

# Anticipated merger between SSE Retail and Npower, and the anticipated acquisition of material influence by Innogy over the Merged Entity

## Decision to refer

**ME/6721/17**

### Introduction

1. The proposed transaction involves the anticipated merger between the domestic retail energy business of SSE plc (**SSE Retail**) and Npower Group plc (the **Merger**). SSE plc and Npower Group plc are together referred to as the **Parties**.
2. On 26 April 2018, the Competition and Markets Authority (**CMA**) decided under section 33(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger consists of arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).<sup>1</sup>
3. On the date of the SLC Decision, the CMA gave notice pursuant to section 34ZA(1)(b) of the Act to the Parties of the SLC Decision. However, in order to allow the Parties the opportunity to offer undertakings to the CMA for the purposes of section 73(2) of the Act, the CMA did not refer the Merger for a phase 2 investigation pursuant to section 33 on the date of the SLC Decision.
4. Pursuant to section 73A(1) of the Act, if a party wishes to offer undertakings for the purposes of section 73(2) of the Act, it must do so before the end of the five working day period specified in section 73A(1)(a) of the Act.

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<sup>1</sup> See [case page](#).

5. On 3 May 2018, the Parties informed the CMA that it would not offer such undertakings to the CMA. Accordingly, the CMA has decided to make a reference.

## **Decision**

6. Therefore, pursuant to sections 33(1) and in accordance with section 34ZA(2) of the Act, the CMA has decided to refer the Merger to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to conduct a phase 2 investigation.

**Rachel Merelie**

**Senior Director, Delivery and Sector Regulation  
Competition and Markets Authority  
8 May 2018**