

**R/14**

**Tuesday April 22 2008**

## **OFGEM LAUNCHES FORMAL INVESTIGATION INTO NPOWER SELLING ACTIVITIES**

Energy regulator Ofgem has today (Tuesday) launched an investigation into a potential breach by npower of its licence obligations relating to marketing activities (standard licence condition 25 of each of its gas and electricity supply licences).

This investigation is being carried out under Ofgem's powers to enforce licence conditions. The decision to investigate follows recent allegations that npower sales representatives have been mis-selling energy contracts to customers.

**-ends-**

### **NOTES TO EDITORS**

1. Standard Licence Condition 25 of the gas and electricity supply licences makes a number of requirements of energy suppliers. For example:

- all suppliers must have appropriate procedures for selecting and training sales staff, including staff from agencies or sub-contractors working on behalf of the supplier;
- if a customer is entering into a contract the sales representative must make them fully aware that they are doing so; and
- the supplier must contact the customer within 14 days following the signing of the contract to confirm that the customer is happy to proceed with it.

2. The investigation will be carried out in line with Ofgem's "Enforcement guidelines on complaints and investigations" (document ref 232/07) published in September 2007.

3. Ofgem is the Office of 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 functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000.