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Fair Energy and the RMR

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Retail Market Review

"A number of features of the market serve to reduce the effectiveness of competition" Ofgem RMR, March 2011

- Concerns arise from the combined effect of
  - Structural features, including barriers to new entry
  - Insufficient *and* ineffective consumer engagement
  - Poor supplier behaviour
  - Unnecessary complexity

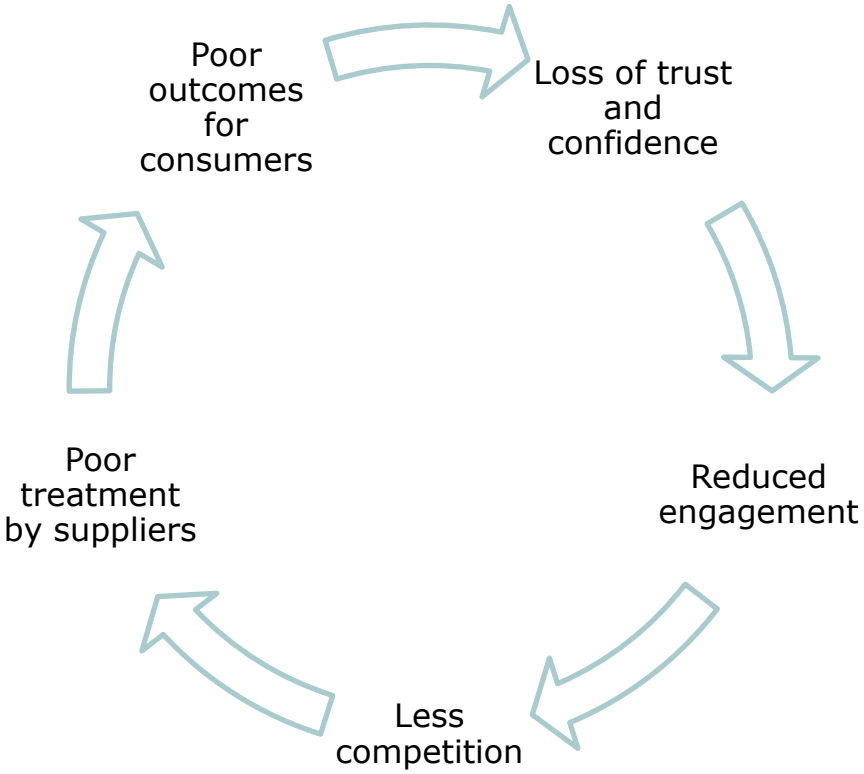
- Harm caused to consumers
  - Arising from individual consumers being on the wrong deal
  - Arising from individual consumers being treated unfairly
  - Arising from the consequences of ineffective competition

Fairness in retail energy markets

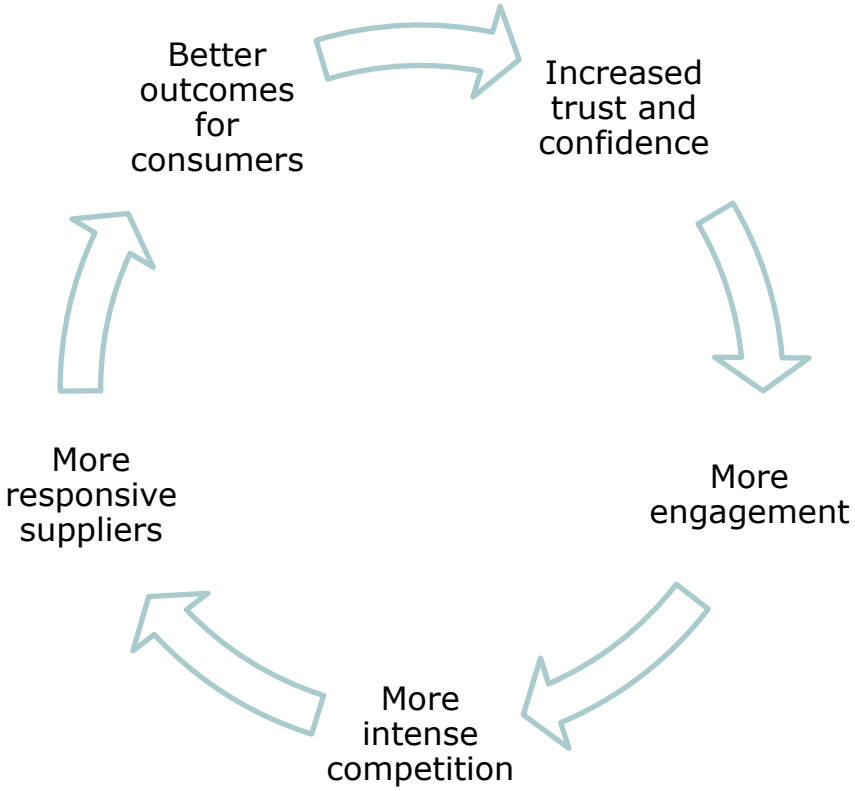
- Ofgem's Retail Market Review (RMR) proposals
  - Simpler: Fewer and simpler tariffs
  - Clearer: Clear and accurate information, regular prompts
  - Fairer: Standards of conduct
- Aim is to ensure consumers are treated fairly in the market
  - Trust in the market
  - Confidence to engage
  - Aware of better deals
  - Able to make accurate comparisons
  - Able to change tariff of supplier
- Trial of "market best deal" proposal for stickiest customers

The aim of RMR is to ensure consumers are treated fairly in the market and that competition works in their interests

Turning the vicious circle.....



… into a virtuous one.



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