

Ofgem Price Cap Team  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

Dear Price Cap team,

**We are writing to you to voice our strong support for your latest proposal to remove the prepayment meter (PPM) premium and reduce the standard credit (SC) premium.**

Customers paying by SC or PPM are more likely to be financially vulnerable but have historically been expected to pay higher fees to access their electricity and gas. This premium puts an unfair burden on older people paying by these methods.

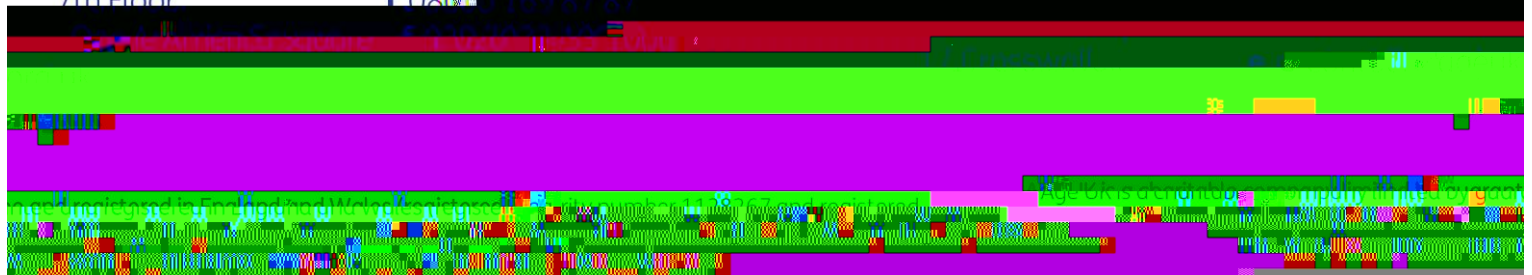
Our own research and anecdotal experience suggest that older people are more likely to pay by SC than younger households. Some also cannot move from SC to DD for a variety of reasons. For example, they might not have access to a bank account or the internet, or they could be paying their bill by cash or cheque.

For Ofgem to address its explicit statutory duty to ensure its decisions account for the interests of people of pensionable age, the regulator must alleviate the SC premium. Failure to do so would also have broad ramifications on the regulator's commitments under its Public Sector Equality Duty as it pertains to age.

**Age UK**

7th Floor

0800 111 111





We therefore warmly welcome the new proposal to reduce the SC premium alongside reforming PPM costs. Reducing the prices for both will ensure that the charges SC and PPM customers face become far more manageable. This is essential given the higher levels of financial vulnerability experienced by customers paying by these payment types.

We encourage you to introduce these reforms as soon as possible. While we support the commitment to seamless implementation of the policy for PPM customers following the end of the Energy Price Guarantee, we believe it is also necessary to quickly implement the SC proposals as well.

We also believe there is scope for these reforms to go even further. While proposed changes will reduce the extra costs SC customers face, some of the differential with DD will be retained. Ofgem must therefore review whether it can further reduce the SC premium beyond what is presently proposed.

Yours faithfully,

David Southgate

Consumer and Financial Services Policy Manager, Age UK

**Age UK**

7th Floor

0800 111 333

