Business, Energy and Industrial Strategy Committee
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[By e-mail]

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Dear Jonathan,

Follow-up from evidence session on 24 May 2022

Thank you for providing evidence to the Committee earlier this week on our *Energy pricing and the future of the energy market* inquiry. I am writing to ask some additional questions, and I would appreciate if the responses could be included with the follow-up material you have already committed to providing to the Committee.

The Committee may publish your response on our website.

1. The Oxera report into Ofgem's role in the retail market collapse found that Ofgem has no proper frameworks for assessing what consumer interests are, or what effective competition means, as well as no evidence of quantitative impact analysis being undertaken to inform the Supplier Licensing Review. During a time when Ofgem is making fundamental changes to the price cap and how the market is regulated, how can we be assured that decisions taken are backed by established frameworks to evaluate trade-offs and the appropriate impact analysis? What action will you be taking to implement the recommendations of the report?

2. We have been told by some suppliers that if proposals to ringfence customer credit balances and Renewables Obligation payments are implemented over a short period of time they will lead to increased costs for customers, further financial difficulty for suppliers, and distort competition. How valid are these claims?

3. Ofgem needs experienced staff to guide the sector through this crisis, but there has reportedly been an increased staff turnover. What has been the staff turnover in the last year and has this led to an increased reliance on external consultants? Was your decision to press ahead with the restructuring of Ofgem during the energy crisis responsible?

4. Citizens Advice found that the number of Ofgem staff working on enforcement fell by 25% between 2017/18 and 2020/21, before rising slightly in the year 2021/22. What are you doing to rectify this?

5. Customers of Neo, a firm run by Oliver Friedreich, who has a history of working at numerous failed energy suppliers, are complaining of inaccurate bills and never being able to contact the firm. Why are companies like this still being allowed to operate in the market in this way?

6. Tim Cantle-Jones, who ran the failed Future Energy and Northumbria Energy, both registered to his home address, has recently applied to sell electricity through a new business: Putney Energy. Can you please confirm whether CEOs of failed suppliers will be allowed to operate in the market and what assurances can you give that robust checks are now in place to ensure appropriate governance and board level expertise?

7. Our previous evidence session with Avro and Bulb showed that irresponsible and self-interested commercial behaviour by executives has gone unchecked. You previously told us that Ofgem

should be given more powers to hold executives to account, what discussions have you had with the Government about this?

8. Energy suppliers have raised serious concerns about the administrators of failed suppliers not acting in the best interests of consumers. Do you need powers over administrators in order to protect consumers and do you have an agreed way forward with the Government?

9. Finally, can I request a list of who was on the Ofgem board from the time Demot Nolan was appointed as CEO until now?

DARREN JONES MP

CHAIR, BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE