

The Rt Hon Edward Davey MP
Secretary of State

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Helping consumers reduce their gas and electricity bills is a priority for my Department, the Government and for me personally. Policies to encourage energy efficiency and provide targeted help for the most vulnerable households are a large part of this and energy companies play an important role in delivering these. Equally, to drive competition in gas and electricity markets, it is important that householders can easily engage with the market and get the best deal.


As you will be aware I have been a keen advocate of collective purchasing schemes as a means of helping consumers secure better deals. This was a key part of the Consumer Empowerment Strategy I launched as a Minister in the Department for Business Innovation and Skills last year, and harnessing the potential of collective purchasing and switching in energy markets is a priority for me in my new role as Secretary of State for Energy and Climate Change.

When it comes to managing energy bills, collective switching and purchase schemes are a useful tool. I want to make it easier for consumers to club together and use their collective purchasing power to engage with the market and to get good deals on their gas and electricity. I want to see variety in the types of organisation coming forward with collective purchasing and switching schemes, including schemes that reach out to and include more vulnerable consumers and people who don't shop around for their gas and electricity.

I am writing to you and all the other energy suppliers (large and small) to encourage you to continue to engage with these organisations and their ideas, to explore how they can help consumers and, at the same time, your own business. I note that some of you have already made positive statements about the potential of collective purchasing and switching in the sector and would strongly encourage you to build on this positive attitude.

Of course, I recognise that for each potential scheme, there is a commercial decision to be made, based on the merits of the scheme to your particular business.

I am interested in your views on this, I think that there is a real opportunity here to help consumers and am keen to see this new innovation deliver for British consumers.

A handwritten signature in black ink, reading "Edward Davey". The signature is written in a cursive style with a long horizontal stroke at the end.

EDWARD DAVEY