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Dr Andrea Coscelli  
Chief Executive  
Competition and Markets Authority  
Victoria House  
Southampton Row  
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26 February 2018

Dear Andrea,

**Government Response to the Competition & Markets Authority's Energy Market Investigation**

The Government is grateful for the work carried out by the Competition and Markets Authority (CMA) as part of its wide-ranging Energy Market Investigation. The investigation identified a number of areas for improvement in the energy retail markets and culminated in a set of clear recommendations to improve the market and increase competition and lower prices for consumers.

The Government has carefully considered these recommendations and attached to this letter is a response setting out that the Government is supportive of the majority of the remedies proposed, and will take forward their implementation.

You will be aware that the BEIS Select Committee earlier this month concurred with the CMA's findings that domestic customers of the Big 6 paid an average of £1.4bn a year more than they would have done under a well-functioning market over the period 2012 to 2015. Active customers save money by switching suppliers, on average switching from standard variable tariffs of the Big 6 to the cheapest tariffs on the market can save around £300 each year. It is of particular concern that customers who don't switch typically tend to be more vulnerable than those who are getting the best deals.

While we implement the CMA's recommended remedies, we have today introduced the Domestic Gas and Electricity (Tariff Cap) Bill into Parliament. This will provide a temporary cap on energy prices for those on standard variable and default tariffs.

We believe that this Bill will guarantee protection for millions of households while the wider energy retail market reforms are delivered.

We would like to take the opportunity to thank the CMA again for its extensive work in this area.

Yours sincerely,

**GREG CLARK MP**  
Secretary of State

**CLAIRE PERRY MP**  
Minister of State