



Energy Prepayment Review
Competition and Markets Authority
Victoria House (6th Floor South East)
37 Southampton Row
London
WC1B 4AD

15th March 2019

Dear Sir/Madam,

Review of the Energy Market Investigation (Prepayment Charges Restriction) Order 2016 – Statement of Issues

npower welcomes the publication of the CMA's Statement of Issues.

We broadly agree with the matters to be considered by the review. We have already provided fulsome comments to the CMA in responding to its initial consultation and decision to conduct a review. To summarise:

- Cost-reflectivity – it is essential that suppliers are able to fully recover the costs of supplying energy, rolling out smart prepayment (PPM) and the additional costs to serve PPM customers;
- Simplicity - there is scope to rationalise the cap landscape to remove inconsistencies, avoid customer confusion and unintended consequences, and simplify administration;
- Methodology - the logical and expedient approach would be for the PPM cap to adopt Ofgem's default cap methodology, plus a cost-reflective payment method uplift (above direct debit);
- Timing - we urge the CMA and Ofgem to co-ordinate work on this review and that of the Smart Net Cost Change (SMNCC) review, in time for the cap updates effective October 2019.

Yours faithfully,

**Paul Finch
Regulation**

Cc: Chris Harris, Head of Regulation

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