Ofgem consultation on requirement to offer lower standing charge tariffs

Submission from Feeding Britain (October 2025)

About Feeding Britain

Feeding Britain is an award-winning charity with a vision of a UK where no one goes hungry. We support a national network of 140 regional and local anti-hunger partnerships comprising more than 700 frontline organisations – ranging from community centres and schools, to local authorities and social enterprises.

By piloting innovative and effective new projects, and showing how severe or chronic food insecurity can be prevented, we are designing a road map for eliminating hunger from the communities we serve. By sharing this knowledge with others, and using it to work for systemic changes at a national level, we will ensure hunger becomes a thing of the past.

Consultation response

Feeding Britain supports the proposal to require suppliers to offer lower standing charge tariffs, so that households living in fuel poverty are less likely to have to seek recourse to food banks due to the high cost of their energy bills. Our network organisations support many households affected by fuel poverty and want reform of standing charges to form part of the solution. This response incorporates their views on this as they relate to relevant questions in the consultation.

What are your views on our updated case for change on lower standing charge options?

The case for change should ultimately be underpinned by the fact that 6 million homes are living in fuel poverty across the UK[1] – an increase of 25% since October 2021.[2] In this context, there is undoubtedly a case for making a lower standing charge option available to these households.

We welcome the updated case for change based on the consumer research Ofgem has undertaken. We note Ofgem's findings included that consumers want charges to be based on actual usage, that they penalise low energy use households, and that they are too high. This very much aligns with feedback we have received from our network that standing charges are unfair:

- "We find the problem is, if someone has been away, e.g., in hospital, their standing charge debt is put at the front of the meter, which requires all of that debt to be paid off before being back on supply. We find this is problematic as when we provide fuel vouchers, a lot of this money is taken towards the debt and despite clients topping up their meters, can't get back on supply."
- "One member of ours had been drilling down into costs and showed me for gas and electric their standing charges were going up threefold and we worked out that in a week almost £10

[1] FBF-Fuel-Crisis-Report-2024_Digital.pdf
[2] Ibid.

had to be topped up before they had even switched on a light bulb much less heated a room or cooked a hot meal."

- "Client has a debt on his gas supply, which swallows a large chunk of the credit he adds when he can. This means he is only just in credit every time he tops up – this fuel insecurity is detrimental to his mental and physical wellbeing."
- "Client has no available monies and is in receipt of benefits, ESA/PIP. His next payment is due in two weeks. Client lives in social housing and has difficulty keeping warm due to the electric heating being faulty, and the reliance on a fan heater that uses excessive amounts of electric. Client has £8.75 debt on meter. He is now living without gas or electric. Client has ongoing mental health and this situation is causing him increased stress and anxiety. Client is reliant on food banks to help him to manage his nutrition."

Do you agree with our policy objectives and intent for requiring lower standing charge tariffs?

We support the policy objectives and intent of these proposals. The desired outcomes Ofgem has outlined - requiring suppliers to offer a lower standing charge tariff, to communicate this offer effectively to consumers, and to ensure the tariff is reasonably priced – would be welcomed by our network. One of our network organisations noted a "lack of transparency over pricing and debt management. It is very easy to run up huge bills on prepayment meters unwittingly through the use of so called "emergency credit" […] even having a small amount of debt remaining on your meter can mean no energy at all. [There are] complex money and life issues facing many of these clients. Many are vulnerable and in precarious situations: managing prepayment meter charges and debts only adds to their distress."

Do you agree with our proposal to require the tariffs to be offered to all payment types and both smart and traditional meter consumers?

We agree that the tariffs should be offered to all payment types; most of the vulnerable households we support have prepayment meters and so must have the lower standing charge offer available to them. Those with prepayment meters cannot spread their energy costs evenly throughout the year, and have access to fewer tariff deals, many of which cost less than the energy price cap; during the 2024/25 winter, households with a prepayment meter paid on average £261 more than households with a direct debit.[3] Our network has consistently highlighted that those struggling with their energy bills are on prepayment meters and would benefit from the ability to budget for their energy costs over the course of the year:

- "I'm struggling to get by; the cost of topping up my prepayment meter and buying food basics just keeps going up and up and up. I knew my energy costs were rising but didn't realise it would go up this much. This month I've been cutting back on meals and I've had to start using the food bank but it's half an hour away and I can't afford a taxi or bus […] I've been spending most of my time wrapped up in my duvet just to keep warm as I'm frightened to put my heating on."
- "We have noticed that the heat pumps that are starting to be installed appear to use a lot of energy when they are first switched on, but then appear to use less energy once up and running. We have therefore found this to be problematic for those on prepayment meters,

[3] Ibid.

who often run out of money on the meters and self-disconnect. This is as they will have to top up more money initially/the meter will use more money in order to turn on the heating, therefore we worry about those on prepayment with heat pumps and think there should be a safety net here."

- "A single mum of two kids aged 8 and 3 who is an NHS cleaner […] has been trying to transfer her prepayment meter to direct debit for at least six months (as she knows she will get a better deal) […] They won't transfer her […] They all said 'no one in area to do this', 'not doing it right now', and none will move her to smart meter either."
- "Obtaining vouchers for money off utilities is one of the wrap-around supports we offer to complement our food club. Last financial year we obtained £39,500 off their bills for people who are on benefits and are using pre-paid meters. Thankfully we have been able to begin to do the same again this year. Increasingly we are accompanying people who are using their PIP not so much for the headings its supports around independence, but to make ends meet: buying food, paying basic utility bills and rent."