

Press release: SSE/Npower merger provisionally cleared after in-depth review

An inquiry group of independent Competition and Markets Authority (CMA) panel members has investigated how the merger would affect householders, following [initial concerns](#) about the potential impact on 'standard variable tariffs' (SVTs) – the most common and expensive energy tariff.

As part of its in-depth review, the inquiry group has provisionally decided to clear the deal after finding that SSE and Npower do not compete closely on SVT prices.

Anne Lambert, Chair of the Inquiry Group, said:

It is vital that householders have a range of energy suppliers to choose from so they can find the best deal for them. With more than 70 energy companies out there, we have found that there is plenty of choice when people shop around.

But many people don't shop around for their energy. So, we carefully scrutinized this deal, in particular how it would impact people who pay the more expensive standard variable prices.

Our analysis shows that the merger will not impact how SSE and Npower set their SVT prices because they are not close rivals for these customers.

Looking ahead, Ofgem's price cap is also expected to protect SVT customers.

The CMA found that the number of people switching energy provider is the highest in a decade and the proportion on SVTs has fallen.

However, as previously outlined in its energy market investigation, the CMA has found that those people who do not switch, for whatever reason, are usually on one of the large energy suppliers' SVTs and pay higher prices. Therefore, the CMA carefully examined whether the merger would change how the large energy suppliers set these prices.

The CMA has found:

- if SVT customers switch, they usually change to a cheaper, non-SVT, tariff
- the risk of losing customers as a result of an SVT price rise will not change with the merger
- evidence that few customers switch between SSE and Npower, instead

- preferring to move to other suppliers
- SSE and Npower do not compete closely on SVT prices
- SVT prices are mainly driven by changing wholesale costs

Therefore, the merger is not expected to have a significant impact on SVT pricing.

As part of its assessment, the CMA examined evidence from the six large energy suppliers; smaller suppliers; customer groups; and regulators. This included hearings with consumer groups and suppliers in Scotland where SSE has a large share of consumers. None of these raised substantive concerns about the effects of the merger on householders.

The CMA now welcomes views and evidence on its provisional decision by 20 September 2018 before coming to a final view. The statutory deadline for the CMA's final report is 22 October 2018.

Further details are available on the investigation [case page](#).

Notes to editors

1. This merger investigation is into the proposed deal between SSE Retail and Npower. Any future energy mergers – if they qualify for CMA investigation – will be scrutinized in relation to the specifics of the case.
2. The proposed merger primarily relates to SSE Retail and Npower's energy supply activities to domestic customers in GB. SSE plc's other interests (for example in generation and distribution, and supply to business customers) are not included in the proposed merger.
3. The CMA investigated the energy market in 2014-2016 and found many consumers and microbusinesses were paying more than they needed to. The CMA made recommendations to modernise and reform the market. These recommendations are being taken forward by Ofgem and will support consumers' increasing engagement with the market.
4. The decision-maker on CMA Phase 2 inquiries like this one is the Inquiry Group. The appointed Inquiry Group is chosen from the CMA's independent panel members who come from a variety of backgrounds, including economics, law, accountancy, business, and public/consumer policy. The membership of an inquiry group reflects a mix of expertise and experience.
5. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates,

follow us on [Twitter](#), [Facebook](#), and [LinkedIn](#).

6. Media enquiries to the CMA should be directed to press@cma.gov.uk or 020 3738 6460.

[News story: Liz Truss: Selling Bedfordshire naan bread to India is the ultimate embodiment of global Britain](#)

- Government's Brexit and Trade deals will give businesses like Signature Flatbreads, who export to 30 countries from its UK bakery, more business opportunities with the rest of the world.
- East of England exports are already worth £29 billion per year, and Chief Secretary to the Treasury Liz Truss says British business will have every chance to boost these further after Brexit.

The United Kingdom's proud status as a great trading nation will be enhanced after Brexit, Liz Truss said today (30 August 2018) while visiting Signature Flatbreads in Bedfordshire.

She added that businesses in Bedfordshire, and across the region, will be able to boost trade opportunities, bringing in more income and creating more jobs in the region once we've left the European Union.

The Chief Secretary to the Treasury Liz Truss said:

Selling naan breads in India from a company based in Dunstable would once have been unthinkable.

It's this type of entrepreneurial, and go-getting, spirit that will help the UK make a success of this once in a lifetime opportunity to reshape Britain.

We are in a terrific position to take advantage of the new trading

horizons open to us after Brexit, and I know that businesses in Bedfordshire and beyond are raring to go.

The East of England is flourishing, and we are hugely committed to ensuring this region and its businesses step out into the world and benefit from our new independent trade policies.

The government is investing in the infrastructure that Bedfordshire needs and the new Woodside Link road has helped connect businesses to the Dunstable area, making it more practicable to set up a business and transport goods. The investment has already generated £2 billion for the local economy.

Successful exports mean the East of England economy was valued at more than £147 billion, according to recent figures. This represents more than 8% of UK total output.

And a growing export economy has also helped bring unemployment to record low levels in the region at just 3%.

The government is delivering on the referendum result and is forging a new trading relationship with the rest of the world.

Just this week the government confirmed that a UK trade agreement with South Africa and other African nations will be ready to enter into force as soon as the EU deal no longer applies to the UK.

[News story: Public asked for views on banning energy drink sales to children](#)

The government is seeking views from the public on ending the sale of energy drinks to children and young people in England, the Prime Minister has announced.

The [consultation](#) proposes that a ban would apply to drinks that contain more than 150mg of caffeine per litre and prevent all retailers from selling the drinks to children.

It follows the publication of the latest chapter of the government's [childhood obesity plan](#) in June 2018, which outlines a series of measures as well as a commitment to halve childhood obesity by 2030.

Questions in the consultation include:

- whether the restrictions should apply to children under 16 or under 18

- whether the law should be changed to prevent children from buying them in any situation

Energy drinks are already banned for sale to children by many major retailers, but children can still buy them from vending machines and many independent convenience stores, for example.

More than two-thirds of 10- to 17-year-olds and a quarter of 6- to 9-year-olds consume energy drinks. A 250ml can of energy drink can contains around 80mg of caffeine – the equivalent of nearly 3 cans of cola. On average, non-diet energy drinks also contain 60% more calories and 65% more sugar than other, regular soft drinks.

Excessive consumption has been linked to a number of health issues in children, including:

- headaches
- sleep problems
- stomach aches
- hyperactivity

Prime Minister Theresa May said:

Childhood obesity is one of the greatest health challenges this country faces, and that's why we are taking significant action to reduce the amounts of sugar consumed by young people and to help families make healthier choices.

Our plans to tackle obesity are already world leading, but we recognise much more needs to be done and as part of our long-term plan for the NHS, we are putting a renewed focus on the prevention of ill-health.

With thousands of young people regularly consuming energy drinks, often because they are sold at cheaper prices than soft drinks, we will consult on banning the sale of energy drinks to children.

It is vital that we do all we can to make sure children have the best start in life and I encourage everyone to put forward their views.

Public Health Minister Steve Brine said:

We all have a responsibility to protect children from products that are damaging to their health and education, and we know that drinks packed to the brim with caffeine, and often sugar, are becoming a common fixture of their diet.

Our teenagers already consume 50% more of these drinks than European counterparts, and teachers have made worrying links

between energy drinks and poor behaviour in the classroom.

We are asking the public for their views on the matter, to ensure energy drinks are not being excessively consumed by children.

Press release: PM meets President Buhari: 29 August 2018

A Downing Street spokesperson said:

“Prime Minister Theresa May met President Muhammadu Buhari of Nigeria in Abuja today during her three-day visit to Africa.

“The leaders agreed that the UK and Nigeria are strong partners bilaterally and in the Commonwealth, and that our mutual security and prosperity is strengthened by our close cooperation.

“The leaders agreed to build on our growing commercial ties, including through a new Economic Development Forum to help us identify and overcome barriers to trade and investment.

“The PM talked about how the UK will step up investment into Nigeria as part of its ambition to be the G7’s number one investor in Africa by 2022, including through CDC.

“The Prime Minister welcomed the progress towards securing a significant investment into oil and gas in Bonga South West, and reiterated the importance of the President’s continued leadership in securing the final agreement.

“Nigeria’s stability matters to the UK, and the work we’re doing together to tackle shared threats helps to keep our people safe. Today the leaders witnessed the signing of the first UK-Nigeria security and defence partnership which will formalise and expand this cooperation.

“They also discussed the importance of human rights and the need to ensure our joint work on security is in line with international standards.

“The Prime Minister welcomed Nigeria’s efforts at a national and regional level to combat illegal migration and human trafficking, and their support for the Call to Action to end modern slavery which was launched by the PM at UNGA last year.

“She thanked President Buhari for championing this agenda, including through his chairing of the Economic Community of West African States and his commitment to use Nigeria’s influence to promote African leadership on these

issues.

“Finally, the leaders discussed Nigeria’s forthcoming elections and agreed they must be fair, credible and peaceful, and free from interference.

“The Prime Minister and President agreed to continue working in partnership to ensure our bilateral relationship and regional cooperation go from strength to strength in the years ahead.”

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