

Notice of variation of the Energy Market Investigation (Prepayment Charges Restriction) Order 2016

1. The [Energy Market Investigation \(Prepayment Charge Restriction\) Order 2016 \(the 2016 Order\)](#)¹ was made following a Competition Commission Market Investigation into the energy market.² The 2016 Order requires, among other matters, that retail electricity and gas suppliers ensure that the aggregate amounts of all charges for gas and electricity to retail prepayment customers do not exceed the relevant maximum charges calculated in accordance with the 2016 Order for each charge restriction period. The 2016 Order also imposes a monitoring and compliance regime. Schedules 1 and 2 introduced the Electricity Supply Licence Condition 28A and the Gas Supply Licence Condition 28A for the purpose of giving effect to the 2016 Order, having had regard to GEMA's relevant statutory functions pursuant to section 168 of the Act. These licence conditions set out the details of the determination of relevant maximum charges and benchmark maximum charges in each charge restriction periods for gas and electricity.
2. Under section 162 of the Enterprise Act 2002 (the Act), the CMA has a statutory duty to keep under review orders from its investigations. From time to time, the CMA must consider whether, by reason of any change of circumstances, enforcement orders are no longer appropriate and need to be varied or revoked.
3. On 31 January 2019 the CMA launched a review of the 2016 Order. The CMA's approach to the variation and termination of enforcement orders is covered in the CMA's guidance document published in [Remedies: Guidance on the CMA's approach to the variation and termination of merger, monopoly and market undertakings and orders \(CMA11\)](#). On 31 July 2019, following a consultation on its provisional decision, the CMA published its report entitled [Review of the Energy Market Investigation \(Prepayment Charge Restriction\) Order 2016: Final Decision](#). For the reasons given in that report, the CMA has

¹ See also the [Explanatory Note](#) to the 2016 Order.

² [Energy Market Investigation final report, 24 June 2016](#).

concluded that a change of circumstances has taken place and that consequently the 2016 Order is varied (through an Order).

4. The CMA now gives formal notice of variation of the Order and has also published a [Variation Order, accompanying Explanatory Note and a replacement prepayment price cap calculation model](#).

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