

Information Note

Tuesday June 1 2010

EDF ENERGY MAKES PAYMENTS TOTALLING £200,000 TO TWO CONSUMER ORGANISATIONS FOLLOWING OFGEM INVESTIGATION

EDF Energy has made payments of £200,000 to the Money Advice Trust and to a Citizens Advice led scheme after a finding by the energy regulator, Ofgem, that the company had breached new regulations setting standards for handling customer complaints.

Ofgem expects all suppliers to take their obligations on handling customer complaints seriously. Following an investigation, the regulator found EDF Energy in breach of the regulations between October 2008 and March 2009. During this time the company had not maintained all its records in the way that the new standards require when handling and resolving customer complaints

EDF Energy acted promptly to address the areas of concern and voluntarily made payments totalling £200,000 to front line consumer advice services, Money Advice Trust and the Citizens Advice led scheme *Energy Best Deal* – organisations and schemes which play a key role in giving valuable advice and helping energy consumers secure their rights.

In light of these actions, Ofgem has decided in this case not to impose a financial penalty on EDF Energy.

This is the first time Ofgem has found a breach of the new regulations which took effect in 2008. The regulations help drive improvements in customer service, which is particularly important for consumers who are in dispute with their energy company. The new regulations also support consumers' right to take a dispute to the Energy Ombudsman where it cannot be satisfactorily resolved with the energy company.

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Notes to editors

1. The breach concerned a failure to record all complaints made by consumers as required by the regulations irrespective of whether it was immediately resolved. Ofgem's decision document can be found at:
<http://www.ofgem.gov.uk/About%20us/enforcement/Investigations/ClosedInvest/Pages/Closed.aspx>
2. The Energy Best Deal campaign equips frontline staff to deliver advice to people to help make their homes energy efficient, ensure they are claiming the right benefits and are on the best energy tariff for them. The roll-out of the campaign across England and Wales in 2008/09 was funded by the Department for Energy and Climate Change and supported by Ofgem. Ofgem also devised the campaign with Citizens Advice and funded the first pilot scheme.

3. The Money Advice Trust is a charity aiming to increase the quality and availability of free, independent money advice to people with debt problems.
4. More information on the regulations setting standards for complaint handling and the wider measures on consumer representation Ofgem introduced is available at:
<http://www.ofgem.gov.uk/Media/FactSheets/Documents1/changestoconsumer.pdf>
5. 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 Acts 2004, 2008 and 2010, as well as arising from directly effective European Community legislation.

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