

Utilita Accuses Big Six of Differential Pricing in Westminster and Calls for Government Action

Submitted by: Utilita Energy

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ENERGY FIRM CHIEF SLAMS GOVERNMENT, REGULATORS AND BIG SIX FOR FAILING MILLIONS OF HOUSEHOLDS

Utilita CEO Bill Bullen calls for action to free households on high tariffs

The CEO of Britain's fastest growing independent energy supplier is calling for immediate action from Government and regulators to help millions of households trapped on punitive energy tariffs operated by the Big Six.

Speaking at the launch of National Energy Action's (NEA) 'Warm Homes Campaign' in Westminster, Bill Bullen of Utilita Energy said the Big Six are deliberately undercutting new entrants to the market in a loss-leading strategy to attract new customers - while existing households are left stranded on high tariffs.

In effect, this means existing customers are subsidising more recent joiners.

Bullen has outlined three immediate actions to remedy market inequalities so that it operates more efficiently, effectively and fairly for consumers:

- The Government should stop making 'spectacularly bad decisions' within its energy policy
- Ofgem needs to 'more rigorously manage the price control of the networks businesses'
- There should be a cap on the maximum price differential offered by the dominant players in the market

Bullen accuses the Government of inaction in failing to tackle a situation in which "the fat cats are taking too much for themselves."

"We constantly hear about 'rip off tariffs', the 'broken market' and 'fat cats'," Bullen says. "Some of it is, sadly, true. In some cases, the discounts the Big Six are offering to attract new customers are greater than their operational expenditure to provide the service. So there would appear to be a case to suggest they are guilty of differential pricing. We believe that is illegal for dominant players.

"The effect of this is to undercut new entrants to the market, thus inhibiting the growth of competition, the very thing the Government and regulators say they want to encourage."

Bullen added that if the maximum tariff differential the Big Six were allowed to operate was limited to 20 per cent it would stop them pricing below cost - and significantly reduce charges for those households on the highest tariffs.

The attack comes as Theresa May says 17 million households in the UK are currently overpaying for their energy.

However, Bullen also criticised the Government itself for allowing the networks, the businesses which operate the 'pipes and wires' which supply gas and power to homes, to rake in disproportionately high profits.

Bullen's demands come in the wake of comments made by energy economist Dieter Helm in the recent Government-commissioned 'Cost of Energy' review which concluded a series of Government decisions had created a situation where energy costs across the UK were too high.

Mr Helm also blamed the Government for making "spectacularly bad" decisions.

Utilita Energy currently supplies energy to 585,000 customers, employs 1,750 staff and has offices in 11 locations across the UK.

Utilita estimates it has saved its customers more than half a billion pounds in the last few years through a combination of regular price cuts and freezes.

Bullen added: "I believe we are the solution to the energy price crisis, not the problem, and I see no reason why all market participants should be penalised because of the actions of a few."

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Utilita Energy (<https://utilita.co.uk/>)

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