



Making a positive difference
for energy consumers

To: Domestic suppliers,
consumer representatives and
other interested parties

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Standard Condition 25A in the Gas and Electricity Supply Licences

Earlier this year, Ofgem referred the energy market to the Competition and Markets Authority (CMA) for a full competition investigation.¹ This followed our assessment that competition wasn't working as well as it should for consumers. As part of this process, it has come to our attention that some suppliers are under the impression that they are still bound by specific restrictions in relation to their pricing behaviour, which had been set out in Standard Condition 25A.

This letter confirms that the Gas and Electricity Markets Authority made a conscious decision in 2012 not to renew Standard Condition 25A - the licence obligation on suppliers not to unduly discriminate in the terms and conditions offered to consumers.² At the time, we considered that our package of Retail Market Review (RMR) proposals would be a more appropriate way to protect consumers. These reforms to make the market simpler, clearer and fairer have since come into force.³

We want to reiterate that Standard Condition 25A is no longer in effect. The provision expired on 31 July 2012 and suppliers are not bound by it in any way. We are not considering reintroducing such a licence condition, nor would this be appropriate during the CMA's investigation. We expect that a combination of the RMR reforms, plus the CMA's investigation, will be sufficient to address our concern that competition isn't working as well as it should for consumers.

Yours sincerely,

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Associate Partner
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¹ [Decision to make a market investigation reference in respect of the supply and acquisition of energy in Great Britain](#), 26 June 2014

² [Decision on Standard Condition 25A in the Gas and Electricity Supply Licences](#), 26 October 2012

³ [The Retail Market Review – Implementation of Simpler Tariff Choices and Clearer Information](#), 27 August 2013