

Press Release

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Thursday 28 April 2011

OFGEM'S NEW RULE FOR 30 DAYS ADVANCE NOTICE OF PRICE RISES TAKES EFFECT FROM TODAY

- **New rule means suppliers must give consumers at least 30 days advance notice of price rises, or changes in their contract which leave them significantly worse off**
- **Advance notification of price increases is in addition to Ofgem's recent proposals for sweeping away complex energy prices**
- **Ofgem is also currently consulting on reforms to break the stranglehold the big six have over the electricity market and to increase transparency in the energy market**

A new rule introduced by energy regulator Ofgem takes effect from today (28 April) meaning energy suppliers must give consumers at least 30 days advance notice if they put their prices up.

Andrew Wright, Ofgem's Senior Partner for Markets, said: "Ofgem is determined to ensure that supply companies play it straight with consumers. Giving customers advance warning of price rises is one way of ensuring a fairer deal for them.

"However, Ofgem's recent investigation found that tougher action is needed. This is why Ofgem is currently consulting on its plans to radically overhaul the energy market – through sweeping away complex prices and breaking the stranglehold of the big six by making them auction up to 20 per cent of their generation output."

The new rule will help customers decide whether they wish to remain with their current supplier and give them a better chance to budget for any price rises that occur. Previously, energy suppliers had up to three months in which to notify consumers **after** putting up their prices. The new rule also means customers will get at least 30 days advance notice of any change to their contract which leaves them significantly worse off.

On 21 March, following its review of the energy retail market, Ofgem published proposals for widespread reforms to tackle poor supplier behaviour, sweep away confusing tariffs and break the stranglehold of the big six on the energy market. The industry has until 1 June to respond.

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Notes to Editors

1. On Monday 21 March 2011, Ofgem published 'The Retail Market Review – Findings and initial proposals'. You can find this together with the associated documents on our website at <http://www.ofgem.gov.uk/Markets/RetMkts/rmr/Pages/rmr.aspx>

2. 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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