

Guidance

PPM Guidance (Safe and Reasonably Practicable)

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This document contains guidance for prepayment meters (PPM) and the interpretation of Safe and Reasonably Practicable for the purposes of Standard Licence Condition 28.4 of the Gas Supply Licence and the Electricity Supply Licence.

This guidance contains the expected assessment process to determine if a PPM is suitable for a customer, information provision and aftercare that suppliers must comply with to ensure protections for customers in vulnerable circumstances.

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Introduction

PPM Guidance (Safe and Reasonably Practicable)

This document contains guidance for prepayment meters and the interpretation of Safe and Reasonably Practicable for the purposes of Standard Licence Condition 28 of the Gas Supply Licence and the Electricity Supply Licence.

1. Overview - Prepayment only where safe and reasonably practicable

- 1.1. This guidance applies where the Domestic Customer requests or a supplier offers a Prepayment Meter (PPM) to a Domestic Customer or is considering installing or installs an Involuntary PPM. It also applies where the Domestic Customer uses a PPM and the supplier becomes aware that it is no longer safe and reasonably practicable for the customer to use a PPM.
- 1.2. As well as complying with this guidance, suppliers should comply with other obligations under their licences and in other legislation and guidance. For example, suppliers need to ensure that communications materials are appropriate to the needs of customers, referring where applicable to relevant legislation such as the Equality Act 2010. Suppliers should behave and carry out any actions in a fair, honest, transparent, appropriate and professional manner when considering a customer's ability to pay by complying with customers in payment difficulty SLCs 27.5-27.8E and self-disconnection SLC 27A and any other relevant licence conditions or guidance.
- 1.3. This guidance is not intended to be exhaustive and it is ultimately for suppliers to determine the steps they need to take to meet their supply licence conditions. However for instances of Involuntary PPM, suppliers should comply with the steps listed in conjunction with their licence obligations in SLC28. These steps provide important protections, particularly for vulnerable consumers. Ofgem will take compliance with these very seriously and is likely to consider enforcement action to be a proportionate response to a single case of breach.
- 1.4. This guidance is structured as follows:

- Assessment of Safe and reasonably practicable when installing PPM;
- Assessment for installation of Involuntary PPM;
- Identification of customers' circumstances;
- Identification process for Involuntary PPM;
- Ability to Pay;
- Smart Meters;
- Information provision for Involuntary PPM;
- Post installation of a PPM;
- Post Installation of Involuntary PPM and Aftercare; and
- Internal processes (After Involuntary PPM).

2. Assessment of safe and reasonably practicable when installing PPM

- 2.1 Assessment of what is safe and reasonably practicable should be considered from the Domestic Customer's perspective.
- 2.2 Relevant factors are likely to include:
- a) whether the customer is able to understand and operate the PPM and visit top-up points (where needed) to add more credit. (For example whether the customer has a physical or mental disability that prevents them from being able to appropriately use a PPM).
 - b) whether the customer lives quite a distance from any top-up outlets (This may not apply if a customer does not want or need to top up by cash, and has actively asked to pay by alternative top-up methods, but consideration must be given to instances of technical issues with smart PPM in particular in relation to top-up being required manually in case the smart functionality of the meter fails). What constitutes 'quite a distance' is likely to vary depending on the customer's circumstances. For example it may not be reasonably practicable to provide a PPM meter if a Domestic Customer needs to travel over two miles to top up the credit and does not have a car).
 - c) whether the customer requires a continuous supply for health reasons, such as dependency on medical equipment requiring an electricity supply.
 - d) whether the PPM is situated in a position (such as high on a wall) that means the customer could not operate the PPM.
 - e) whether the PPM would have to be situated outside or in a room to which the household does not have continuous access.
 - f) any advice/guidance received from the Health and Safety Executive (HSE).

- 2.3 Many of these circumstances may be addressed by technological innovations, particularly where a smart meter is installed, or some other form of initiative. Technical innovations addressing the issue of what is safe and reasonably practicable should only be adopted where suppliers are confident that the solution will enable them to provide a supply to the customer at all times. It is also possible that adults, other than the customer living in the premises, may be in a position to understand and operate the PPM.

3. Assessment for installation of Involuntary PPM

- 3.1 Involuntary PPM means where a supplier wants to install a PPM without a customer's Consent.
- 3.2 **Consent:** Is as defined in SLC 28.22 ("means in the context of active consideration of the installation of an Involuntary Prepayment Meter, consent which is unmistakably given by the customer (in writing or verbally), rather than implied or retained in terms and conditions, with a record of the date and method of consent and not given under pressure from the licensee").
- 3.3 In all cases of Involuntary PPM, suppliers must not install a PPM where a customer falls into any of the 'do not install' categories below. They must also carry out additional checks for customers in the 'further assessment needed' category including the Precautionary Principle.
- 3.4 Since the process of exercising a warrant may be severely traumatic for vulnerable consumers, suppliers should make every effort to identify such high-risk customers before applying for and seeking to exercise warrants.
- 3.5 The personal circumstances and characteristics listed are examples, which have been determined using a number of sources and have been included where risk of detriment when subjected to Involuntary PPM are considered highest. They are not absolute nor exhaustive.¹

¹ Including: [Find guidance | NICE](#); [Guidance and regulation - GOV.UK \(www.gov.uk\)](#) ; [Warm Home Prescription - Energy Systems Catapult](#) ; [Cold weather plan for England - GOV.UK \(www.gov.uk\)](#)

- 3.6 In all cases, suppliers must seek to identify vulnerable customers and take into account their situation and that of their household.

Do not Install

- 3.7 Suppliers must not install a PPM if, within the household, there is no one able to access, operate and/or top up the meter due to physical or mental incapacity or for technical reasons and/or have any of the below personal circumstances and characteristics. These fall under 'Do not install' (DNI) category:

- Household requires a continuous supply for health reasons, including:
 - Dependency on any powered medical equipment (such as heart/lung ventilators, dialysis equipment, stair lift, hoist or refrigerated medication);
 - dependency on carelines or health and wellbeing alarms;
 - a medical dependency on a warm home; (for example due to illness such as, circulatory disease, sickle cell disease).
- Households with an elderly occupant (75+), without support in the house;
- Households with children under 2
- Households with chronic/severe or terminal health conditions (such as cancer, cardiovascular/respiratory disease (COPD such as emphysema, chronic bronchitis) and organ failure).

Further assessment needed

- 3.8 Suppliers must consider the below personal circumstances and characteristics, alongside the Precautionary Principle, in making their assessment of safe and reasonably practicable. These circumstances and characteristics fall under 'further assessment needed' (FAN) category:

- Age: Children 5 and under;
- Other serious medical/Health Conditions (such as neurological diseases (Parkinson's, Huntingdon's, Cerebral Palsy) Respiratory conditions, Nutritional issues (such as Malnutrition) and mobility limiting conditions (Osteoporosis, Muscular Dystrophy, Multiple Sclerosis));
- Serious mental/developmental health conditions (such as clinical depression, Alzheimer's, dementia, learning disabilities and difficulties, Schizophrenia); and
- Temporary situations (such as pregnancy, bereavement).

- 3.9 Suppliers are encouraged to ensure that PPM installation is safe and reasonably practicable for any household with adults over 65 and/or children under 16.
- 3.10 Where a supplier becomes aware or has reason to believe that a customer/household has a personal circumstance or characteristic, such as those demonstrated in the FAN examples, that could be exacerbated by frequent or prolonged periods of self-disconnection, the supplier must ensure that the severity and level of potential detriment of an Involuntary PPM is assessed, taking into account specific metering arrangements and after care support that can be provided.
- 3.11 **Precautionary Principle:** Is as defined in SLC 28.22 (“means the assumption to be made by licensees that any Domestic Customer faced with Involuntary Prepayment Meter for debt is likely to be in financial difficulty and therefore more likely to self-disconnect.”)
- 3.12 Suppliers must therefore assess the ability to pay of any household they know or have reasonable cause to believe has a personal circumstance or characteristic that falls under the requirement for FAN, to understand if the customer will be unable to afford their ongoing energy needs. If a supplier concludes (taking into account meter type, aftercare support and reasonable energy saving assumptions) that the household will, frequently or for prolonged periods self-disconnect and risk causing significant consumer harm, then the supplier must consider PPM to be not safe and reasonably practicable.
- 3.13 In circumstances where suppliers have attempted contact via multiple channels and conducted a Site Welfare Visit but have been unable to establish with certainty the level of detriment in association with medium risk characteristics and/or financial assessments, suppliers should apply their own discretion on progression to Involuntary PPM, noting that any move to PPM may need to be reversed if vulnerabilities are subsequently discovered in the household.

4. Identification of customers’ circumstances

- 4.1 The sort of proactive steps that we would generally expect suppliers to consider in order to identify whether it is safe and reasonably practicable in all the circumstances of the case to offer a PPM to a customer include:

Requirement	Requests	Offers	Involuntary	Uses
Recording the location of the meter when installed or inspected	X	X	X	X
Reviewing appropriate notes on the customer's accounts to ascertain whether any vulnerability which means it is not safe and reasonably practicable for the customer to have a PPM is recorded	X	X	X	X
Making multiple attempts to contact the customer by various means and at various times of day to discuss the option of paying through a PPM		X	X	
Where a discussion with the customer had not been possible or, if following discussion, there was still uncertainty about whether it would be safe and reasonably practicable for the customer to pay through a PPM, the supplier should take reasonable steps to visit the customer at their premises, which could include making visits at various times of day			X	
Checking whether there has been a change of occupancy		X	X	
Attempting to check with any appropriate advice or other agency such as local authority or housing association		X	X	
Obtaining authorisation of an appropriate seniority prior to moving a customer to a PPM			X	

5. Identification process for Involuntary PPM

- 5.1 **Debt trigger:** Is as defined in SLC 28.22 (“means, where Charges have been outstanding for three months or more after the date the bill has been issued, and Outstanding Charges are more than the amounts per fuel specified in the guidance issued under SLC 28.4, and the customer is not on, or transitioning, to a repayment plan”).
- 5.2 The value of Outstanding Charges owed per fuel must be £200 or more, for the purposes of the Debt Trigger.

Involuntary PPM communications

- 5.3 To understand a customer’s individual circumstances and offer support in the three months preceding any execution of an Involuntary PPM. A supplier must achieve this by:
- a) Making at least 10 attempts to engage with a customer using multiple communication channels, where relevant at various times of day.
 - b) Make translation services and accessible formats (eg braille, large print, easy read) available as required.
 - c) Multiple communication channels may include: written (email and/or letter), phone (where a number is available), and Site Welfare Visits.
 - d) A Site Welfare Visit is required at least once in all instances before progression to Involuntary PPM.
- 5.4 **Site Welfare Visit:** Is as defined in SLC 28.22 (“means a visit to Domestic Customers’ premises by appropriately trained staff or representatives to attempt to make contact with the customer to identify and/or further assess personal circumstances and characteristics to identify any vulnerabilities that may be present in the household to determine if PPM is safe and reasonably practicable”).
- 5.5 All communications from a supplier to a customer must be written in a manner which is consistent with good practice on debt communications and supporting customers who are in payment difficulty, and must also encourage engagement with the supplier in all cases.^{2 3}

² [Debt communications messaging: Evidence from customer and behavioural insights | Ofgem](#)

³ [Good practice for supporting customers in payment difficulty | Ofgem](#)

- 5.6 Suppliers must accept any relevant information on potential vulnerabilities and a customer's ability to pay from a third party, where offered to the supplier. For example, this may be from the customer's representative (either by the explicit consent from the customer or in the form of a registered and relevant power of attorney) or from support organisations such as Citizens Advice, Advice Direct Scotland and other customer support and debt advice organisations.
- 5.7 If no contact is made with the customer during the Site Welfare Visit, and all engagement attempts have been exhausted, the supplier may:
- proceed with obtaining a Relevant Warrant; or
 - proceed with remote mode switch.
- 5.8 However, the supplier must:
- (a) Make reasonable attempts to assess any potential vulnerabilities without customer engagement, seeking support from Welfare Officer in Edge Cases if not present; and
 - (b) Provide further written communication that the visit had been attempted and next steps (ie if Involuntary PPM will be progressed following this attempt).
- 5.9 Suppliers are required to maintain records of each attempted contact with the customer, and ensure that any personal circumstances and characteristics are recorded appropriately, stored and easily available including on the Priority Services Register.
- 5.10 Where only a postal address is held for a customer, the full 10 attempts may not be undertaken to avoid harassing the customer, but a supplier must be able to evidence to the Gas and Electricity Markets Authority (the Authority) any attempts to access additional contact details, including email address and telephone number.

Site Welfare Visit, Independent assessment and installation teams

- 5.11 A supplier is fully responsible for the actions and behaviour of all staff, including any third-party contractors or other representatives, and is required to ensure all staff and any third-party contractors or other representatives are appropriately trained, including in health and safety for their own protection.
- 5.12 The Authority encourages suppliers to seek external accreditation, such as the British Standards Institute (BSI) and for debt enforcement from the Enforcement Conduct Board (ECB).

- 5.13 Where a supplier has determined a case may proceed with Involuntary PPM in accordance with any guidance and Licence Conditions, suppliers must ensure each case progressed for installation has been assessed by a team or individual which is independent of the debt recovery and installation teams.
- 5.14 Suppliers must ensure a Welfare Officer or other senior decision maker able to determine Edge Case decisions must be present or contactable for decision on site welfare and installation visits to check for any personal circumstances or characteristics that might make the PPM not safe and reasonably practicable.
- 5.15 Suppliers must ensure that all assessments are retained for audit, and their basis for assessment be clear and unambiguous.
- 5.16 **Welfare Officer:** A person(s) within supplier organisation with responsibility for overseeing the safeguarding of consumer protection in cases of Involuntary PPM. This may be a senior member of staff related to independent team assessments and must be attested to be fit and proper person(s) capable of making Edge Case decisions.
- 5.17 **Edge Case:** Where a supplier considers that the customer's circumstances are on the boundary of safe and reasonably practicable and risk assessment is either not possible or inconclusive.

6. Ability to Pay

- 6.1 When considering progression to Involuntary PPM, suppliers must consider the cheapest payment option for the customer and attempt to offer this alongside energy savings advice and an affordable, sustainable repayment plan prior to progression to Involuntary PPM.
- 6.2 Where a customer agrees, and adheres to, a debt repayment plan the supplier must accept this and should not threaten Involuntary PPM to try and secure higher payment than is affordable.
- 6.3 Where a supplier progresses with Involuntary PPM, they must take all reasonable steps to ensure that any debt repayments recovered via the PPM take into consideration the customer's ability to pay. Where any financial assessment concludes that the customer will be able to afford to pay for ongoing energy needs but not debt repayments, suppliers must consider alternative approaches to recovering the debt such as delaying repayment start (seasonality or change in financial circumstances).

- 6.4 Suppliers must ensure that any alternative actions taken to recover debt (including bailiffs, CCJs) in instances where a PPM is not suitable for the household remain fair, reasonable and proportionate for the customer's circumstances and level of debt owed.

7. Smart Meters

- 7.1 Given the significant benefits to PPM customers, suppliers should install smart meters by default when installing under warrant.
- 7.2 Suppliers must ensure they adhere to Smart Metering obligations in relation to installation of smart meters under warrant, and any other relevant codes or guidance.
- 7.3 The reason for installing any non-smart PPM meters should be recorded and retained for audit.
- 7.4 Smart meters allow alternative ways of topping up for prepayment customers that do not require a visit to a top-up outlet. Customers can actively ask for alternative top-up methods so as not to require cash as a payment option. We expect suppliers to ensure that consumers are able to make their choice based on relevant information, including on advantages or disadvantages associated with such a request. We also expect suppliers to give due consideration to a range of factors when applying the safe and reasonably practicable test to a consumer's request to pay by non-cash top-up methods only. These factors may include:
- a) Whether the customer has access to a bank account and whether such access is needed to make use of alternative top-up methods
 - b) The reliability with which the customer can access alternative top-up methods, including the extent to which reliable access to their top-up device is not under threat from their inability to pay. For example, a customer who intends to pay by their mobile phone will be reliant on having reliable access to this service, and needs to be able to afford any charges associated with accessing the top-up service; or a customer who pays online via a desktop may be dependent on having continued access to electricity.
 - c) Whether the customer seems to need more than one alternative, non-cash way of topping up to ensure they are able to do so.
- 7.5 An example where it may be considered safe and reasonably practicable to switch the customer to prepayment mode even if the meter is inaccessible to the customer would be if the In Home Display unit or some additional device is

accessible and allows all the necessary features of a PPM to be easily accessed by the customer, including the ability to re-enable supply.

- 7.6 Suppliers should also consider their obligation not to disconnect unless they have first taken all reasonable steps to recover charges through a PPM. Given this requirement, in some circumstances it may be reasonable for measures to be taken which ensure it is safe and reasonably practicable for the customer to use the PPM where the alternative is disconnection.
- 7.7 What is safe and reasonably practicable can also be considered from the supplier's perspective. However, there are likely to be limited circumstances where we considered it was not safe and reasonably practicable from the supplier's perspective, particularly where the alternative for the customer is disconnection. An example of such a circumstance may be where the customer has had a history of theft of gas or electricity or meter tampering.

8. Information provision for Involuntary PPM

- 8.1 Suppliers must provide clear supporting information, and top-up provision for any Involuntary PPM. This should include:
- a) Provision of any required information, such as how to use the PPM, what to do in the event of self-disconnection and materials needed to top-up. ie the customer must be offered help to install and start to use a smart phone app where applicable, or provided with information on how to use top up cards/keys. The supplier must use translation services and make accessible formats available as required.
 - b) Access to appropriately trained, priority customer service team, through an easy access route.
 - c) Links to any relevant information on supplier website.

9. Post installation of a PPM

- 9.1 The proactive steps that suppliers must follow after putting a customer on a PPM in order to ensure it is safe and reasonably practicable for the customer include:
- a) The supplier must monitor top-up and disconnection patterns. When self-disconnection occurs, in line with existing SLCs and guidance, suppliers must make multiple attempts to contact the customer using various contact channels to understand the reasons for self-disconnection and offer

appropriate support including sufficient Additional Support Credit (ASC) amounts and frequencies.

- b) If frequent or prolonged periods of self-disconnection are identified and the customer is considered reliant on ASC to remain on supply (exceeding supplier policies of number of or frequency of ASC), suppliers must assess whether PPM remains S&RP in line with this guidance.

10. Post Installation of Involuntary PPM and Aftercare

- 10.1 **Involuntary PPM Credit:** Is as defined in SLC 27.A9 (“means an amount of credit, or equivalent non-disconnection period, to be specified in guidance to be provided automatically upon installation of an Involuntary Prepayment Meter in accordance with SLC 28.7”). On each occasion a supplier installs an Involuntary PPM, a supplier must provide the Domestic Customer with a repayable £30 credit per meter (or equivalent non-disconnection period). This Involuntary PPM Credit will help remove the risk of the Domestic Customer going off supply due to any issues or challenges using the newly installed PPM. Any equivalent non-disconnection period must not disadvantage the customer by putting them into a negative balance, which must then be repaid before a positive balance is realised upon top-up.
- 10.2 Following installation of an Involuntary PPM, the supplier must seek to speak to the consumer. In attempting to make contact the supplier must make at least three attempts via multiple channels (where possible) to contact the customer in the first fortnight. This must include:
 - a) Initial attempt within the first three days
 - b) Checks on customer understanding, technical and physical ability to top up and use the meter and for smart, checks on understanding of how to top up via their PPM Interface Device (PPMID) or smart phone app.
 - c) Where a consumer relies on PPMID for top up, the supplier must make sure to offer a replacement or to repair if the PPMID is faulty.
 - d) Confirmation that the customer has been provided with information on support that is available (including suitable third-party support).
- 10.3 In the event that attempts at contact have been unsuccessful, suppliers should ensure that that written communication containing the information has been provided.

- 10.4 Where a supplier proceeds with Involuntary PPM in a way that does not comply with guidance and the licence conditions, the supplier will offer to remove the PPM / switch a smart meter back to non-PPM mode and offer compensation reflective of any detriment suffered.

11. Internal processes (After Involuntary PPM)

- 11.1 All assessment documentation and audio/body camera recordings are to be retained for a minimum of five years.
- 11.2 Retention period is to ensure evidence of practices if subject to investigative action and aligned with Electricity Act 1989 and Gas Act 1986 for penalty contravention time-period and requirement for production of documents.⁴ This also allows customer confidence that complaints, can be adequately assessed.
- 11.3 Documentation to include, but not limited to:
- a) PSR checks completed;
 - b) Copies of all written contact;
 - c) Summary of all verbal contact; and
 - d) Copies of any relevant recordings.
- 11.4 Suppliers must conduct monthly Quality Assurance of a sample of Involuntary PPM cases.
- 11.5 This must include additional proactive assessment of all identified erroneous or non-compliant Involuntary PPM.
- 11.6 Suppliers must incorporate failings identified in QA assessments to drive continuous improvements in training and processes.

⁴ Penalty contravention time period EA1989: S27C and GA1986 S30C; Production of documents EA1989 S28(2) and GA1986 S38
