

Press Release

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OFGEM MAKES ENERGY SUPPLIERS GIVE 30 DAYS ADVANCE NOTICE OF PRICE RISES

- **Ofgem confirms household energy suppliers must give customers at least 30 days notification of price increases**
- **New rule also means that consumers must have 30 days advance notice of any change in their contract which leaves them significantly worse off**
- **Advance notification of price increases builds on Ofgem's proposed reforms which aim to sweep away complexity in energy pricing**

Ofgem has today confirmed new rules that mean energy suppliers must give consumers at least 30 days advance notice before putting up their prices. The changes come into effect on 28 April 2011. This means that suppliers have 30 days in which to put these changes into practice.

Andrew Wright, Ofgem's Senior Partner for Markets, said: "Today's changes will again show that we are serious about making sure suppliers play it straight with consumers. We believe that 30 days advance notification of price increases, coupled with our new proposals for more transparency and an end to complex tariffs, will give consumers more power to make informed switching choices."

Currently energy suppliers have up to three months in which to notify consumers *after* putting up their prices. Ofgem's changes mean that suppliers will have to give 30 days advance notice of any price increases. This new rule also applies to any changes to a contract which will leave the customer significantly worse off. Ofgem also recently reminded suppliers that when they write to each individual customer to inform them of such changes they must be able to explain how it will affect them specifically.

This reform builds on Ofgem's proposals published last week following its review into the retail energy market. Ofgem is overhauling the market to tackle poor supplier behaviour, sweep away confusing tariffs and break the stranglehold of the Big Six on the energy market.

Ends

Notes to editors

1. Ofgem has today published the modification direction, which means that amendments to standard licence condition 23 (SLC 23) will come into effect on 28 April 2011. See www.ofgem.gov.uk

2. On Monday 21 March 2011, Ofgem published 'The Retail Market Review – Findings and initial proposals'. You can find this together with the associated documents on our website at <http://www.ofgem.gov.uk/Markets/RetMkts/rmr/Pages/rmr.aspx>

3. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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