incentivise greater flexibility.

13. If an electric vehicle owner has chosen a specific tariff, do you believe they could face a detriment if they default onto a different tariff structure at the end of the fixed term?

As set out above, this will be limited by the current rules on default tariffs which require the default tariff to have similar ToU characteristics, although there is still scope for the features to change in a way that could cause detriment (see question 14).

If new rules mean that EV consumers rolling off a single rate tariff are moved onto a ToU default, some may face detriment if this happens unknowingly and they don't/are unable to respond to the ToU tariff.

It will be important that wherever consumers are required to move onto a default with different characteristics there is clear information provided about the structure of the tariff, with useful guidance on how to get the best value from it, as well as prompts to engage.

14. How should (a) suppliers and (b) load controllers protect domestic electric vehicle owners who have previously chosen a specific tariff and charging structure, when the fixed term ends? Should there be a rule or principle encouraging default arrangements to maintain some consistency of tariff type when a fixed term ends? Is there a case for electric vehicle (EV) tariffs to be evergreen or rolling fixed terms?

Consumers should already be broadly protected under rules on the Relevant Cheapest Evergreen Tariff at the end of a fixed term contract. However, outside of some more specific rules on certain static ToU configurations (designed to protect consumers on Economy 7, Economy 10 and Radio Tele-switch tariffs) there is broad latitude within the rules as to how the default works as long as it is also Time of Use. These rules could be refined to provide more guardrails on the extent to which default ToU tariffs are allowed to differ if they replace a more dynamic ToU tariff.

Default fixed term contracts and acquisition variable evergreen tariffs are already allowed within the licence and could provide additional safeguards for EV drivers by maintaining the same key features over time. These are also likely to be much more beneficial for people using 'energy as a service' offers, where they have technology installed and managed by their supplier, and who could face much higher costs if they roll onto a default tariff which doesn't work optimally with this equipment.

Rolling tariffs of this nature could give rise to loyalty penalties if, over time, they represent increasingly poor value by drifting up in price. Complex tariffs of this nature may also be challenging to operate within the current price cap. There may be benefits to considering alternative forms of protection, including 'fair pricing' rules such as those which form part of the FCA's Consumer Duty framework. We will set out more details in our forthcoming response to Ofgem's paper on price protection.

15. Should the current default tariff cap be either reformed or replaced with more flexible price regulations as we transition to MHHS? If so, when in the transition to MHHS do you believe that change should take place?

Yes, we agree that price protection is likely to need to be reformed. We set out more details in our forthcoming response to Ofgem's discussion paper on price protection.

16. Do default price regulations need to support a greater diversity of tariff types to help secure lower long-term bills and meet households' different energy needs? If so, how might this best be achieved?

We will set out details in response to this question in our forthcoming response to Ofgem's discussion paper on price protection.

The future regulation of default gas tariffs

17. If price protections for default electricity tariffs are reformed in future, do you believe that regulations for default gas tariffs should also be updated?

While the drivers around settlement reform do not apply to default gas tariffs, we recognise that there are other reasons why there may need to be some changes to price protection for default gas tariffs. We set out more details in our forthcoming response to Ofgem's discussion paper on price protection.

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