HOUSE OF COMMONS

Energy Security and Net Zero Committee

Oral evidence: Preparing for winter, HC 749

Wednesday 18 November 2026

Ordered by the House of Commons to be published on 18 November 2026.

Watch the meeting

Members present: Bill Esterson (Chair); Torcuil Crichton; Graeme Downie; Wera Hobhouse; Melanie Onn; Mike Reader; Claire Young.

Questions 1 - 124

Witnesses

I: Nye Jones, Head of Campaigns, Generation Rent; Alex Belsham-Harris, Head of Energy Consumer Markets, Citizens Advice; Dr Katie Barrett, ECO4 Justice Campaigner, Fuel Poverty Action.

II: Neil Kenward, Director General for Markets, Ofgem; Ed Dodman, Chief Executive Officer and Chief Ombudsman, Energy Ombudsman.

III: Martin McCluskey MP, Minister for Local Energy and Jobs, Department for Energy Security and Net Zero; David Thomas, Interim Director General, Household Consumers and Energy Retail, Department for Energy Security and Net Zero; Ben Golding, Director of Affordability and Retail, Department for Energy Security and Net Zero.

Examination of witnesses

Witnesses: Nye Jones, Alex Belsham-Harris and Dr Katie Barrett.

Q1 **Chair:** Welcome to this morning's session of the Energy Security and Net Zero Select Committee. This is our session on preparing for winter, on a day when Cornwall Insight is predicting that the price cap could rise by 26%, which is a significant increase on its previous estimate. It is a very timely session for the Committee and, more importantly, for those people who face the challenge of rising energy bills. I will ask our first panel to introduce themselves and then we will go into the questioning.

Dr Barrett: I am a scientist. I am a victim of the ECO4 scheme and am here as a member of Fuel Poverty Action. I am part of a group of hundreds of victims representing the thousands of victims of ECO4. I am also, when I am not doing that, on the advisory committee for Indoor Air Aware on mould remediation and the health impacts of mould, because I am a biological scientist, not a medical doctor.

We estimate that there are over 100,000 houses that have been damaged by the ECO4 thing. As far as I am aware, none of them has been properly remediated, and certainly none in our group has. I know that some people have been sent to the National Energy Foundation but no work has been released. Nothing has been greenlit—nothing—and that is months and months after having met with Martin McCluskey in June and explaining the scale of the problem to him.

There are also a huge number of issues with people trying to navigate a system that is very broken. At Fuel Poverty Action we campaign on energy injustice. There is a massive problem in terms of energy bills, as you already highlighted, Mr Esterson, but particularly for people who have had installation that has been done badly. There are people who have heat pumps that do not work and do not heat their houses because the insulation was done so poorly that the heat loss is too much to allow heat pumps. People are having to revert to putting gas boilers in to heat their home above 13 degrees.

There is a very serious problem. There are a lot of households being affected by it, and they are vulnerable people. They are people who were eligible for a scheme that was there for vulnerable people. There are loads of us suffering and it is heartbreaking.

Chair: Katie, thank you very much for your comments. We will come back to some of that, including being able to put some of your points to the Minister a little later on today. We very much appreciate what you have just been saying. We will ask Alex and Nye to introduce themselves first and then go on to some other questions.

Alex Belsham-Harris: I am Alex Belsham-Harris. I am head of energy consumer markets at Citizens Advice.

Nye Jones: Hi. I am Nye Jones. I am head of campaigns at Generation Rent. We campaign for private renters across the UK.

Q2 **Chair:** You are all very welcome. I mentioned the increase in the price cap that is predicted by Cornwall Insight. What does the increase in cost mean for families, quite apart from what Katie was saying there? Perhaps Alex and Nye can address that.

Alex Belsham-Harris: As you say, we are seeing prices returning to the levels that they were back in the depths of the 2022-23 energy crisis with the kinds of predictions we are seeing today. As you say, it is a 20%-plus increase. Because this is taking place in the coldest months of the year, we anticipate that it will mean people paying around £200 more on energy between January and March next year compared with what they were paying a year ago.

We know that this comes at a time when, for many households, budgets are already not in a good place. At Citizens Advice, just thinking about the people who come to us with debt, we are now supporting people with an average debt of over £10,000 and an average energy debt of over £2,000. Even after we have helped them with their debts and looked to see whether there are other things they can do to maximise their income—benefits and those sorts of things—over half of those households still do not have enough money to cover their essentials. It is coming at a very damaging time for households.

We know that the Government have responded with a support scheme—the £100 rebate for people living in properties in bands A to D. That will be a helpful measure for some people—people who are not facing the highest bill rises or are not on the lowest incomes—but we are concerned that, for people who are struggling most, that will not be anywhere near enough to mitigate the impact that they are seeing.

Q3 **Chair:** Before I move on to Nye, what is your view of the Ofgem debt relief scheme? How effective is it going to be?

Alex Belsham-Harris: It is really positive that at the Budget the Government announced that the debt relief scheme will go ahead. It has been in development for quite a while and significantly delayed, so we want to see it brought forward as quickly as possible.

We are expecting a consultation on the details, but our concerns about the effectiveness of the scheme at this point probably relate to the eligibility period. The debts that are eligible are from 2022 to 2024, and lots of people will have continued to build up significant debts from that point onwards, which will not be within the scope of the scheme.

The benefit of the scheme should be to re-engage people, help them set up a repayment plan and find the best way to pay for them and what other support there is, but those benefits of engagement will be much lower to consumers if they think, "This scheme will wipe off only 20% or 30% of the debt that I owe" because it has grown so much. We need to see the detail

about how that engagement will be maximised to ensure that as many people as possible can benefit from that scheme once it is in place.

I should say that there is one other positive. The other change that was made was a slight broadening of eligibility so that it is not just households on means-tested benefits, but pensioners and people with disabilities. Those changes are positive, but we have a lot of concerns as well.

Q4 **Chair:** You would like to see a higher figure for debt write-off, which is something we proposed, as you will realise, in a previous inquiry.

Alex Belsham-Harris: We need to see what other measures could go alongside. If there is no scope to change the period in which the debts are covered, we would want to see what other measures can go in alongside, whether that is action by energy suppliers to top up whatever the write-off is, or other measures that can mean that people see this as a really positive offer that is worth engaging with. Otherwise we do not think that it will be as successful as it could be.

Q5 **Chair:** Nye, do you have anything to add to what Alex has said on those topics?

Nye Jones: For private renters specifically, the vicious combination of unaffordable rents, soaring energy bills and the fact that we tend to live in very cold, draughty homes means that this coming winter will probably be the most difficult in recent history. To put that into a bit of perspective, renters on average spend 36% of our income on rent, but in major cities that jumps to well over 40%. Compare that with owner-occupiers with a mortgage, for whom the average is 19%. At the same time, 49% of rented homes in England are below EPC C, compared with just around 25% of social homes. Renters are being hit with really high rents that take up too much of our income and living in cold homes with really high energy bills.

With the recent price cap increase, Ofgem estimated the annual household fuel bill increase would be £60, but our modelling found that, for a family living in an EPC D, it will actually be around £180, and in an EPC E, which is the current minimum standard in private renting, it jumps to over £200 a year. This is huge pressure coming from lots of different sides. I agree with Alex that we are looking at going back towards the debts of 2022. I would argue that it is possibly even worse, given that Ofgem decreased the typical domestic consumption values in July that make up the predicted price cap.

With that being said, we were pleased to see the Government recognise that more universal support is needed, beyond the warm home discount, in the autumn Budget. We feel like the £100 rebate was poorly targeted. Council tax bands were set in 1991 and there will be a lot of private renters who should receive it who will not, particularly those in house shares in cities, where the value of the home is not consistent with the salaries of the people within it. While it was good to see the expansion of the warm home discount recently, the level of rebate people receive through that is

not keeping up with rising bills: people received £140 in 2021; it is now £150, but annual energy bills are set to rise by around £1,000 a year. Unfortunately, we need to see higher Government support this winter.

Q6 **Chair:** How would you target Government support to be more effective?

Nye Jones: There is a range of ways. At the moment, with the warm home discount, there are a lot of private renters on lower incomes who are paying far more of their income than they should on rent who will not receive it. Expanding it, and looking particularly at homes with an EPC below C, would be a really good start. There are particular regionalities. For example, in some areas of Birmingham 80% of private rented homes are below C, compared with parts of London where 80% are above C.

The HMO register could be looked at as well. As I said, people in house shares and large living situations in the main will not receive the £100 rebate. There is a need to understand the whole picture, rather than just looking at someone's income. For example, an owner-occupier who has no mortgage but is on a low income will be in a much better place than a private renter in work who is spending 45% or 50% of their income on rent. I feel like the council tax bands are a slightly lazy way of targeting support.

Q7 **Chair:** I am not sure I have heard you give an alternative, which perhaps explains the challenge for the Government in designing a plan.

Nye Jones: It is a challenge, but it is one that could be overcome with Government resources.

Dr Barrett: Some £6 billion has been added to our bills to fund the ECO4 thing and I am pretty sure the savings are not actually happening, given the reports of people's bills going up by three times because of botched insulation meaning that air-source heat pumps do not work, for example. It was the energy company obligation, but it has resulted in £6 billion going on to the bills of the public as a whole. That is not going to be helping the rates that people are paying either. Energy is insanely expensive, to the point that people cannot afford to put their heating on.

Q8 **Mike Reader:** Alex, the Government have had a focus on warm homes, and rightly so. Since the election, have things got better for those people who were struggling to heat their homes?

Alex Belsham-Harris: Based on the client data and the people we are supporting at Citizens Advice, in many areas that is not the case. There are changes that are in development, and that we want to see delivered soon, that could help people, so I do not want to be overly negative. For example, there was the change to expand the warm home discount scheme to more households, which meant more people were getting that support. Unfortunately, because that is funded through bills, it also meant that the net benefit of the support reduced for everyone who received it, and particularly for those who had been in receipt of it before. That sort of change has a mixture of winners and losers.

We have seen the positive action to take some of the levy costs off bills, which has brought electricity costs down for some households, in particular those that use traditional electric storage heaters. We know that that was a helpful step, but a lot of these measures have been completely swallowed up by the massive increase in wholesale gas costs that we have seen following the conflict in Iran. Although they are there and having that impact on people's bills, which would be even higher without those measures, we are in a crisis situation.

Looking to the future at what further changes might come through that would help people, we definitely support the changes in the Energy Independence Bill that will put in place a better legislative framework for delivering targeted support. We need much clearer sense of what is being done on the data matching side to deliver that in practice.

Q9 **Mike Reader:** Have the Government been slow off the mark on this?

Alex Belsham-Harris: Data matching—deciding what data we can use to support people through schemes such as the warm home discount that currently exists—has been a known issue since the last crisis, when we had to introduce support for absolutely everyone in the country to prevent bills from going up. Successive Governments have said that this is something that they are looking at and working on. We have seen very little progress in terms of what is known publicly about the capability around data matching. That, I think, is part of the reason why we have ended up having to use council tax bands as a way of targeting support this winter.

Q10 **Mike Reader:** Nye, what about for renters? Have things got better since the election?

Nye Jones: Yes and no. We saw the passing and implementation of the Renters' Rights Act in May. That has been a major change that has redressed the power imbalance somewhat between tenants and landlords, and we celebrated that. If we think of the cost of homes and the foundations of existence, such as energy, things have almost certainly got worse. When you look at it in the round, that combination of high rents, which in our view the Renters' Rights Act does not solve, lack of supply of homes—you will have seen multiple news reports about this being delayed—and soaring bills means that renters will be feeling significantly worse off.

There is the continued freeze of local housing allowance, for example. Rents have risen by 23% since it was last uplifted. Nearly 60% of renters who receive housing benefit or the housing element of universal credit have a shortfall between their rent and what they receive. That pulls them into fuel poverty when you bring everything in the round. I would say that renters feel more secure, but probably have less money in their back pocket.

Q11 **Mike Reader:** Is money the only answer? We have talked about needing more support for debt relief, incentives and support for households. Are

there other ways that we can alleviate the problems, rather than spending more money on the issue?

Nye Jones: The Government's raising of the minimum energy efficiency standard for private rented homes is really positive. From 2030, all private rented homes, unless they have certain exemptions, will need to be at EPC C, up from EPC E. This is a much better longer-term solution to reduce fuel poverty among renters and make homes cheaper to heat. As I heard the Minister say previously, the cheapest energy is the energy you do not use. That is positive.

We were slightly disappointed that some of that was watered down a little. The cost cap that sets the maximum that a landlord can spend was reduced from £15,000 to £10,000. We also saw the timeline put back. Originally it was 2028 for new tenancies, but now it is 2030 without question. We are also concerned in that regard about the prospect of landlords hiking the rent after investing to retrofit homes and tenants having little power to prevent that. In terms of the long term, that is where we would see addressing the key issue of fuel poverty among private renters, and obviously uplifting LHA as well.

In the short term, we have been supportive of a social tariff to potentially replace the warm home discount. We are pleased to see the Government giving themselves the power to bring that in through the Energy Independence Bill. We think that would allow for that wider targeting piece that I talked about at the start, and staggered discounts. There are a lot of people who are not in the traditional targeted benefits world who will be really struggling now.

Q12 **Mike Reader:** Alex, are there other ways to alleviate the problem rather than more money?

Alex Belsham-Harris: It is a good challenge. There are other ways of making better use of the existing money that is going into the system. That is why we are very passionate about this point around data matching. If you have better data and targeting, you can make the money that you are already spending go further by reaching the people where it will have the most impact.

There are also decisions about where the money that funds the energy system is recovered from—not necessarily changing the amount of money that is recovered, but whether it is recovered from bill payers or taxpayers or different groups of bill payers. That comes with some risks. On the gas standing charge side, for example, we have concerns that there will be winners from that change who will see benefits, but also people who will lose out. There are challenges when you are moving money between groups of consumers like that.

More widely, there are also benefits through smart technology and smart metering that mean that the support suppliers can provide is in a better place than it used to be. There are other things that are not purely fiscal.

Dr Barrett: I am really concerned that the Government are moving on from the ECO4 thing, which is a massive problem that has pushed people into worse fuel poverty. There are stories from lots of victims about being passed from one person to another. I can give you an example from this week. I had an email from Ofgem saying, "We can't tell you if the measures have been removed. You have to speak to DESNZ." That was after I had had an email from DESNZ telling me, "No, Ofgem is looking into that." I am trying to think of a polite analogy, but it is not joined up and there is no accountability.

So much money has been wasted and that is making everything more expensive for everybody—not just the victims of the ECO4 scandal, but every single person who is paying for energy and paying ridiculously high energy bills. I know that there are external factors in that as well, but there are lots of things that could be done to mitigate that.

I worry that the new scheme is just going to be throwing more money away. They have not resolved anything with ECO4. That is still ongoing. The scale of the warm home scheme is three times the amount and they do not have the people to actually do it. There are not skilled people doing it. Everything has been done in a really non-evidence-based way. There is no proper quantification of any of the measures that is being done properly. Nothing is being done properly, which means that people are left with wet, mouldy homes that they cannot heat. It is pushing them further and further into fuel poverty.

Chair: Katie, I should say that we will put your questions—and, indeed, the points made by the other panellists—to both Ofgem and the Minister. This is super helpful.

Q13 **Claire Young:** Today is Fuel Poverty Awareness Day. Do you believe that the Government have a strategy to address fuel poverty in the long term, or do you think they are simply applying a sticking plaster each winter?

Dr Barrett: Absolutely a sticking plaster, and one that is falling off. It is a sticking plaster that is being stuck on to wet walls and just falling straight off again. The ECO4 scheme has been an absolute scandal.

I have a question; it is not directly relevant to what you have just asked me, but it is tangential. For the company that did my installation, I have so much evidence of fraud. I have photographs of things that never existed that it said were there. I have photographs that have dates on them that are literally impossible. I presented all that to Ofgem months ago and have not had any kind of response back. The Serious Fraud Office is not doing anything.

This company has gone into liquidation. It has limited liability—I appreciate that—but it has committed crime, so surely the director of that company should be held to account for the criminal acts that he and his company did. I am talking about false names on paperwork, fraudulent signatures and lots of falsified data. I know that this is not unique to that company.

There is a lot of phoenixing going on. There is a major issue of accountability. These companies go into liquidation and then TrustMark says, "They are not part of our scheme any more, so we cannot help you." There are people literally going out of their minds trying to get this stuff sorted. Yes, it is a sticking plaster.

There is this whole thing with plug-in solar. I do not think that any scientists, architects or engineers were consulted about whether that was a good idea, because that is clearly set up to fail. It is a very easy, performative thing to say, "Look, we have an idea." It is yet another one.

Installing air-source heat pumps into properties that have not been properly insulated is not going to work. It is proven by the epic failings of the ECO4 scheme. It is not going to work. We know that it does not work. There was even a paper written on it by somebody called Kirk Archibald in 2022. I have the reference for it somewhere. He wrote about the problems with trying to apply retrofit if people are not skilled enough to do it properly.

It is a sticking plaster. In my house, they put insulation over wet, mouldy walls. I queried it and they said, "It is fine. It will not come through." I said, "Hang on, mould likes dark, wet places. That is a very bad idea." This was February 2024.

Claire Young: We will definitely be putting those points to Ofgem and the Minister later.

Dr Barrett: They are not quantifying the fixes either. They are not being transparent about the numbers. There are so many properties that have been damaged and people are still trying to get remediation. As far as I can tell, nobody has had any work remediated. People are facing their third or fourth freezing cold winter in houses that are not safe and are absolutely riddled with mould.

It is heartbreaking hearing some of the stories. I was talking to a friend yesterday who is one of the other campaigners. She also came to meet Martin McCluskey in June. She was one of the few people where the company doing her remediation had not gone into liquidation, and it has just gone into liquidation. She has only got half the radiators up in her house, and her house was 13 degrees and freezing cold. It is horrific.

Claire Young: Absolutely. We will definitely be putting those points later.

Alex Belsham-Harris: What has happened to Katie and the other people whose cases she has described is obviously horrendous and reflects similar cases that we have seen at Citizens Advice, where people have had poor experiences of energy-efficiency installation. A really top priority for us is fixing the consumer protection framework around energy efficiency. That is something that the Government need to prioritise in their strategy around fuel poverty and energy affordability more generally

Some steps are being taken, including a consultation on the new consumer protection framework, which has some really positive elements, replacing some of the patchwork of protections that currently exist and giving much clearer access to redress and much clearer and stronger enforcement. We need to see that come in quite quickly if it is going to be aligned with the delivery of the next element of the warm homes plan for low-income households, because we cannot risk these sorts of issues arising again in future.

On your broader point around whether there is a strategy on fuel poverty, the Government have taken steps that have addressed energy affordability, but they have not always thought about or fully considered the impacts on some fuel-poor households. For example, as I said, expanding the warm home discount earlier in the Parliament helped those households that received that. The ones that then had to pay towards the cost of that scheme and saw a lower net benefit were households that had higher energy usage in general and were more likely to be in fuel poverty. They now get less net support from that scheme than they did.

Similarly, as we implement the decision on gas standing charges, there is a risk for people who have the highest energy usage. I think there are estimates that around 5% to 10% of households on low incomes will see their bills rise by about £50 when gas standing charges have moved into unit rates. Those will be the households that already have the highest bills and are most likely to be in fuel poverty. It is vital that, as part of any fuel poverty strategy, we are offsetting those risks and going further.

Q14 **Claire Young:** Do you have any proposals for how to do that?

Alex Belsham-Harris: It comes back to data matching: understanding how we can identify which those households are, what data is available, who we want to target and which households the Government are most worried about in terms of their losing out. We are particularly concerned that it will be families with children and households where people are disabled that are going to see the biggest increases. Resolution Foundation analysis showed that only 30% of households with three or more children will see lower bills as a result of the gas standing charge changes.

There is data available around people who receive benefits linked to having children or disability that could be used to target support. There are other options around income data that I think the Government have been developing plans for. We do not have a transparent sense of what is feasible in the timeline allowed. We have about a year until the Government have said they want to implement this change to gas standing charges. That is a very short timeframe to develop a system that mitigates for everyone we might be concerned about losing out. We may end up in a situation where there is a very minimum level of mitigation unless the timeline is extended.

Nye Jones: The question was whether the Government have a strategy. In terms of private renters, it is a mixed bag. As I said previously, we were

really pleased to see the ambition of the new minimum energy efficiency standard of private rented homes being put into law. The previous Government talked about doing this and then backtracked. We have seen that landlords will not make those investments unless they are forced to. That is a positive and in the long term we hope that that will raise close to 500,000 households out of fuel poverty.

The issues come in the shorter term and in the way support while that process happens is targeted. A lot of it comes down to the way we measure fuel poverty. In England, if you live in an EPC C or above you cannot be categorised as in fuel poverty. As a renter, you could be spending half of your income on rent, while your bills are still soaring and you are struggling to put the heating on, even if you are living in a home that is at the new minimum standard. More broadly, it is about understanding that soaring bills and rent are pulling more people into this mix than has previously been recognised.

I was talking to a renter the other day who is in her early 60s but in work, so she does not receive the warm home discount. She is facing a 6% rent increase. That will mean her rent has increased by 18% in the past three years. She lives in an EPC D and says that she is terrified of turning on the heating this winter. She said that the £100 rebate will only go towards her rent and food. It will barely touch the sides of her bill. We are seeing that people who traditionally the Government have not thought they needed to support with bills are now going to be really struggling.

Q15 **Graeme Downie:** I want to pick up some of that, but to talk in particular about the technology that is used in different rented properties. Nye, a tenant in fuel poverty usually has little or no say in what technology is used in their home. It is based on whatever the landlord has installed. How much impact does the heating system itself have on whether a household ends up in fuel poverty and is there a particular group that is worse off?

Nye Jones: Yes, definitely. Any home that is electric only is far more expensive to heat. It is around 2.5 times more expensive. The big issue for rented households, though, as I said before, is the overall energy efficiency rating, particularly in terms of insulation. Homes that are D and E are far more expensive. They do not keep the heat in and become far more expensive to heat. Landlords have not made those fabric improvements to improve insulation. That is a major issue facing renters, and renters obviously do not have power to do that themselves.

Q16 **Graeme Downie:** Is there anything that could be done to address that and to give renters more say, influence or knowledge even of how different technologies are working prior to them being installed? Are there any requirements you could put in place?

Nye Jones: The Government are setting up the Warm Homes Agency as part of the warm homes plan. We would really like to see that have a consumer and renter-focused part to give advice to renters on this issue.

This new minimum standard will come in by 2030, but the warm homes local grant already exists, which can fund retrofit improvements where tenants are on low incomes. Many tenants do not know it exists and the Government could do a lot more to advertise it. Tenants could speak to their landlords, for example, and push them. They could apply for these grants and get those works done earlier so they are living in warmer homes now, rather than in 2030.

Q17 **Graeme Downie:** To your mind, would that be a requirement that would have to be included? Should a landlord be required to speak to their tenant prior to doing upgrades? What would it look like beyond just advice? We see lots of Government advice that no one knows about, either landlord or tenant, so no one knows they are meant to do it.

Nye Jones: The problem we face is that often neither landlord nor tenant is at all expert in energy. That is why it comes back down to advice. The Warm Homes Agency will play a critical role in making sure landlords take the right form of action for a home. We would see that ideally, in most cases, as a fabric-first insulation approach to make sure that the energy efficiency rating improves.

Q18 **Graeme Downie:** Presumably you would encourage that to be a three-way conversation between the advice, the tenant and the landlord, rather than just being landlord to landlord, kind of muddling through on their own.

Nye Jones: It is important that the tenant understands the work that is being done and why, and the potential benefit. One concern we have is that there is little to stop a landlord increasing the rent afterwards. It is estimated it would cost £6,000 to £7,000 to take a home from D, which is where about 37% of private rented homes are, to C. The tribunal where tenants can challenge rent increases considers energy efficiency when looking at the market value of a home. There is little to stop a landlord increasing the rent afterwards and the tribunal looking at any case and saying, "That is fair, because the home has gone up from D to C and will command a higher market value." We are really keen to see some changes there, particularly around cost neutrality, to make sure that any rent increase does not go further than any potential bill savings.

Q19 **Graeme Downie:** So any rent increase should match the investment that is being made.

Nye Jones: We would prefer no rent increase.

Graeme Downie: Yes, of course, but at the very least it should be proportional.

Nye Jones: Yes, it should not cancel out the bill savings. This policy is about fuel poverty; it is not about bringing rents up.

Q20 **Graeme Downie:** Alex, picking up on what Nye said about tenants, in particular, on all-electric heating, what data does Citizens Advice have that emphasises, perhaps, or proves that point? Are they over-represented in

energy debt? To what extent does that come through?

Alex Belsham-Harris: The key data we tend to look at there is the data published by the Committee on Fuel Poverty, which has a great dataset of impacts for different households, including people on electric heating. That shows that those are the households in the deepest fuel poverty, so the gap they need to fill is biggest. Other data that is available shows that those households are much more likely to live in a rented situation than other households. We tend to focus on that.

When we see cases at Citizens Advice where people have those legacy electric heating systems, they are often struggling with really significant bills because they might be old and inefficient. We know from research that people often struggle with the heating controls for those types of heating. Heating controls are an important aspect in general, in terms of understanding how your boiler works or, if you are on a heat network, how that works and how you manage it in a way that aligns best with the right tariff. These are things that people need to have a good understanding of to get the best outcome.

Q21 **Graeme Downie:** You have picked up on exactly the next thing I wanted to ask you. How do we start addressing that? To be honest—you mentioned it as well, Katie—someone puts in a new bit of technology and I have no idea whether that works. I have no idea whether it is working properly for a start. I am trusting someone that it has gone in and that is fine.

Dr Barrett: Nor do the people who are fitting it, because they are not qualified.

Graeme Downie: To either Katie or Alex, from a Citizens Advice perspective, whether it is a tenant, a landlord or an owner-occupier, how do we make sure that they understand in a more active way the technology that is being put in, rather than passive information being available should they choose to look?

Alex Belsham-Harris: We think that clear information from the installer is a vital part of that, and then access to independent advice about how to use these things efficiently and decide whether they are right for you in the first place. With the landlord and tenant situation there are more challenges, because the person paying for the installation and the person living with it are different. There are split responsibilities, as there are when people are moving properties.

Q22 **Graeme Downie:** Is that something you would expect the Warm Homes Agency to do and provide effectively? If a landlord calls up and says, "This is what I am doing. I am acting in good faith"—let us for the moment say the landlord is acting in good faith—is it then helpful if the Warm Homes Agency says, "Have you discussed this with your tenant?" to help them through a managed process? That is picking up some of the things that Nye was saying earlier on.

Alex Belsham-Harris: The Warm Homes Agency, as has been discussed, will have a major role to play in overseeing the overall consumer journey that people are going through, including people in rented housing. That will be a really important part of that. There will be a range of routes to deliver advice. We do not necessarily think that the Warm Homes Agency should be the one giving all the advice, because that may not be what best suits its role, but it should give guidance around how that should be managed.

There may be different approaches needed in the rented sector. If you are a social housing provider, it is much more likely that you will be able to do things such as welcome packs for tenants that explain the heating system across an entire development, particularly where there is a heat network. Where there is a private tenant relationship, what is needed and how to best deliver that might be slightly different. There may be a role for lettings agents, for example, in that process as well. It is something where we really want to see clear guidance developed.

Nye Jones: There is a role for local authorities as well, especially when we will see the roll-out of the new "register your rental property" database from the end of this year. That will provide much better information about homes in a local authority's area and the EPC rating of those homes. There should be work for local authorities to do to understand the percentage of homes in their area that will need retrofit improvements by 2030 and potentially provide advice to landlords and tenants during that process.

Q23 **Graeme Downie:** Should part of that be helping tenants or people in fuel poverty to access flexibility within tariffs? This has come up in other evidence sessions. The concern has been raised previously that flexibility in tariffs sounds great, but it is normally accessed only by those who can, frankly, afford it and, I presume, mostly owner-occupiers. How do we make sure that that is locked in? We have heard some very good examples about social housing, but they seem to be quite isolated. How do we make sure that that is baked into what the Warm Homes Agency is doing as well? Sorry, Katie, I am aware that I have moved on a little bit. I will ask you for your comments in a second.

Alex Belsham-Harris: The prerequisite for benefiting from flexibility is having a smart meter, and we know that private renters are less likely to have smart meters. The first step we need to take is to improve the access of those groups to smart metering, because there are loads of benefits around getting away from estimated bills as well as accessing flexibility. In the debt circuit breaker that the Government and Ofgem published, there was a commitment to improving tenant access to smart meters so that landlords cannot object to those being installed. That is the first step.

We know that the people who will benefit most from flexibility will be those who have low-carbon technologies installed, which may be less likely in rented properties. Over time, that may adjust. It is about how we improve people's access to those technologies and, once they are in their home, particularly if it is a rented home that they have moved into newly, their ability to understand what is there and how to use it most effectively and

flexibly. We want to avoid what we have seen with storage heaters and Economy 7—the traditional way of doing this. We know that lots of people moved in, had no idea what their tariff was and no idea how the heating system worked effectively, and saw higher bills as a result.

Q24 **Graeme Downie:** Katie, is there anything there you want to pick up? We are talking a lot here about things that are happening lots of winters hence. We should be talking as well about what we can do in the shorter term. Is there anything that you would like to pick up from your own experience on what actions the Government should be taking now to make sure the things you have described do not happen again?

Dr Barrett: As I said, lots of people are going into their third or fourth winter with wet, mouldy, cold homes that they cannot heat because they have air-source heat pumps that do not work. MCS has only checked a few of them. The Government need to be holding these assurance bodies to account.

You go into the complaints process and it takes six months with each body. For mine it was NAPIT and then TrustMark. It took six months with NAPIT and then it said, "There is nothing we can do. We have removed their accreditation, so we cannot do anything now." TrustMark did not reply for a whole year and that was its response. If you have people who are supposed to be the assurance bodies for these various technologies—MCS for air-source heat pumps, for example—but they do not actually do anything when an installer bodges it, other than removing their accreditation, and do not actually fix the problem, it is a massive waste of money.

Graeme Downie: I am aware that the next session we have is with the ombudsman and Ofgem—

Chair: We need to move on. We have had one inquiry where we have seen the scale of the problem with ECO, and we are about to do an inquiry on warm homes as well, so we will certainly be picking these points up, and not just today.

Dr Barrett: I also know that, with part L, there are not enough qualified people who know how these new technologies work. Over 50% of the construction workforce is over 50. I am over 50; I am not saying that you cannot teach an old dog new tricks, but, at the same time, people are not going to want to learn completely new technology, and they clearly do not know what they are doing.

Q25 **Torcuil Crichton:** Thank you all for coming in. I will pick up on what Graeme was about to talk about on the ombudsman and Ofgem. Things do go wrong—they often go wrong. We hear about it a lot as a Committee and as individual MPs. Notwithstanding what you said, Katie, about things going very wrong with installation, often the relationship between the consumer and the energy company goes wrong. We would like to know how that can be fixed. Alex, what is the commonest thing that goes wrong and what are

the quickest fixes?

Alex Belsham-Harris: The most common issues that we are seeing at the moment at Citizens Advice through our consumer service helpline, which is our specialist energy service, are around energy affordability and billing. Billing is still normally, month to month, either the first or second most common issue that we are seeing. It is important to put that into some context. Those cases have fallen slightly year on year. When we look at surveys, we know that overall satisfaction with billing has been going up, but there is a range of performance between suppliers. As we go into a winter where prices are rising, if your bill has mistakes in it, the impact that could have on you in terms of cost is significant. It is an area that we need firms to continue to focus on.

Q26 **Torcuil Crichton:** It is an exhausting process of going to the electricity company, coming back to the electricity company, appealing it and going to the ombudsman. Could that be tightened or shortened? Could the rein be shorter?

Alex Belsham-Harris: The changes that the Government have announced—moving to a six-week wait before you can take your case to the ombudsman—we think achieve the right balance between giving consumers and energy suppliers time to address issues and being able to quickly move on to the Energy Ombudsman at that point. The Energy Ombudsman is also committed to resolving cases more quickly. All that is positive. We want to make sure that people who need more time are not feeling rushed through the processes and that, where people need other types of support, whether that is advice or support from organisations such as the extra help unit, which can intercede on behalf of people in vulnerable circumstances, they are reaching those where appropriate. Those also are really important routes for people to resolve their problems.

To finish answering your first question on what can be done around billing, the work that Ofgem is doing to introduce a billing outcome and its broader shift to outcomes-based regulation could offer real benefits if we see a much clearer focus on who the poor performers are and how we address the challenges in billing, as long as we retain and potentially strengthen the vital backstop protections, such as the back billing rule, which means you cannot be billed for energy used more than a year ago. There is work under way there.

One final point on that would be around guaranteed standards for smart metering. We know that some people experience billing issues when their smart meter goes wrong. Ofgem has developed a guaranteed standard but not implemented it yet. We want to see that implemented as soon as possible. That would give people compensation if their smart meter is broken.

Q27 **Torcuil Crichton:** Nye, what goes wrong for people who rent?

Nye Jones: The most common issue we hear about is energy debt.

Torcuil Crichton: Alex mentioned that it is huge.

Nye Jones: Yes. Overall it has tripled since 2021 and now stands at around £5 billion. For private renters specifically, I spoke at the start about that vicious combination of unaffordable rents and high bills. In the short term, there is less impact on you of not paying your energy bill in full than there is of not paying your rent. Often renters in winter, when pressured, will pay their rent and forgo paying their bills. Some will not turn the heating on or go without food.

We often hear from younger people who are less aware of the process and keep the heating on, but then their bill goes up. They are also not aware of the interest that they will pay on the debt. Then it is like quicksand and it pulls you in. Some 54% of private renters have access to less than £500 in savings, so there is no way of getting out.

It was positive to see the Government publish their debt relief scheme. The key to that is properly funding it to make sure people can come out of that debt. What we are not in favour of, which I know Ofgem is consulting on at the moment, is the return of lessening the safeguards around prepayment meters. We do not think that that should be the answer. That can leave vulnerable people in really difficult situations where they cannot turn heating on in really cold homes.

Q28 **Torcuil Crichton:** Katie, thanks for your evidence and thanks for coming in. ECO4 is a massive scandal. Thanks for bringing it to us, although we are aware of it—

Dr Barrett: I am not sure you are fully aware of the scale, because the Government have not released any figures.

Torcuil Crichton: We have your evidence here, but clearly things have gone badly wrong—

Dr Barrett: There is a very big issue with safeguarding as well.

Torcuil Crichton: Can I speak, and then you? Things have gone badly wrong here. You have talked about companies liquidating to avoid responsibility and not being able to chase them. It is not just that the installation broke; the system to protect consumers broke as well, didn't it?

Dr Barrett: Yes, completely.

Torcuil Crichton: Tell us how.

Dr Barrett: Let me quote three other victims. "Why are all the accreditation bodies so biased in favour of installers? TrustMark is the worst of them". "TrustMark are not there to enforce standards. They are there to cover the backs of their fee-paying members." "Why is TrustMark allowed to continue to be involved in rectifying the ECO4 damage it has presided over? Has Trustmark been investigated?" It is still telling people, "They're not part of us. They're not accredited by us any more, so we can't do

anything about it." It is not fit for purpose. The fact that it has "trust" in its name is horrifying.

Another victim said: "What concrete action will the Government take to restore these families' homes, compensate them for the harm suffered, and hold those responsible to account?" The guy who was the director of the company that did my install has another company that is still operating with the same director. He also has a company that rents out limos. He is not in the building trade; he is just an opportunist. He hired a bunch of plasterers and is bodging work and going off. The people who supposedly attended my property are not the people on the paperwork.

I have got a lot of information via a subject access request and it has been heavily redacted. Because the retrofit co-ordinator lost his job, he sent me a lot of unredacted information and that is how I know how much fraud has happened in my case in particular. The retrofit assessor on the paperwork is not the person who attended my property. The person who assessed my property is just some bloke called Barry who does not have any qualifications.

Honestly, they have destroyed my home, my health and my career. They have destroyed everything. I am not a typical victim. I am quite outspoken, shall we say, and very educated. I am vulnerable. That is why. I have health issues and stuff. There are a lot of people who cannot navigate the system. We are campaigners who have come together. There were five of us who met with Mr McCluskey in June. We are the ones who are fighting for all the little old ladies who were cold-called and have had this work done.

One of the other campaigners is renting. Every time it rains, it rains in her kitchen because of one of the vents they put in. They did not do it properly. There is mould everywhere and her landlord is doing nothing to help remediate it whatsoever. She has been doing all the work.

I reckon between us we could probably all do a PhD in the failings of ECO4. There is this whole thing, "Well, we have decided that we are going to do this foundation to help with it." As far as I am aware, eight people have been referred. We presented 10 test cases to Martin McCluskey in June and asked him whether he could help people who have been through all of the process properly. They have followed all the complaints processes, which takes a very long time. Bear in mind that the guarantees for heating systems are only for two years; those have well elapsed. Not one of those 10 test cases—sorry, migraine brain struggling to do words—has been remediated.

Q29 **Torcuil Crichton:** There are 300,000 homes. If your home is destroyed, of course it affects your health. We can tell from your passionate presentation—

Dr Barrett: I had seizures at the end of 2024. I am not epileptic. They do not know what caused them. It is horrifying.

Torcuil Crichton: Very quickly, what is the fix you want the Minister to do?

Dr Barrett: I want him to do it properly. There is a lot of obscurity about the figures. I do not think that they are going into people's houses. Well, they are not. TrustMark is doing audits and supposedly it has done 9,000, but we have not seen the evidence of that. It is doing desktop audits based on data that is not correct.

I know for a fact that the data that relates to my installation is completely fake. There are photographs dated months after they left. There is a photograph of a storage heater that never existed, which they put on the wall to take a photo of to say that it was there, so that they could take it away. It was a way of increasing the amount of money they could get out of British Gas.

Q30 **Torcuil Crichton:** Presumably they took it from house to house.

Dr Barrett: Yes, apparently so, because it happened to several other people.

Chair: We will have to end it there.

Torcuil Crichton: Thank you all for coming in.

Chair: Can I thank all of you for your evidence? It has been extremely valuable in the context of not just today's short inquiry but our longer inquiry into warm and comfortable homes. We will pursue the evidence that you have given us with Ofgem, the ombudsman and the Minister, not just today but in future inquiries.

Examination of witnesses

Witnesses: Ed Dodman and Neil Kenward.

Q31 **Chair:** Welcome back to this morning's session of the Energy Security and Net Zero Committee on preparing for winter. We welcome Ed Dodman and Neil Kenward from, respectively, the Energy Ombudsman and Ofgem. Gentlemen, you both sat there listening to the same evidence that we did. What is your reaction to what you heard?

Ed Dodman: Clearly, all three of the witnesses were concerned about the winter coming up, for different reasons. We are too, and are monitoring the situation closely. Price has always been the best predictor of complaints coming to the ombudsman. When prices went up significantly during the energy crisis, complaints to our service were not far off doubling within two years. We peaked at about 120,000 in 2023. We are currently at about 90,000, so we are not at the level we were, but we are monitoring very closely.

Katie's testimony was very affecting. The ECO4 and the low-carbon technology space is not an area we currently cover. Indeed, it is very difficult having to turn away consumers who come to us thinking that we can help.

Q32 **Chair:** Do you think it is an area that you should cover?

Ed Dodman: It is a very complicated area today for consumers to navigate. It is complicated for us in the sector sometimes to understand. There is an argument for making things simpler for consumers. We support the idea of a warm homes ombudsman. That of course covers only publicly funded installations and improvements. We think that it is a sector that could absolutely be simplified. We could play a role in providing dispute resolution for consumers in some of these situations. They think we do today and, as I say, it is very difficult in some situations to turn them away.

The added complication of that is that sometimes a consumer does not know what the problem is. They might come to us with a problem on their bill or perhaps they are not seeing the savings that they thought they might get from some of the low-carbon technology. If it is a problem with the energy supply, we can help today, but of course the consumer does not know that. If it turns out to be a problem with their technology, unfortunately that does not fall within our remit. It is absolutely an area that can be simplified and strengthened for consumers.

Q33 **Chair:** Neil, I have the same question for you. There was plenty of reference to Ofgem in the last session.

Neil Kenward: Yes, of course. We heard some very powerful testimony there and evidence on some of the problems that consumers have experienced. We look also at the winter ahead and recognise that, with energy bills likely to rise significantly in January, this will cause serious and significant problems for a number of energy consumers, both households and businesses. We are preparing. We are monitoring the situation closely. Beyond that, we have robust rules in place that the energy suppliers must follow. We are working with them now to understand that they are ready to do that and prepared for the winter that is coming.

Q34 **Chair:** You have not commented on Katie's testimony.

Neil Kenward: As I say, it was powerful testimony. Clearly there have been serious, fundamental problems with the ECO4 programme. There is a find and fix programme that the Government lead on. It is their role and their responsibility with TrustMark. We are supportive of everything they are trying to do to remedy the problems.

Q35 **Chair:** What is Ofgem's role with the response to the failings of ECO4?

Neil Kenward: Let me set out how the roles are organised between us. The role of DESNZ is one of policy. It determines the programme of ECO4. We are the administrators of the programme. We check that the obligations

on suppliers to deliver a certain number of interventions are met. Then the quality assurance around those, I believe, sits with TrustMark.

There have been differential responsibilities. We went beyond our formal role when these problems emerged—

Q36 **Chair:** Sorry to interrupt, but if your formal role is to administer the scheme, anybody hearing that would suggest that you have a responsibility and that there is an accountability for your role. How do you apply that accountability?

Neil Kenward: It is quite a narrow role. Our key function is essentially to ensure that the suppliers deliver the number of interventions that they are meant to be delivering.

Q37 **Chair:** Without reference to the quality.

Neil Kenward: That is not formally our role. As I was saying, we stepped beyond our formal role when these issues started to emerge. We set up a dedicated call centre that still operates.

Q38 **Chair:** You did not do it very well, judging by what Katie has just told us.

Neil Kenward: I would be very happy to follow up with Katie and understand the individual case and, indeed, the ones she referenced. The find and fix programme is the main vehicle, and that is a DESNZ trademark programme that is, I believe, trying to find and fix, as it sets out. I recognise that the process is going slower than we would all want.

Q39 **Chair:** Which, in the run-up to winter, is really serious.

Neil Kenward: It absolutely is.

Q40 **Mike Reader:** Just for my clarity, is the find and fix programme administered by DESNZ or Ofgem?

Neil Kenward: It is not administered by Ofgem. It is a DESNZ programme working with TrustMark.

Q41 **Mike Reader:** So DESNZ leads. We can ask the Minister, but he will have a team that runs that.

Neil Kenward: That is my—yes.

Q42 **Mike Reader:** What is your role in the find and fix programme?

Neil Kenward: We do not have a formal role in the find and fix programme. We are supporting with advice and with the contact centre. We ran our own audit. Obviously, we supported and oversaw the audits by TrustMark.

Q43 **Mike Reader:** In ECO4, you were responsible for administering the scheme and checking that things had been done from a numbers perspective, but you do not have any role in fixing the problem that has been created.

Neil Kenward: That is correct.

Q44 **Mike Reader:** I want to talk a bit about complaints. Do you see an uptick in complaints during winter?

Ed Dodman: Typically, quarter on quarter, we do not see an enormous change in the number of complaints. Obviously, because of where we sit in the process, sometimes what we see is delayed because companies have a chance to resolve complaints before they come to us.

As I indicated in my first answer, the biggest driver of the volume of complaints, certainly over the past few years, has been the price of energy. That, in our view, is for two reasons. First, it typically increases the amount of contact consumers raise with suppliers and complaints. Obviously, that can increase the number that come through to us. Secondly, as the price goes up, it makes it more important to people. What some people might have been willing to let lie means a lot more to people when the price goes up, especially if they are struggling in other situations.

When prices go up, we do not even necessarily see an uptick in particular types of complaints. We see a general increase in the propensity of people to come to us. This is potentially one of the most significant price rises we have seen for a long time, so we will be monitoring things very closely. We are in a good position to deal with that as an organisation. Consumers are currently waiting less time for us to resolve complaints than they have for a long time.

Neil Kenward: We track complaints. We measure them in the industry. We have tracked them every quarter since 2014, and there has been a steady downward trajectory in complaints. There have obviously been increases, particularly at points of high prices, as Ed suggests. We would not be surprised if there were an increase in complaints, but right now they are at the lowest level that we have ever tracked. Obviously, that is welcome. We would like to see them lower.

Q45 **Mike Reader:** Why do you think that is?

Neil Kenward: We have been working with the industry to try to drive up standards. We have put in robust requirements and monitored them. We engage with the suppliers who have the worst performance and, through our engagement with them and our compliance activity, require them to tackle the problems that come up most frequently.

Q46 **Mike Reader:** Do you see a different type of complaint depending on the time of year, or is it similar issues throughout?

Ed Dodman: I can give the ombudsman's perspective. The categories of complaints do not change significantly from month to month. Lots of consumers pay on direct debit, and we see the same sorts of issues around things such as billing throughout the year. Billing has been for the past few years and remains our largest complaint category. It accounts for about

60% of cases. That has not increased, relatively speaking, compared with other complaints.

Neil Kenward: Billing remains the top issue as well for complaints before they reach the Energy Ombudsman stage. They are declining over time with complaints as a whole. The spread of smart meters and the upgrades of a lot of the energy companies' systems are improving billing accuracy, but it is a slow process.

Q47 **Mike Reader:** Turning to debt, could you remind us of the current level of consumer fuel debt in the UK?

Neil Kenward: Ofgem measures it as unpaid bills after 91 days or more, and under that measure it is now over £5 billion. As Nye said, that is about three times what it was at the beginning of this decade, so that is a significant problem. We recognise that it is a problem for the people struggling to pay their bills. It also increases costs for everyone else because the costs of that bad debt need to be recovered.

Q48 **Mike Reader:** Do you think the Government have a coherent strategy to pay off that debt?

Neil Kenward: The Government, with Ofgem, published a major strategy to tackle and, over time, reduce energy debt. We did that alongside the Budget. It has a set of measures: relief, repayment and reform. The debt relief scheme is now moving ahead, as we have heard. Repayment is to try to ensure that customers are helped on to sustainable repayment plans, and that is the easy default to minimise debt accumulation in the first place. Reform is to make sure that the rules are suitable and to minimise the risks of debt accumulating, for example in the home moves process, which I can talk about more in detail if needed.

Q49 **Mike Reader:** Do you think we will get a handle on the debt and see it paid off within my lifetime?

Neil Kenward: I am confident that this package of measures will substantially reduce energy debt over time. To manage expectations, it will take time for those measures to take effect. In the short run, as energy bills go up, inevitably we are likely to see energy debt increase this winter, which is obviously troubling.

Q50 **Mike Reader:** Ed, do you think the Government have a clear strategy to pay off that debt?

Ed Dodman: Our role is to resolve issues that come to us. We do not take an organisational view on the merits of things such as debt write-off, but we will make sure that companies properly apply whatever policy is put in place.

Q51 **Chair:** Neil, you talked about changes to billing. What sorts of changes are customers saying to you that they want to see? You are coming to the end of your consultation, so you must have a pretty good idea of what people are asking for.

Neil Kenward: The critical thing is that consumers can have an accurate, timely bill that they understand and can engage with, so that they understand how much energy they are utilising and how much that is costing them. We are moving towards an outcomes-based form of regulation, which Alex mentioned on the previous panel, where we are going to really focus on those objectives to make sure that the billing process delivers what consumers need.

Q52 **Chair:** Okay, and a bill that people can understand.

Neil Kenward: Energy can be complex. We have not got it entirely right in the industry in terms of making sure every bill is something that every consumer can engage with effectively.

Q53 **Chair:** Can I ask you about back billing? We have been hearing that retailers are using people's credit balances to fund back billing while inquiries are going on. Do you think that is right?

Neil Kenward: Back billing remains a problem. It is reducing. We have introduced quite robust rules to protect consumers from back billing. Any energy that enters a bill that was consumed more than 12 months ago can no longer be recovered from consumers.

Q54 **Chair:** The question was about accumulated credit.

Neil Kenward: If a customer has an accumulated credit balance, they have the right to request that back at any time, so the energy company is not essentially borrowing off the consumer. That is a rule that is also in place.

Q55 **Chair:** So you do not regard the use of accumulated credit as legitimate in the case of back billing.

Neil Kenward: Yes, the use of consumer credit is primarily for direct debit customers to smooth the annual payments to make them constant month by month.

Q56 **Chair:** Ed, in any cases that come to you, would you give the same ruling?

Ed Dodman: Yes. The connection between consumer credit and back billing is not one that we see materialise commonly. Back billing is a small but very significant issue for those affected. It accounts for about 5% of the complaints that we receive, so, although it is very serious, it is less common proportionally.

It is an area that is more serious, though. We typically award a greater level of compensation for consumers who have been through back billing than we might for other types of complaints. It is a very significant issue for those people, and of course it can be very meaningful in terms of the amounts that people are being asked to pay.

Neil Kenward: Since we introduced that rule, there have been a million customers who have benefited from that. Collectively, £172 million has been written off by suppliers because they were asking for it too late. This

is a really powerful incentive for energy companies to bill accurately and in a timely fashion.

Q57 **Chair:** Do you agree with our recommendation that the time period should be six months rather than 12?

Neil Kenward: That is definitely something we will be considering as we look through. As I say, we are looking at a billing consumer outcome and how we can deliver the best standards for consumers going forward. We will be publishing on that in due course.

Ed Dodman: I do not want to give another boring answer. That is probably a question for Ofgem. We have lots of evidence that will help inform that decision, around how people have been asked to pay bills, sometimes from many years ago, never mind six or 12 months ago.

Chair: That was not a boring answer at all.

Q58 **Graeme Downie:** Just picking up on some of the broader themes from the last panel, neither of you is from an advocacy body as such, but we heard last time about the difficulties disadvantaged groups have with getting redress and information, whether that is people with disabilities, people who have health conditions or people who are in crisis. How much do you see your job as actively standing up for consumers from those backgrounds rather than simply being available and passive?

Neil Kenward: We are very keenly aware that part of our job is to ensure that vulnerable consumers are protected and treated fairly and with respect. We have rules that the energy suppliers must follow to engage appropriately and supportively with vulnerable consumers. There is a whole host of protections in place in the energy supply licence.

Q59 **Graeme Downie:** Are you relying on people being able to come to you?

Neil Kenward: We do not deal with individual cases of vulnerable consumers. We set the rules that the suppliers must then follow. If the suppliers are failing to do that properly, we will follow up, investigate and, if necessary, take action.

Ed Dodman: We are not officially a consumer advocate, but we exist because there is a problem, which is that consumers often do not get the redress that they deserve. I would consider us an advocate in terms of advocating for access to our service, absolutely. We try to make it as easy as possible for people from all sorts of backgrounds to use us. There is no doubt that it can be a very daunting process for people to undertake. Ombudsmen can have a perceived sense of formality and a judicial perspective that can put people off.

Q60 **Graeme Downie:** What actions do you take to reduce that and to make people feel like you are actually, if not an advocate, at least on their side or there to help them to seek redress?

Ed Dodman: There are two things. One is how we make our service accessible. A few years ago, we implemented a single case owner from start to finish in the process. The person who accepts your complaint today will be the person who deals with it from start to finish until it closes. That allows us to understand whether you might have additional support needs that we might need to cater for.

We offer a variety of communication channels and different languages. We can allow you more time if you are in a difficult situation. We can allow people to advocate on your behalf for the case.

Q61 **Graeme Downie:** I want to pick up on that last point in just a second.

When it comes to the single caseworker, is that something that you manage to retain throughout all cases, given staffing changes? What percentage of cases have the same caseworker from beginning to end?

Ed Dodman: I do not know the specific answer to that question, which I would be happy to take away.

Q62 **Graeme Downie:** That would be helpful. I appreciate that that is the right path, but it has to be something that is being achieved.

Ed Dodman: Exactly. One circumstance would be if, like you say, someone is taken ill or goes on holiday. The other circumstance is where a consumer or a supplier has decided to appeal our case. We offer that opportunity in certain circumstances, and we do not think it is right that the same person would review that case, so that would also happen in those cases.

Q63 **Graeme Downie:** Can I pick up your point about helping a sibling or a family member—or, dare I say it, an MP's caseworker getting in touch on someone's behalf? How easy is it for that person to deal with the ombudsman and advocate on behalf of their relative, friend or constituent?

Ed Dodman: If someone gives you permission to raise your case and deal with it on their behalf, it should be as easy for you as for the other.

Q64 **Graeme Downie:** How is that done? Having dealt with other public bodies, I know that often it has to be a wet signature delivered by pigeon post on a certain day between the hours of 12.01 and 12.02.

Ed Dodman: That is not the case for us.

Q65 **Graeme Downie:** Can you explain how you approach that?

Ed Dodman: It depends on the way the consumer wants to communicate with us. We do not try to add in extra delay through things such as requiring a hard signature to do that. If an MP or their team raises a case on someone's behalf, we will do our diligence to make sure they have the authority to do it on behalf of consumers, but, once we are sure that the consumer wants to go down that path, we try to make it as easy as possible.

Q66 **Graeme Downie:** Is it a phone call? Is it a bit of paper?

Ed Dodman: It will depend on the channel that the consumer wants to engage with us on.

Q67 **Graeme Downie:** Can it be as easy as, say, an email tick box?

Ed Dodman: I would need to take that away and check how it works on the system.

Graeme Downie: Again, it would be good to know.

Ed Dodman: I would be very happy to provide some more information on that.

Q68 **Graeme Downie:** Thank you. We know that people from disadvantaged backgrounds are underrepresented among complaints or issues raised. Are there better ways we can measure that so we know what is being missed? How do we measure what is being missed?

Ed Dodman: We survey the consumers who choose to use our service and we ask them things such as demographic questions. As you would expect, we under-index on some of the characteristics that you are alluding to. Socioeconomic background is something we under-index on. This is something we are very conscious of.

We support the measures that the Government are introducing through their fairer, faster redress decisions. That should help not only vulnerable customers but all customers come to us.

One thing would be the reduced waiting time for suppliers. Currently, if you raised a complaint with a supplier today, the supplier would have until mid-January to resolve it before they bring it to us. We think that is too long, and we are glad that the Government have reduced it.

Another thing would be standardised signposting—making sure that consumers are told about us in the same way, regardless of who their company is. These are all things that might help level the playing field for consumers who might otherwise find it difficult to come to us.

Q69 **Graeme Downie:** Neil, how joined up is the work you are doing with Scottish bodies in particular, bearing in mind that there are differences in consumer advocates and everything else, and in how things come through? How does Ofgem approach that work with Scottish bodies versus the rest of the UK?

Neil Kenward: We engage with them on an equal and frequent basis.

Q70 **Graeme Downie:** Does having the two create any additional friction or any difficulties in process? How is that managed?

Neil Kenward: I do not think so. We think it is hugely important that we are a GB-wide regulator, so we absolutely engage with Scottish and, where appropriate, Welsh authorities as well.

Q71 **Claire Young:** Neil, how serious would a consumer issue have to be for a

retailer to risk losing their licence? If that were to happen, what are the steps that would happen before you removed it?

Neil Kenward: It is quite a step-by-step process. We set very clear rules. We then monitor compliance with those rules across the sector. Where we see things going wrong, we get reports of that, and we have lots of ways of picking up that intelligence.

We will then engage with the supplier. We will give it an opportunity to fix the problem, and then if that is not adequately done, we will move to enforcement, which will usually result, if the supplier is found not to have complied with their obligations, in significant fines.

We also have rules that can limit the ability of individual executives to work in the sector; it is called the fit and proper regime. If people have been found to take decisions that are very much against the rules and against consumer interests, we can take steps to stop them working in the sector in future.

Q72 **Claire Young:** This year, you have not issued any fines.

Neil Kenward: We have issued a number of fines. We have issued the largest redress package that we have ever done in a retail market.

Q73 **Claire Young:** You have issued redress payments, but that is a different thing from fines.

Neil Kenward: There were penalties in addition. Fines is an option. We usually agree a contribution to the voluntary redress fund. Technically, it is not called a fine; it is a penalty. It is a very similar thing in terms of its actual impact—millions of pounds of costs for the energy supplier. Suppliers pay a significant price as well as compensating the consumers who have suffered from whatever action they suffered.

Q74 **Claire Young:** What do you think an acceptable level of failure by retailers is?

Neil Kenward: There is no acceptable level of failure. We take action, and I am delighted to say that customer satisfaction is at record levels in the sector. Complaints are at the lowest they have been. I am not pretending that we are in a perfect situation; we are certainly not. We are working with consumer groups, charities and, indeed, the companies themselves to drive standards higher, and we will continue to do so.

Q75 **Claire Young:** For example, if someone is being billed £100 too much, that is an absolute pittance to the retailer, but for a family in fuel poverty it could mean switching off their heating. Do you think that your penalties on retailers when it comes to billing mistakes actually reflect the impact on the customer?

Neil Kenward: We have a rule of thumb around the consumer harm that is suffered and therefore the amount of restitution or compensation that is

required. Sometimes the issue is not one that is easily measurable in pounds, but we will require some degree of compensation along with that.

Q76 **Claire Young:** How are you recognising that?

Neil Kenward: We try to assess the level of harm suffered by the individual and then a commensurate sum of money to compensate them for that.

Q77 **Claire Young:** Given the widespread use of smart meters now, surely every retailer should just be able to achieve accurate bills for customers within 12 months. Do you think there is a lack of ambition to end the problems with billing?

Neil Kenward: I am disappointed that there has not been greater progress. The issue is improving over time, but it remains the area of greatest complaint. I can say that that 12-month rule on back billing has resulted in millions of pounds being written off because the suppliers had not billed in a timely way. That in itself is a very powerful incentive for them to get their billing systems improved, which most of them are in the process of doing or have done.

Q78 **Claire Young:** Ed, the ombudsman role is much more limited, but what are your thoughts on the level of ambition to end billing problems?

Ed Dodman: As a positive reflection, this, in my view, is one of the areas that companies are really focusing on. Billing is an issue for us. It is an even bigger issue for companies. On the whole, companies are trying to make things simpler and more understandable for customers.

It is not surprising that it remains the largest cause of complaints. For most people, it is their only interaction with their supplier. Most people would like to pay their bill and forget about it, so it is perhaps not surprising that it is the example that comes out in complaints the most. I share Neil's aspiration for it to continue to improve, but I see positive signs in the industry that suppliers are doing what they can to make things as simple as possible for consumers.

Q79 **Claire Young:** Do you have an idea of an acceptable level of failure and where the level of failure is in relation to that?

Ed Dodman: It is difficult to put a number on it. As you can imagine, performance varies a lot from supplier to supplier. There are external factors in the market that drive complaint volumes as well. I have already talked about price. Some of those are outside of company controls.

Our job is to make sure that, when something does happen, it is put right. We have awarded over £9 million to consumers so far this year in compensation payments or what we call time and trouble awards. That is on top of any remedial activity we have required of companies. We try to reflect the stress that individual issues have caused for consumers.

Q80 **Wera Hobhouse:** Increasingly, constituents feel empowered to write to

MPs using AI. At the same time, they do not actually want an AI response; they want somebody real behind their complaint. Can you outline how much you are using AI in your operations?

Ed Dodman: Like you, we are seeing it from consumers as well. The length of evidence and case file we are getting now is very clearly being influenced by AI.

We are committed to retaining a human-centred approach to our resolution service. The last thing people want to do, probably, is talk to another bot when they come to us, having potentially been through that in their complaint. However, we are using AI, for example, to make accessing the rules and regulations simpler for our people, to improve quality in our organisation and to pre-judge where we might be able to strengthen our decisions.

It is very much an enabler for us. We do not see it ever replacing the human-to-human contact that people want when they are in that sort of situation.

Neil Kenward: Likewise, we are using AI to enable improved productivity and efficiency in Ofgem, but all our products have to be responsible and accountable to individual humans who will be assuring the quality of what we do and publish. That will be the case.

The biggest opportunity for us is making better use of data. There is a growing amount of data in the sector. We are finding the right ways to gather that data. We are using AI, for example, to better gather and analyse that information so that we can become a more effective regulator.

Chair: Thank you very much for your evidence this morning, Ed Dodman and Neil Kenward.

Examination of witnesses

Witnesses: Martin McCluskey, David Thomas and Ben Golding.

Q81 **Chair:** Welcome back to this morning's session of the Energy Security and Net Zero Committee. Minister Martin McCluskey, welcome. You are joined by two colleagues from the Department, who I will ask to introduce themselves, please.

Ben Golding: Good morning. I am Ben Golding. I am the director of affordability and retail at the Department.

David Thomas: I am David Thomas. I am the interim director general for household consumers and energy retail.

Q82 **Chair:** Thank you all for joining us. Minister, have you been briefed by your officials on what we heard in the first panel?

Martin McCluskey: In part, yes.

Chair: Would you like me to put some of the more compelling parts of the evidence to you?

Martin McCluskey *indicated assent.*

Chair: First, on ECO4, we have had evidence in the past, and we have had really quite harrowing evidence again this morning, about the failings, but also the failure to respond to them and the fact that 100,000 people are still suffering the consequences of poorly installed measures, including insulation, very often leading to them living in damp, cold homes with significant health problems and, indeed, structural problems as well.

We have published reports on this in the past, and we are reminded that not much has changed, if anything, including that a group met you, Minister, in June and have seen no action since. Accreditation has been removed from multiple installers, but the removal of that accreditation means that there is now no accountability for their actions, and the removal of that accreditation has not led to remedial works being carried out.

These are really significant and worrying allegations, including the implication of a lack of action by the Department in an area for which you are responsible. How do you respond?

Martin McCluskey: Thank you for the opportunity to come this morning and also to address this point, because it was something that I was hoping there would be an opportunity to respond to.

Let me take you back to September 2025, when I started, at that point in the energy consumers brief. It was either day one or day two in the role, and I was presented at that point with a draft copy of the National Audit Office's report into ECO4, which had the 98% failure rate in EWI reported in it. It would be an understatement to say that I was shocked by what was in that report and the extent of the failure in that scheme.

In reading it, there was obviously a lot of work done by my predecessor at that point—the now Secretary of State for Energy Security and Net Zero—who had started work before the National Audit Office reported to look at how we might be able to help and remediate. What was so shocking about it was the lack of oversight in the scheme. That was in large part the reason why the ECO4 scheme was ended.

There is some remediation happening at the moment, but we are no longer fitting new measures under ECO4. The scheme had clearly failed. It did not have correct oversight. A scheme that originally, under ECO1, had started supplying LED lightbulbs and draught excluders to people had then extended into a scheme that was installing quite complex measures in people's homes: EWI, SWI, heat pumps, solar panels and batteries. It was a much more complicated scheme than was originally intended.

There are a number of things that we have done over that year. At the time of the publication of the NAO report—in October 2025—I made a

written ministerial statement to Parliament laying out what we would do to find and fix those cases in the 98% failure rate within ECO—to fix those cases but, most importantly, find them.

I will just take the Committee through some numbers. There were 24,600 in that population that we were looking to remediate. So far, every property in that population has been contacted by Ofgem. They will have received a letter from Ofgem with the proposal for audit, because we cannot fix something until we know what the problems are. TrustMark then makes up to three contacts to people within that population. So far, TrustMark has contacted 19,216 people. We have completed 11,141 audits, and we have completed 2,227 remediations on that population. There have been people who, when contacted, have either refused or not picked up the phone. There are about 4,000 people in that population who we have not been able to contact.

There is another thing we have done with this EWI population, because there are particular hotspots within that 98% failure rate, particularly in places such as Leicester and Luton. In Leicester and Luton, we have recruited people from within the community to go door by door to find and communicate with the individuals we believe to be affected so that we can reach them. That has certainly had some success in driving up the audit rates. That is one thing we have done in terms of the find and fix.

DESNZ also worked with the voluntary redress fund and the Energy Saving Trust to put in place a scheme that those people who have run out of routes for redress can now apply to. We have enough funding in that for about 170 cases to be covered, and that is progressing at the moment. That is what we have done so far on the backward-looking piece.

On the forward-looking piece around future schemes, as I said, we have already cancelled the ECO scheme. It was right that we did that because of the levels of failure. We consulted from June to September on a new model of consumer protection. I hope that we are going to have the Government response to that out quite soon, in order to put in place a system where the kinds of failures that we saw during ECO never happen again.

That consultation will set out a much simpler system and route for redress for people. That is really important, because for those people—not just the individuals I met in June, but other people I have met over the course of the last year who have been deeply affected by this—the commitment the Government have to make is not just that we will fix the problem, but that we will make sure that this does not happen to anyone again in the future.

It is the case that we inherited this system. I do not want to sound like I am making a political point around this, but ECO4 was not our scheme. ECO4 was the scheme of the last Conservative Government. In delivering our schemes at the moment, I always have in my head that we cannot end up with something as fragmented and as failing as we had with ECO4.

In the role that I am in now, taking responsibility for the future system, especially now that we start thinking about the devolution of the warm homes plan—we will probably talk about that later—it is essential that we have a system in place before devolution in 2028 that is going to adequately protect people. I am quite confident, with what we are doing through the Department in terms of the schemes that are in place now, that we would not see the kind of failure rate that we saw in ECO, because we have much greater oversight of the schemes that we are operating, which are now largely being operated through local government.

Q83 **Chair:** We want to get on to this winter as much as we can, but this is too important to not pursue further. I would like to ask the officials about how we got here in the first place before the change of Government.

Before I do that, you gave some figures: 11,141 audits, 2,227 remedials, refusal or lack of response from 4,000, and 170 cases covered by the redress scheme. I think I have noted those down accurately. We heard a figure of 100,000 people affected; that is a big gap with any of those figures.

Martin McCluskey: We have to disaggregate the population here. We made a commitment to those people who were affected by the problems with solid wall insulation, particularly external wall insulation, that we would find and fix their problem. That is the population of 24,600 that I mentioned a moment ago. I myself would not recognise the figure of 100,000, but we are obviously aware of other cases within ECO where there is remediation required.

Just to be very clear about it, I am not going to sit here and defend the system that this Government were not responsible for establishing, which is why we are changing it. The way the system is meant to work is that the installers who install faulty measures are the ones who repair and remediate any problems in the system. The guarantee providers who stand behind that provide guarantees that, if that fails, there is some level of insurance behind it. It is clear that in some cases that has not operated, which is why we are changing the system for the future. I really want to stress this point: we have ended ECO4 and the schemes that we have in place right now are very different from the ones before.

There will be a population of people who are not covered by the specific find and fix measures that we have set out who will require remediation, but for whom the system needs to provide some level of remediation. The commitment that I can give here is that we have already set up a complex cases unit within the Department that is looking at some of the most complex cases. It is the case that many people who have issues within ECO get their problems remediated. For those complex cases, we have officials who are looking at them to help guide people through what is a ridiculously complicated process of trying to get remediation. The reason why we have set that up and we have that function is that we recognise that people often need some support to take themselves through that.

For this 24,600, and for all of them who come forward who we audit, we will then fix. We have the VRF scheme, which is obviously not our scheme, but through the Energy Saving Trust it will hopefully try to deal with some of the most extreme cases where, for example, suppliers have gone bust or we have run out of road in the system. We will continue to look at what more might be required. For the future system, we have stopped ECO and, in the future, there will be a new system of consumer protection.

Q84 **Chair:** There is also criticism made by the industry that there is a lack of understanding of what comes next. This is causing them a real problem. Those suppliers and installers who are reputable are really struggling because of this gap. What can you say to them about giving them certainty of work to come? Equally, that in part is about rebuilding consumer confidence in the warm homes plan.

Martin McCluskey: I would say two things. The point you made at the end there, Chair, about maintaining confidence is really important. We are asking people in the warm homes plan to upgrade their homes. We are hoping to reach 5 million home upgrades by the end of this Parliament. For some people, that will be through the future homes standard and regulation will take care of it. For others, we are asking them to retrofit and to take that action. We need to maintain confidence in the system.

I have heard from Members of Parliament and from installers directly. I have a lot of sympathy for those good installers who have done the right thing and maybe were not involved in the failures of ECO. We have begun to set out what devolution will mean, and I have been very clear with installers. I met some representative groups recently. We are working with the mayors and the installers to look, in areas where mayors will take on responsibility, at what they can be doing now, ahead of 2028, to start to build up local supply chains.

I have been very clear about what the direction of travel is, but at the front of my mind has to be how we protect consumers and how we make sure that the kinds of examples that you will have heard this morning around the failure of ECO never happen again. For me, that has to be the primary objective. If that means, unfortunately, that in some areas we have to pause and take stock before we move on to the next stage of devolution, we have to do that.

Just to address the installer point directly, there is a lot of work out there already. Maybe we can come on to this in a bit more detail later. Devolution will allow local authorities, strategic authorities and mayoral authorities to build up their own local supply chains, which presents a much better opportunity for SME installers to access opportunities through Government schemes. We have heard a lot that tier 1 contractors are sucking up a lot of the work. I want to make sure that SMEs and local supply chains get a benefit from the work the Government are doing.

Q85 **Chair:** You mentioned 2028. That is a long way away for installers. I am talking to installers who are reputable, and I think my colleagues are too.

They have a good record already and are now being held back. I have a constituent who is in this situation. He has invested in a training facility and now the money is not being released, so he cannot carry out any of the work, and it is really hitting his business viability.

Martin McCluskey: I would maybe look at it a little differently from saying the money is not being released. Next year, there will be well over £1 billion being put through Government schemes, so there is a significant amount of money going out now and in the next financial year.

It is a very different scheme from ECO. As you will all be aware, the way that the ECO scheme ran is that an obligation was put on energy suppliers. The energy suppliers then went and found the businesses. The contracts were between the energy suppliers and the SMEs, and they went off and they installed measures on people's homes and then reported back to Ofgem.

Going back to where we started on this line of questioning, we have stopped that because that did not provide us with enough oversight. That means that there will be more hoops to jump through, bluntly, in order to get access to Government schemes, but that is right because of the failings that we have seen through a system such as ECO.

We are working on this in a very different way, but there is over £1 billion programmed to go out in the next financial year. There is around the same or slightly less in this financial year, going out at the moment. Our schemes are working at full pelt. We are fully committed in terms of our budget for this year and next year, and there is a lot of work out there.

We have done work with installers. We have done work with local supply chains, and also with the tier 1 contractors to ensure that the tier 1 contractors are opening up their work to small businesses across the country. We will continue to push that.

We have put conditions in some of our schemes to ensure that those tier 1 contractors open it up to local contractors as well. Unfortunately, the truth at the moment is that, because we have stopped ECO, there is going to be this gap, but we have stopped ECO for the right reasons and for the reasons given by the witnesses you heard this morning.

Q86 **Chair:** I want to ask one more question on this before we start to move on; my colleagues have lots of questions as well. It is to the officials—probably David. Why was this allowed to become such a massive problem? We heard about a plasterer being used to install solid wall insulation on top of damp walls. Why was this happening on an industrial scale? How did that end up happening?

David Thomas: As the Minister has said, clearly what happened is not at all what should have happened. Lots of these cases are really distressing. As the Department and other colleagues have said in other forums, the Department took its eye off the ball. We did not set up a system that had clear enough accountability, and, exactly as the Minister has been saying,

this is therefore the sort of thing that we need to fix going forward. The system was not set up with appropriate oversight.

Q87 **Chair:** David, with the greatest of respect, we know what happened, but why? What was going on? What was the system and the culture that meant that these things were allowed to happen? That is the learning so it never happens again.

David Thomas: There are lots of things that have gone wrong, obviously. The key learning that I take from it is accountability. If you turn the clock back to when the system was originally set up and envisaged in this way, the idea was that there should be a higher standard of protection. That was the aim of bringing in PAS 2035 and having TrustMark oversee it. In practice, we have seen that that clearly did not work.

Also, there was a lack of clarity and accountability. Who was overseeing who? Who was responsible for the work? There is a long list of things I could add to that that have gone wrong in practice. The single most important thing we need to do in setting up the new consumer protection framework is to ensure that there is not that lack of clarity going forward.

Q88 **Mike Reader:** Minister, on the point that David has raised, what work have you and your predecessors done to go and root out the problem that led to this? It is quite clear to me that this is another case of the state ignoring victims when they were raising it early. Before the scheme got to 99% failure, there were people raising this repeatedly to Government, and they were completely ignored by the state. What are you doing to make sure that the Department changes, and particularly, if those civil servants were found to have acted inappropriately, that there is redress and that that is dealt with by your Department?

Martin McCluskey: I will take that in two parts. First, on what we have learned, we have learned a lot from our own work, but we have also learned a lot from the work that the NAO has done. We have learned a lot from what the PAC and this Committee have done.

Part of the reason why we have set up the system for complex cases within the Department, as I outlined a moment ago, is that we recognise that the stress that people have been put under over the years has been unbearable, and that they need significant support all the way through. That is one major lesson that has been learned through that. That was learned before I came into this role in September 2025. Miatta did a lot of this work, and I am not going to take credit for all of it. That is one specific thing that we learned.

I go back to the point that we have ended ECO. The biggest learning was that ECO was a failing scheme. To build on what David said a moment ago, my analysis of this is that the lack of oversight was born of the fact that the system was established where individual energy companies were contracting with SMEs. David talked about PAS 2035 being there as a standard, but it clearly was not being audited properly.

When we have looked at our current schemes and what we are doing for the future, but also what we are doing with anything being installed right now, there is a really high-quality audit regime in place now, which was actually in place under local government schemes that were running at the same time as ECO, but the standard was a lot higher in the local government schemes than they were through ECO.

I go back to the point I made at the very beginning. The ECO system was set up under the last Labour Government to do things like hand out LED lightbulbs and to give people draught excluders. That may have been an appropriate structure to deliver that kind of scheme; it was not the way to deliver heat pumps, solar, batteries and solid wall insulation.

Q89 **Mike Reader:** Ofgem was very clear with us in the previous panel that it was accountable for audit. You have just told us that audit was not good enough. Would you accept that Ofgem failed here? What changes have you asked for from Ofgem to make sure that, if it has a role in administering future schemes, we do not see this happen again?

Martin McCluskey: There have clearly been failures. I said a moment ago that I am not going to sit here and defend the system that delivered that level of failure. There have clearly been failures in Ofgem. There have been failures in other parts of the system. As I said, we consulted on consumer protection. We are in the process at the moment of putting together the Government response, and I hope to have that out soon.

Q90 **Mike Reader:** Do you have confidence in Ofgem?

Martin McCluskey: I am just going to go back to what I said a moment ago, Mike. There have clearly been failures in the system. We are designing a system now. Ofgem, post the Ofgem review, is a very different organisation from what it was a number of years ago.

The most important thing now is that we put a system in place for the future through the Government response to the consumer protection consultation, which, as I said, will come out soon. We are learning all those lessons from the last few years and putting something in place that makes sure this never happens again.

Q91 **Chair:** We heard an example of somebody going to Ofgem and being told to go to DESNZ, and going to DESNZ and being told to go to Ofgem. Why is that still happening?

Martin McCluskey: It should not be happening. That is the reason why the complex cases system was established, because people were being sent from pillar to post. If there are examples of that still happening now, I would like to hear about them. I know that was happening a year ago because I was hearing that from people, but if that is still happening now I want to hear about it, because it should not be, given what we have set up to try to deal with it.

Q92 **Chair:** You may have the opportunity to hear about them at the end of the

session, Minister. We encourage you to do so.

Cornwall Insight is predicting a 26% rise in the price cap in January. It has been pretty consistent in the accuracy of its predictions. We heard that the average bill will be £200 higher between January and March 2027 than it was in 2026, and that the £100 is not targeted, especially for those people in private rented accommodation, in particular those in shared properties. That is the evidence we heard earlier. What is your response to those comments?

Martin McCluskey: For anyone in DESNZ and anyone working on this at the moment, the cost of energy is weighing heavily on all of us—Ministers and officials. That is why we have taken a really concerted effort to act over the last year.

None of this is to diminish the impact that rises in energy prices are going to have on people, but it is important to note what we have done as a Government over the last year. In the last Budget in 2025, we removed the renewables obligation from energy bills, saving people money. We ended ECO. That took money off bills. We now have the warm home discount, with a £150 discount extended to 6 million households, which was a significant extension that this Government put in place. We have the 0% VAT and now also the £100 support for those people in council tax bands A to D.

I am not going to sit here and pretend that that is going to alleviate for everyone the pressure that will be felt over this winter, but for those households, and certainly those most vulnerable households, there is a significant amount of support on offer, much of which will come automatically to them and they do not need to apply to, in order to keep it simple. It is obviously something we will continue to keep under review.

What I would say about bands A to D, to take on some of the comments you made a moment ago, is that there is no perfect way to reach everyone. We can maybe talk about some of the work we have been doing on data sharing later on, but there is no perfect way to reach exactly the cohort that you want to reach. The judgment that we took was that reaching 20 million households and having an offer that was more expansive across the population, given what we are facing, was the right thing to do.

At the same time, alongside that, we have more targeted support in the form of the warm home discount, the winter fuel allowance and cold weather payments. This mix of—I will not call it universal, because it is not—near-universal support alongside some level of targeted support provides the right balance. If we had different systems in place and were able to do more targeting based on household income, that would be preferable. We can maybe get into why that is not possible in a moment.

Q93 **Chair:** You mentioned data sharing. What would you like to say about it? Again, it was something that was requested earlier.

Martin McCluskey: I will bring Ben in on this in a moment because he has also been deep in this. In the previous brief that I had as Minister for Energy Consumers, we spent a lot of time earlier this year trying to work out how Government could be more effective at targeting support for households. This is something that has dogged Governments of all types over the years. If we had an accurate record of household income, we would be able to easily target support to people. Unfortunately, we do not.

There are a couple of pieces of work going on that are still happening across Government at the moment. One is a kickstarter programme through DCMS that is looking at how we can build up that database of household income based on existing datasets. I will invite Ben to say a little more about that in a second. That took us part of the way to being able to identify a cohort that we would be able to target, but it was not good enough to rely on for this winter. That is something we are continuing to look at.

The other thing that I would look at in the future and am continuing to look at now is what more we can do with smart meters. We now have a piece of critical national infrastructure in smart metering that has extended to over 70% of the population. There is a question that I always have when I am looking at that programme. Yes, it is now providing reliable metering data to produce reliable bills and everything else you would expect, but are we getting the most out of what has been a significant investment in creating that infrastructure? The answer to that right now is no. It is something that I am continuing to dig into within the Department. Even if we cannot get to that household income level, can we do something more effective with smart metering?

I will invite Ben to say a little bit about the kickstarter and the work we have been doing there.

Ben Golding: I will say a bit about the challenge that the kickstarter is trying to address. The difficulty has always been that in lots of schemes, such as the warm home discount and the household energy payment this winter, we are effectively doing a proxy for low income and vulnerability. Household income would be the best thing we could use to get closest to vulnerable households.

The reason why it is difficult is that often the Government collectively—through HMRC, for instance—hold a lot of data about people's income because of their tax, but we do not hold that data for people who are self-employed. We do not necessarily hold that data for all households in the same way. It is often very difficult to move from individual income to household income because HMRC will not necessarily know, for instance, who lives in a particular household. It does not always need to have that information in order to tax people. The Government generally hold only the data they require for something.

The kickstarter is trying to look not just at HMRC's data, but at data held across a whole range of different parts of Government—everything from the Valuation Office to DESNZ to DWP to lots of other places—bring those

sources together and explore how we can use quite an innovative set of approaches to work out who is in a household, what the overall income at that household is, and then match that in turn to things such as energy bill meter references. That would give us a much better thing.

It is a remarkably complicated thing to do. The kickstarter is intended to give this a big push. As the Minister said, we would have loved to be able to use that this winter. It is not ready yet, but over the next year or two we will see huge progress in that. It is already coming together. It is the best thing we have, but we are looking at a range of other options alongside that. We are constantly looking at data sources.

Q94 **Chair:** That is helpful. This is hopefully the last question from me; I have massively abused my position as Chair, as my colleagues have pointed out to me. We heard about the impact of removing the gas standing charge and identifying the challenges for some families with children and people with disabilities in particular, but not exclusively. Is there additional support in place for them, because they will see their bills rise on the system that has been outlined?

Martin McCluskey: Let me say something on that briefly and then I might invite Ben to say more if that is appropriate.

Long before the announcement was made on gas standing charges, we recognised that, as soon as you move to more emphasis on the unit rate, there are potential impacts, as you say, Bill, around those people with health conditions or even, in some cases, older people who have to use more heating just to keep themselves warm and healthy. We are going to look in detail at that and at what might be required as part of the work that we are doing on the removal of the gas standing charge. Nobody wants to see unintended consequences from this change that would leave, for example, disabled people or those who rely on medical devices having to pay significantly more. The policy intent is to make things fairer for people; it is not to make energy more expensive.

The Department's analysis around the time of the Budget said that, without any mitigation, 60% of people would be better off, but, within the population of those who may be worse off, we need to look to make sure that those who are in those categories—for example, disabled people or those with health conditions—are not adversely affected.

Ben Golding: I will add a couple of things. The first is simply to recognise that one of the things that customers feel most frustrated about and that we get the most complaints about is the impact of the standing charge and the lack of control people feel.

The other is that, as well as 60% of people overall benefiting, those benefits are concentrated most at the bottom of the income scale. Overall, this is a progressive measure, but the Minister is completely right: there will be people who would lose out, for reasons outside of their control. Therefore, we are looking at what is the right mitigation for those people.

Q95 **Chair:** Does that include reallocation of the warm home discount?

Ben Golding: There are lots of options on the table. We have not got to exactly what the right way of doing this is yet.

Chair: I have lots more questions, but I had better move on.

Q96 **Claire Young:** Minister, I would like to talk about the plan for warm homes, which has launched after a year-long delay. What is your assessment of the Government's performance in delivering warm homes since the election, and do you accept that it has been slow?

Martin McCluskey: Maybe the best place to start is to set out the approach that we are taking with the warm homes plan. The first thing to say is that, even before the warm homes plan was published at the start of this year, upgrades were happening. Money was going out through schemes. Local government schemes that we fund were supplying retrofit and home upgrades across the country.

Maybe there has been an impression sometimes given in the political debate that there was a bit of inertia in that period. That is not the case. We had tens of thousands of upgrades happening over that period through local government schemes but also, to go back to the earlier question, through ECO at that point as well.

The warm homes plan really takes us a step ahead and a step up in terms of what we are trying to do on home upgrades across the country. Our target of 5 million homes remains even after the Budget, and that is what we are aiming for, but this is not just about schemes providing people with the support for retrofit; it is also about regulation. Some of the heaviest lifting to get us to those 5 million home upgrades is not through the Government schemes, but through the changes in the future homes standard and through the minimum energy efficiency standards in both the private rented sector and the social rented sector. That is why I can sit here and be quite confident. It is a stretching target, but we are quite confident that we can get to those 5 million homes by 2030 that we promised in the warm homes plan.

I would not want to leave anyone with the impression that, in the period between July 2024 and January 2026, work was not happening. There were a lot of home upgrades happening across the country, so I would not accept the characterisation of it as slow. A significant number of things have happened and are happening now. More will be taking place in the next couple of years, especially as the future homes standard comes into place.

Q97 **Claire Young:** If things were happening, why was the plan so delayed?

Martin McCluskey: The plan sets out a change in the strategic direction of what we are supplying through upgrades. It is not unfair to say that under the previous Government the system was quite reliant on ECO. It was quite reliant on Government support purely for home upgrades. We

are moving to a system that is about changing the way that regulation works.

That required a significant amount of work, not just within my Department but across Government. MHCLG, for example, holds responsibility for the building regulations and a lot of the other areas that we were looking to change. That was a complex piece of cross-Government work to get us to where we wanted to be on regulation. We were taking a different approach that demanded us taking time to make sure that we got that right, but, as I said, that was in parallel to a lot of work that was already taking place across the country.

Q98 **Claire Young:** I asked the first panel about the action on fuel poverty and whether they thought there was a long-term strategy or whether it was just about sticking plasters each winter. They were very much in the latter camp. What is your position on that? Do you agree that that has been the position historically? I am sure you are going to want to argue that your approach is different, but how?

Martin McCluskey: It would not be a good use of any of your time if I was to sit and just start criticising the last Government, so I will focus on what we are responsible for and what we have done. We set out the warm homes plan and the fuel poverty strategy this year. Both of those are ambitious, long-term and set out a clear direction—in the case of the fuel poverty strategy, for England—over the coming years.

I can understand why people might look and say that there has been a sticking-plaster approach because we have been in a position of crisis. Being completely blunt about it, we have been in a position of crisis since the invasion of Ukraine by Russia in 2022, which has demanded that each winter we look at what support we have to provide people to meet the requirements of higher energy prices because of rising wholesale prices.

The long-term strategy of this Government is not just to be found in the fuel poverty strategy or the warm homes plan; it is to be found in our drive towards clean power. Ultimately, the thing that is keeping energy bills high and exposing people to these significant peaks and spikes in prices is our exposure to volatile fossil fuels.

In terms of the long-term direction to alleviate fuel poverty and the issue with energy crises in this country, from July 2024 under the previous Secretary of State, we were absolutely clear about where we were going and why we were doing it, which was both for decarbonisation, but also to have more control over our power and more control over the price.

Ultimately, the way that we alleviate fuel poverty is by not being as exposed to gas as we currently are. If the impression has been given that supplying cash each winter makes it look like short-termism, it is not. It is a response to a particular set of circumstances that this country has been facing. If you want to see the long-term direction, look at the clean power plan, the fuel poverty strategy that we launched, and the warm homes

plan, because that sets out a very clear and long-term direction for the country.

Q99 **Claire Young:** It is not just about exposure to gas. Many of my residents are on heating oil, for example, and £1 billion has been taken out of the Budget, not for heating but for warm homes in general. How does that fit with having a long-term strategy of moving everyone away from fossil fuels in general?

Martin McCluskey: I will invite David in in a moment, but we faced a significant challenge in order to meet our requirements to defend the country through the defence investment plan. Because of that, we have had to reprioritise budgets. None of us in the Department is going to shy away from the difficult decisions that we had to make.

Despite those reductions in budgets for the warm homes plan, I am confident that we can still deliver what we set out in it, because of the mixture. We are not relying just on Government funding. It is a mixture of Government funding, regulation and also, through things such as the warm homes fund, leveraging more private finance into the system in order to enable people to do that.

I would point as an example to the warm homes loan scheme that we launched two weeks ago, which is already seeing really significant demand. This is a test and learn process, so it has not been accounted for within that 5 million, but it is already showing significant numbers of people taking up solar panels, batteries and heat pumps. Despite the reductions in budget, we can still be ambitious and meet those targets.

Specifically on heating oil, I used to work in and around Scottish politics 10 or 15 years ago, and I spent a lot of time at that point trying to draw attention to the issue of heating oil, because of the number of communities in Scotland that it affects. We went from basically no attention on heating oil 10 years ago, to the Prime Minister at the time standing up at a major press conference and making commitments to heating oil customers as one of the leading parts of his response to the energy crisis in March.

It is not just the £50 million-odd that was put into the crisis and resilience fund for heating oil support, but also that commitment to the CMA investigation, which has now reported and which we have committed to taking forward. That is a really big step forward from where we were on heating oil. I accept that heating oil customers will still face high costs this winter, but we have also offered support, for example, through the boiler upgrade scheme and the £1,500 uplift for those on heating oil, which has seen the number of applications for the boiler upgrade scheme go to its highest ever level. There are a lot of lessons for us to learn from that.

Is there going to be more that we can do in this territory? Of course, but do I think that we have taken a real step forward, especially when it comes to heating oil customers? Yes.

David Thomas: If you stand back slightly, over a decade ago, only roughly a quarter of properties in England were in categories A to C. It is now over half. In the worst-performing categories, there were around a quarter, and now it is less than 10%. This goes back to the point that the Minister was making about regulation.

You cannot change the whole building stock overnight, but if you look over time, you can very much see progress in improving the fabric of homes, which brings bills down. Indeed, Ofgem's calculations are that the price cap would be about £200 higher if it were not for the fact that consumption over the period has been falling.

As the Minister has said, we have made progress, but there is more to come, which is why we have introduced the private rented sector regulations and the social rented sector regulations through the Energy Independence Bill, which is now in Parliament. The social rented sector has made huge progress, and over three-quarters of homes are now in categories A to C, which is a huge step forward. We need to see similar progress in the private rented sector, and again, by 2030, that will have to have happened. It is another market for the work to be done.

So yes, we are providing support in the meantime, but if you stand back slightly and look at the progress on housing stock, there has been significant improvement over time.

Q100 **Wera Hobhouse:** To follow up on housing stock, many fuel-poor households in Bath live in grade II listed buildings, because we have a lot of them. The change from standing charges to higher unit costs does not help them at all. They are partly heating the sky and still have to turn up the heating, because of simple things such as not even being allowed to replace single glazing with double glazing. Minister, do you have any views about these crazy planning restrictions that are still in place?

Martin McCluskey: I will be really candid about this. We need to go further on what we are doing for rural homes in general.

Wera Hobhouse: This is about urban homes in Bath and planning. People living in grade II listed buildings are not allowed to change their windows from single glazing to double glazing; they are heating the sky.

Martin McCluskey: Sorry, I did not hear your question. We need to make it as easy as possible for people to retrofit their homes. If you take, for example, what we have done around permitted development rights on heat pumps, we have made some really simple changes that have enabled more people to take advantage of the technology. Where there are those restrictions and those regulatory barriers, we need to examine them closely to see whether we can do anything to liberalise them in order to make sure that people are able to take the action that Government are asking them to take.

Q101 **Wera Hobhouse:** This is about listed buildings. Historic England is also taking a view now that buildings are best protected if they are loved and

lived in, and yet we still have very restrictive planning conditions in authorities such as Bath, where single glazing cannot be replaced.

Martin McCluskey: I am happy to take those questions away, but, as I said, I am very open-minded—and I hope that people hear what I am saying here—about looking at regulations where it will make it easier for people to upgrade and retrofit their homes. Our objective is that people can live in warm, safe homes that are free of damp. In many cases, the homes that you are probably describing in Bath are not warm and damp-free, so we need to look at how we can improve that.

The Department has done some work already with Historic England and some of the other historic environment bodies across the UK to look at what more we could do. As a Government, we need to look at this closely in order to make sure that people can take that action.

Q102 **Melanie Onn:** Does the definition of fuel poverty meet current expectations of what we would generally understand to be fuel poverty?

Martin McCluskey: At the moment we have the low income low energy—

Melanie Onn: Maybe you could define fuel poverty for the record as well.

Martin McCluskey: Within the LILEE definition that we use at the moment?

Melanie Onn: Yes.

Martin McCluskey: You need to be living in a property that is band D or below and have a disposable income below the poverty line. That is the LILEE definition of fuel poverty.

Melanie Onn: What is the poverty line?

Martin McCluskey: The poverty line at the moment?

Melanie Onn: Yes. What is it in terms of income?

Martin McCluskey: I could not give you that as I am sat here right now, but I would be happy to come back to you on that.

Melanie Onn: It is £212 per week if you are a single individual, £365 if you are a couple, £285 if you are a lone parent, and £519 if you are a couple with two children. It is very low.

Martin McCluskey: Yes, it is very low. In answer to your first question—whether I think it is an adequate definition—we have already committed that we are going to look, through this Parliament, at potentially setting up a new definition of fuel poverty. The way that I would certainly look at it is, "Does the definition that we have at the moment really provide people with a measure of their lived experience?"

When I had my previous brief as Minister for Energy Consumers and we published the fuel poverty strategy, I was very keen that we did not have just the LILEE measure within the fuel poverty strategy, but also an

affordability measure. It was important that we published the affordability measure, and we will be publishing that regularly as part of our fuel poverty updates so that we can see a different way of looking at fuel poverty. The affordability measure provides us with a different way of looking at it, which might be more appropriate.

Q103 **Melanie Onn:** For how long are we going to keep just giving people money to try to keep themselves warm through cold periods? We can keep doing that, but Government do not have enough money. They are digging around the back of the sofa to try to fund these things to a very low level that is not meeting people's needs at all.

That does not solve the issue, and yet we are told in your evidence that taking stock of the retrofitting and the new scheme is going to take us probably beyond 2028, because, if we are thinking about devolution as well, we might have some concerns about how local government or mayors are going to deliver that. We have not really figured out who is going to oversee the scheme. Ofgem did it. The rules were not quite right. We do not know whether we are going to use it again to do any kind of oversight. We have problems with TrustMark. We have an ombudsman that is not meeting the expectations of consumers. People are going to be cold and increasingly experiencing ill health as a result of that until 2029 at the earliest.

Martin McCluskey: Let me take that apart, because there is a lot in that. Let us go back to the first part about whether I think that the definition that we have at the moment is good enough. I do not think that we have really got to the bottom of that.

Melanie Onn: You have said that you are thinking about possibly maybe reviewing it as part of a—

Martin McCluskey: Let me be really clear. The reason why we put an affordability measure in—

Melanie Onn: That tells me that no is the answer, and then we move to the next bit.

Martin McCluskey: Let me just explain, because it is important that I explain what we are thinking. The affordability measure gives us much more exposure to the lived experience of people who are not able to afford their energy bills. It is important that, as Government, we make that really clear, and that is why it is in the fuel poverty updates.

On the other things that you have mentioned, there is a lot in there in terms of our schemes and everything else, but I would take you back a step. We have been very clear, as a Government, especially since July, that we do not think that the way the energy market works is appropriate, which is why we are setting out for more public control and why the 10-year plan will lay out our direction of travel on this.

The point about income support over the period of crisis is really important in order to drive down the cost of energy for people, but the only way that we are really going to drive down the cost of energy is through a combination of the extension of clean power, which I spoke about a moment ago, and those significant market reforms that we are talking about. I am not sitting here and pretending that there are any quick fixes.

Q104 **Melanie Onn:** I appreciate that there is a 10-year plan to get things right going into the future, but what is being provided on the current definition does not meet people's needs. It does not ensure that they have capacity to warm their homes and keep their children warm through those exceptionally cold periods. If people are old, disabled or suffering with illness, that does not meet the need.

You said beyond 2028. I suggested 2029. You talk about a 10-year plan. It does not give people a sense of hope that there is any urgency in trying to rectify what have been poor schemes that would properly support improved housing in a reasonable timeframe, so that people will be able to experience that before their children have grown up and got a place of their own. How long do people have to wait for?

Martin McCluskey: A lot of people are not having to wait at all because they are getting it now. The schemes that the Government are delivering are being delivered to people now. There is a limit to how much we can deliver each year, because of finances, but we are delivering tens of thousands of home upgrades to people right now through local government schemes, the warm homes social housing fund, and the warm homes local grant.

Q105 **Melanie Onn:** Are these to homes that are in poverty?

Martin McCluskey: These are to homes that are in poverty.

Q106 **Melanie Onn:** Under this Government, how many have been completed under the new Government schemes?

Martin McCluskey: I can write to you with the exact number, but, from memory, it is about 111,000 since 2024.

Q107 **Melanie Onn:** How many do you anticipate will have been completed by next year?

Martin McCluskey: The 2030 target is 5 million home upgrades. As I was saying in response to Claire's question earlier, it is a mixture of the change in regulation and the Government schemes. The biggest impact that we are going to have in bringing properties up to standard and alleviating fuel poverty is through the changes to the private rental sector minimum energy efficiency standards. Those will come into place in 2030, but landlords are starting to make those changes now in order to comply.

Q108 **Melanie Onn:** If we go on the basis of the trajectory over the past two years, that is only 250,000, not 5 million.

Martin McCluskey: That is just on Government schemes.

Q109 **Melanie Onn:** So you are going to lever in other people.

Martin McCluskey: The warm homes social housing fund and warm homes local grant schemes that we run will continue and provide tens of thousands of upgrades over the next couple of years. What I am saying is that the biggest step forward that we are going to have in terms of upgrading people's homes is through the regulatory changes that we have made, particularly on minimum energy efficiency standards in the private rental sector, where the new regulations require landlords to increase the energy efficiency of their homes.

In response to an earlier question, I said that the heaviest lifting in getting us to those 5 million home upgrades and lifting a million people out of fuel poverty is through the regulatory changes.

Q110 **Melanie Onn:** Unless they exit the market.

Martin McCluskey: I do not think that this is going to send people to exit the market, and our impact assessment did not suggest that that would be the case either. I was talking about this last week with landlords. Significant numbers of landlords are eager to comply. The support that is on offer for households is also on offer to landlords to help them improve the energy efficiency of their properties. For many landlords, it will be an attractive proposition to be able to do this, but that is what is going to really drive forward progress over the next couple of years.

I will also say that if I have given any impression this morning that we are not acting with urgency, I apologise for that, because we are acting with significant urgency around financial support.

Q111 **Melanie Onn:** I will tell you why I say that, and I can give you some clarity. We have had evidence today from Ofgem and the ombudsman, and they have accepted no responsibility for the quality of installation. Ofgem, which has been the port of call for complaints around the ECO4 scheme between retailers and the ECO4 suppliers, said, "All we had to do was make sure that the numbers happened. Roll-out in no way meant that it had to be fit for purpose." You say that you accept that there have been failures, but you would not go so far as to say that there is a loss of confidence. You say that it is a very different organisation from a few years ago, and yet, from today's evidence, I did not necessarily think that. I am interested that you continue to think that Ofgem has a sense of taking on more than a very narrow definition of what overseeing a roll-out really meant.

Martin McCluskey: I do not want to leave anyone with the impression, as I have said a few times, that the way the system ran was appropriate or that it worked. It did not. That is why we are changing the system. That is why we ended ECO and acted with urgency to stop the ECO programme.

Q112 **Chair:** This is about Ofgem's role, though.

Martin McCluskey: Yes, but just to come back, the point was also around whether we have acted with sufficient haste. What I would say to the Committee is that the consumer protection—

Q113 **Melanie Onn:** No, it was not. It was about confidence in Ofgem continuing, and whether that demonstrates that there is a sense of wanting to fix a broken system.

Martin McCluskey: Let me say to the Committee that I will be really happy, when we publish the Government response on the consumer protection system that will set the system for the future, to come back and talk about that in detail. The questions that you have asked are really important, and we have to make sure that there are high levels of confidence in the system, especially when we are, as a Government, asking people to retrofit and to upgrade their homes.

We are trying, through the new system for consumer protection, to deal with some of the problems that you have just identified, Mel, so I am happy to come back and talk to the Committee about the consumer protection landscape that we are designing to try to make sure that the kinds of problems that happened to ECO never happen again.

I am confident in the warm homes local grant and the warm homes social housing fund that are delivering right now, because they have a level of oversight and audit that was not present in the ECO scheme, which is part of the reason why it failed.

Q114 **Chair:** To really home in on the point about Ofgem, it told us earlier that it was responsible for the number of installations under ECO4, and yet it clearly did not have a process in place, or did not act, to make sure that the numbers that it thought were being installed were what was happening. That is what came out of the first two panels. Is that right? That does run into post-review, Minister.

Martin McCluskey: I will invite David to say something about this in a second, but if you are to take anything from this session this morning in terms of what I am saying in relation to ECO and the way that the system ran, it was a terribly designed system that offered up incredibly high levels of failure, which is why we are changing it and why we are going to be setting out in detail how consumer protection will work in future.

As I said in response to Mel, I am more than happy to come back once that is public, and we can have a full discussion about how that system will operate. My intent with that change in how the system runs is that we are able to give people that level of confidence, which I accept people do not have at the moment.

Chair: Yes, and your less than enthusiastic advocacy for Ofgem earlier was noted.

Martin McCluskey: I will invite David to comment.

David Thomas: Just to be clear, as the Minister said, and as I said earlier, with ECO, the roles were not clear enough, and this is one of the main things that we are trying to fix going forward. To be absolutely clear, Ofgem is not central to rolling out the schemes through local authorities and the social housing fund. We have our own way of overseeing those.

On the boiler upgrade scheme, which was covered briefly in the NAO report, I am not saying that everything is perfect there, but we are not having anything like the same degree of problems. It clearly did not work at all under ECO. We finished that scheme. I have confidence that it is working through BUS in a much better way than it did on ECO, and we are not using it for our main schemes at the moment.

Q115 **Chair:** If Ofgem was lacking on this issue, my concern—and I do not suppose that I am the only person following this discussion who has this concern—is where else we should have concerns about Ofgem.

Martin McCluskey: Let me say two things on that. First, we have concluded the Ofgem review, which recognised that there were issues, including cultural issues, inside Ofgem. That is there in black and white in the Ofgem review documents. It is quite open about the issues that the organisation had and the solutions that we are trying to put in to fix them. I do not think that it would be a surprise to anyone to say that we recognised that there were issues inside Ofgem. That is why we had the review.

We were also ensuring that, post the review, Ofgem now takes on a far more strategic role that is more focused on its regulatory responsibilities and not the slightly sprawling organisation that it has become. That was another conclusion of the Ofgem review. I do not think that it should come as a surprise to anyone that we want to change Ofgem, because we had the review and those were the conclusions from it.

Q116 **Chair:** Should we be concerned that the head of Ofgem, as was, is now the senior official in the Department?

Martin McCluskey: No, we should not be concerned.

Chair: You have to say that, though.

Q117 **Wera Hobhouse:** I have a very quick question about the ombudsman, which also took a hands-off view on ECO and compliance. It said that it sat between consumers and retailers, or the industry, but should the ombudsman not ultimately take a more proactive view on what is good behaviour and promote that, rather than just sitting there neutrally when so much has gone wrong?

Martin McCluskey: The ombudsman has a very specific role within the system as it stands at the moment. In the future system that we are designing—again, I am more than happy to come back once we have published that and go through it in detail—we have been looking at whether

there needs to be a statutory ombudsman within the consumer protection landscape in order to make sure that there is proper redress for consumers.

As you will have heard from your witnesses earlier today, and as I have acknowledged all the way through this session when we have been talking about ECO, the system as it exists at the moment sends people from pillar to post. There is no handholding. There is no support on offer. That is what we are trying to fix.

I hope that, when we publish the Government response on consumer protection, a lot of the points that were raised here today are addressed. As I keep saying, I really am more than happy to come back and talk to you about the detail of the consumer protection proposals.

Q118 **Chair:** Can victims of ECO4 seek redress from the ombudsman?

Martin McCluskey: No, not from the ombudsman, but if they are in the find and fix population, they can seek redress through find and fix. Ultimately, the solution to ensure redress for those people who have been affected by this is for the system to deliver redress to them. As I said, we have the voluntary redress fund now, which is new, to deal with those complex cases where they have run out of road and other avenues. I am very conscious that the system is too complicated, which is why we have a proper system for complex cases, so that people are guided and supported through that.

Q119 **Chair:** This session is supposed to be about this winter. We have talked about a lot of things that are wider than this winter. What actions are you and other organisations taking, and what actions can people take, to help today, tomorrow, next week and next month, as the price cap goes up?

Martin McCluskey: We have already taken action in terms of the financial support on offer. I accept that that will—

Chair: In addition to the ones that you have already mentioned. You went through them.

Martin McCluskey: Yes, but it is really important to emphasise that there is significant financial support on offer, especially to the most vulnerable households. Like in any winter, we have prepared, alongside NESO and National Gas, in order to make sure that we have robust security of supply, which we have full confidence in for this winter.

There are a couple of ways to look at that question. If we are talking about the social side and the support that is on offer to people, or if you want to go broader in terms of security of supply and how we are preparing our networks for winter, those are slightly different questions. On the social support side, as I said, we have provided significant—

Q120 **Chair:** Let us focus on the cost of living, because that is probably the one that is foremost in people's minds.

Martin McCluskey: As I said, we have the significant amount of financial support on offer, and the extended warm home discount. We are rolling out the warm homes plan across the country. We will have schemes delivering solar, batteries and heat pumps across the country this winter.

Q121 **Chair:** That is not going to be delivered to many people this winter.

Martin McCluskey: No, but it is important. We have the extension of the regulation, as we talked about earlier. We also have significant funding through the crisis and resilience fund to local authorities for those people who find themselves in significant levels of distress over this winter period, to make sure that there is financial support additional to the pots of money that I have already spoken about.

Q122 **Chair:** We talked earlier about tariffs, and the mismatch between people on Economy 7 and people getting the right tariffs if they are using storage heaters, for example.

Martin McCluskey: As you would expect, we keep everything under review as we see the forecasts that are coming in terms of the price cap. There is a wide range of tariffs available on the market, and we would always encourage people to look at the tariffs that are most suitable for their individual circumstances. As we install more batteries, solar panels and heat pumps, especially on social housing, for example, that expands the range of tariffs that people are able to access and of support that people are able to receive.

There is a lot in the short term in terms of cash support, in the medium term in terms of what our schemes are providing, and in the longer term in terms of what we are looking at on market reform, which will help people not just this winter but over the coming years.

Q123 **Chair:** You have had 24 hours to reflect on the question that I asked you yesterday about—

Martin McCluskey: York University?

Chair: Indeed, and the very simple take-up of low-cost appliances and the savings available there. Is that the sort of practical advice that you would give?

Martin McCluskey: I would always encourage people, as I said yesterday, to look at practical, everyday fixes that they can make. We will soon be launching the home energy advice tool, which will not just point people in the direction of grants and financial support that are available for home upgrades, but provide them with advice and support tailored to their own home to take action that might help in their own context.

Q124 **Chair:** That sounds like the sort of opportunity to help people immediately, so can I encourage you to bring that forward as soon as possible?

Martin McCluskey: It will be appearing very soon.

Chair: That is good to hear. I am also going to make one final request, which is a repeat of something that I said earlier: before you leave, please talk to the member of the first panel who gave such harrowing evidence about the damage done by ECO4. With that, can I thank all three of you for your evidence today?