

News story: Pre-payment meter price cap comes into effect to protect millions of consumers

Today the CMA's price cap on pre-payment meters has come into force to the benefit of around 4 million households.

Last June, following a [two-year investigation](#) into the energy market, the Competition and Markets Authority (CMA) decided to put in place a temporary price cap to protect some of the most vulnerable households in Britain.

The temporary cap is expected to reduce bills across Britain and will save the average household £80 a year. The CMA found that people using pre-payment meters had less choice and were paying disproportionately higher bills than customers paying by other means – including direct debit.

The price cap will remain in place until the end of 2020 when the smart meter roll-out – combined with other changes imposed on the industry by the CMA – is expected to tackle issues that prevent such customers accessing the better deals available to others.

Andrea Coscelli, Acting Chief Executive of the CMA, said:

Households across the UK deserve to get a fair deal on their energy bills.

On top of a number of measures to get competition working better, the CMA's pre-payment meter price cap means that more than 4 million consumers, many of whom are vulnerable, and who can't easily shop around for a better deal, will see their bills cut by around £80 a year each, saving British customers a total of £320 million per year.