

## Information Note

**15 FEBRUARY 2010**

### **OFGEM TO CONSULT ON TIME ENERGY SUPPLIERS ARE ALLOWED TO INFORM CUSTOMERS OF PRICE INCREASES**

Energy regulator Ofgem today (Monday) announces its intention to publish a consultation before Easter seeking views on options to amend the statutory time limit for energy suppliers to inform customers of price increases.

Suppliers' licences currently allow them up to 65 days to notify a customer following a decision to increase their prices. Where customers are notified after the event, suppliers must make it clear that they have the right to switch supplier and avoid any backdated increase. Ofgem stressed in its Energy Retail Market Probe decision document of summer 2009 that 65 days is considered to be a backstop and that best practice is to notify customers in advance. The regulator also said that it would return to this issue and has now committed to Government to look at this as a matter of urgency.

The consultation will put forward a range of options, including a requirement for suppliers to notify customers of price changes in advance, or to reduce the period suppliers have to notify customers to 10 days following the price increase.

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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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