

**Supplier CEOs and Directors  
of Regulation**

**BY EMAIL ONLY**

2 February 2023

Dear colleagues,

**Treatment of domestic customers by suppliers during pre-payment meter installations**

We are extremely concerned by the findings presented by *The Times* in the article 'British Gas breaking into homes of the vulnerable', published on 1 February 2023<sup>1</sup>. These are extremely serious allegations, which we are investigating and we will not hesitate to take firm enforcement action where unacceptable treatment of vulnerable customers is identified. Given the seriousness of the allegations, whilst the article focuses on one agent and one supplier, we are keen to ensure that similar practices are not being carried out on behalf of other suppliers. It is unacceptable for any supplier to impose forced installations on vulnerable customers struggling to pay their bills before all other options have been exhausted and without carrying out thorough checks to ensure it is safe and reasonably practicable to do so.

We expect suppliers to fully meet their regulatory obligations covering all aspects of consumer vulnerability, including affordability, debt, and metering. Energy companies have a duty to support customers in vulnerable situations through their licence obligations, and other legal requirements such as Schedule 6 of the Electricity Act 1989.

In light of the allegations made in *The Times* article regarding pre-payment meter installations, we expect suppliers to take the following actions immediately:

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<sup>1</sup> [Exposed: How British Gas debt agents break into homes of vulnerable | News | The Times](#)

- Pause the installation of pre-payment meters under warrant until you have completed a review of how this work is carried out and managed, ensuring that it is in line with all relevant regulations and obligations.
- Review contracts with agents and third-parties, including any relevant incentive structures, to ensure that the installation of pre-payment meters under warrant is in line with the licence conditions, understanding that as the licensee you are accountable for your agents' conduct and we expect them to be operating under the principle of treating customers fairly, especially vulnerable customers.
- Review in-house activities covering the installation of pre-payment meters under warrant.
- Review in-house activities covering the switching of smart meters to pre-payment mode.

Following your review, your board must provide assurance and attestation to Ofgem that they are satisfied that you are in compliance with all relevant regulations and obligations. You are asked not to install pre-payment meters under warrant until you have provided this assurance.

If your review identifies shortcomings against the regulations, we expect you to provide us with details of your findings, the steps you have taken to remediate these shortcomings and confirmation that no pre-payment meters will be installed under warrant until all the actions have been completed. Failure to take action where weaknesses have been identified will be a factor that Ofgem will take into account when considering further action, including enforcement action.

In addition, we will be completing a Market Compliance Review focused on the pre-payment meter warrant process and remote switching to pre-payment meters; and we will require your full cooperation with that review.

In order to support consumers during this time of high energy prices and the difficult macro-economic issues, we expect suppliers to do their utmost to support their customers. We will take further action, including swift enforcement action, if we see suppliers falling short of their obligations. I would like a response from each of you, including preliminary findings of your reviews, by 13 February 2023.

Yours sincerely,

**Jonathan Brearley**

Chief Executive