

CMA Announce Energy Market Reform Proposals

Thursday 10 March, 2016

CMA announce proposals to improve competitiveness in the energy market including capping tariffs for those using pre-payment meters and facilitating TPIs and PCWs by opening up a database of the details of "disengaged energy customers."

The CMA's investigation into competitiveness and fair pricing in the energy market has hit the 18-month mark and a document has been released detailing recommended reforms.

The most major of the reforms cover two basic aims:

- 1.Capping bills for vulnerable consumers
- 2.Improving customer engagement with the switching process.

Capping Bills

The proposed cap will apply to all customers who pay for their [energy supply](#) using pre-payment meters. It is suggested that it apply during a transitional period between 2017 and 2020.

This measure is a direct response to the CMA's findings that suggest that energy suppliers have overcharged by some £1.7 billion a year for the past three years.

16% of customers will benefit from the cap.

Improving Customer Engagement

Working from the failure of previous interventions that did not lead to a large enough of an increase in switching rates, the CMA is taking a different tact and creating an open database containing the details of "disengaged domestic customers" – those who have been on standard variable tariffs for three years or more.

The database will be available to rival providers as well as third party intermediaries such as [price comparison websites](#).

This is part of a drive to:

"Harness the incentives of TPIs and rival suppliers to unlock customer engagement, by giving them greater access to the data they need to perform this role more effectively and at lower cost."

The role of TPIs and PCWs will be clarified and advocated as a key means to improve competitiveness in the industry.

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Related Keywords:

CMA :: Price Comparison
Websites :: Energy Market ::
Energy Bills :: Tariff Cap ::
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