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## **OFGEM COMPLETES INVESTIGATION INTO NPOWER TARIFF CHANGES**

Ofgem has today (Friday) completed its investigation into Npower's changes to its gas tariffs in 2007. Following the investigation, the company has agreed to put things right and will be making payments totalling £1.2 million to some 200,000 customers affected.

The regulator was concerned about Npower's approach to notifying its customers of the changes which resulted in financial loss to some households whose consumption was low. A large number of consumers did benefit from the changes.

Npower has now pledged to write to existing and past customers adversely affected by the changes in the tariff, so no action by customers should be necessary. If customers still have queries in due course, they should call Npower on 0845 6026363.

Following its energy probe last year Ofgem is considering a package of measures which are focused on improving the quality of information available to consumers.

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### **Note to editors**

1. The investigation was in relation to so-called two-tier tariffs which have two payment levels. The amount of gas consumed during the tariff year that is subject to the higher charge varies according to season. Every time Npower altered its charges it started a new tariff year on which charges are based. So some consumers whose consumption had taken them into the lower level charges were placed back on the higher level when new charges were introduced, although the vast majority of customers benefitted from the reduction in prices also made at that time. Npower has now revised the wording of its contract information in order to clarify the period over which the higher tariffs are calculated.
2. Today's announcement is in no way related to the investigation into doorstep mis-selling by Npower. That investigation concluded in December 2008 with Ofgem fining the company £1.8 million.
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 and the Energy Act 2004.

**For further press information contact:**

**Chris Lock                      020 7901 7225 / 07766 511470**

**Alison Wright   020 7901 7225 / 07771 980297**