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THINK TANK REPORT ON ENERGY OVERLOOKS POWER OF CONSUMERS TO FORCE CHANGE SAYS USWITCH.COM

A report out today by think tank, IPPR, calls for further market reforms, but overlooks the power of consumers to make energy companies compete, says uSwitch.com, the independent price comparison and switching service.

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: “The IPPR’s report raises some interesting points, but in many ways puts the cart before the horse. It completely overlooks one of the key ingredients to competition, which is that it needs consumers to make it work. The biggest issue facing the energy market is that people aren’t shopping around. As a result they are sitting on old-fashioned and expensive tariffs, paying far more for their energy than they actually need to. Until this changes, suppliers have no real incentive to compete.

“The power of consumers shopping around and switching puts pressure on companies to offer fair prices and to provide a better and more efficient service. The fact is that until we have a fully competitive market with the majority of people engaged it’s pure speculation to try to say what the efficiencies could be and what would be a fair price – it’s misleading to suggest otherwise.

“This is not a time for navel gazing. While it’s important for Ofgem and the industry to take note of reports such as this, it’s vital that it doesn’t distract them from the huge task at hand, which is to remove the barriers that are preventing people from switching. Discouraging energy companies from offering attractive new deals and incentives to switch, as this report suggests, is simply going to make the problem worse in the short-term because people will have even less of a reason to shop around. It will simply promote greater apathy and if apathy rules it will mean higher prices for all.”

For more information visit www.uSwitch.com or call 0800 093 06 07

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About us

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

uSwitch.com is the first comparison website to achieve the Plain English Campaign's Internet Crystal Mark, which is recognised as a standard that a website has clear language, is accessible and easy to use, and has been tested on a sample of its users.

uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email CustomerServices@uswitch.com or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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