



Jonathan Brearley
Chief Executive
Ofgem
9 Millbank,
London,
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Sent via email

15 May 2023

Dear Mr Brearley,

Re: CREDIT BALANCES IN CONSUMER ENERGY ACCOUNTS

I hope this letter finds you well. As the Member of Parliament for Inverness, Nairn, Badenoch, and Strathspey, I write to you today concerning an issue of growing concern among my constituents and, indeed, energy consumers nationwide.

The matter in question pertains to the credit balances held by energy suppliers, a topic I have been addressing through my "It's Your Money" campaign. Recently, I noticed a tweet from your official account stating, "Are you owed credit on your energy bill? Learn how account balances work, why it might be a good idea to build up credit and how to get a refund if you think your current or previous supplier owes you money."

While I wholeheartedly agree with the sentiment behind this message, I am afraid that the reality for many energy consumers is quite different. Energy suppliers often fail to adhere to these practices, leading to significant credit balances that consumers are unable to access.

Allow me to share the case of Mrs Frances Raw, a widowed pensioner residing in the Highlands. Despite having a credit balance nearing £1,800 with OVO Energy, she was asked to raise her direct debit far beyond her actual energy usage. Although the issue was eventually resolved, it took an external intervention to do so, highlighting a systemic problem rather than an isolated incident. Regrettably, I have received similar complaints from constituents about various energy suppliers, with OVO Energy being a recurring name.

To combat this issue, I propose the implementation of automatic credit returns when the balance exceeds a certain percentage of the average monthly bill. Regular notices about credit balances should also be sent, especially to customers who do not have an online account, and the credit balance should be clearly highlighted on regular statements.

I am eager to discuss these proposals, and the broader issue, in greater detail. I would therefore appreciate an opportunity to meet with you at your earliest convenience to explore potential solutions and to ensure fair treatment for all energy consumers.

Thank you in advance for your attention to this important matter. I look forward to your response.

Kind Regards,

Drew

Drew Hendry MP

Member of Parliament for
Inverness, Nairn,
Badenoch & Strathspey

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Working to deliver the best outcomes for Inverness, Nairn, Badenoch & Strathspey communities.

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