

**To: All holders of a gas supply licence**

**Gas Act 1986  
Section 23(1)(b)**

**Modification of the standard conditions of all gas supply licences**

1. Each of the licensees to whom this document is addressed has a supply licence which has been granted or treated as granted under section 7A(1) of the Gas Act 1986 ('the Act').
2. Under section 23(2) of the Act the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice on 28 June 2023 ('the Notice') that we propose to modify standard conditions
  - 26.7;
  - 27.8C and
  - 27A and combining standard condition 28 and 28B.

We stated that any representations to the modification proposal must be made on or before 26 July 2023.

3. A copy of the Notice was sent to the Secretary of State in accordance with section 23(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received 29 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out within our decision document.<sup>2</sup>
5. It is necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are shown in yellow highlight in the attached Schedule 1. The reasons for any differences between the modifications set out in the Notice and the modifications reflected in Schedule 1 are to correct minor typographical errors, address minor issues and are corrections raised in consultation responses.
6. We are making these licence changes alongside amendments to Prepayment Meter (PPM) Guidance: (Safe and Reasonably Practicable) to integrate the key components of the Involuntary PPM Code of Practice (the Code) into the licence.<sup>3</sup> The Code and these modifications have been developed in response to reports of poor practice in licensee actions in relation to the installation of Involuntary PPMs and are designed to strengthen a licensee's assessment of the installation and/or use of a PPM is safe and reasonably practicable.
7. The effect of the modifications will be to protect customers in vulnerable circumstances, who risk suffering severe detriment as the result of the installation of a Involuntary PPM. A more detailed description of the reasons for, and effects of,

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<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

<sup>2</sup> We also received 20k responses from consumers

<sup>3</sup> [Involuntary PPM - Supplier Code of Practice | Ofgem](#)

these proposed licence modifications can be found in our accompanying decision document.

8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.6 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules<sup>4</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The attached Schedule 2 provides a list of the relevant licence holders in relation to this modification. Section 23(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers contained in section 23(1)(b) of the Act, we hereby modify the standard licence conditions for all gas supply licences in the manner specified in attached Schedule 1. This decision will take effect from 8 November 2023.

This document is notice of the reasons for the decision to modify the gas supply licences as required by section 38A(2) of the Act.



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**Jemma Baker**  
**Deputy Director Future Retail Markets**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**13 September 2023**

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<sup>4</sup> CMA70 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655601/energy-licence-modification-appeals-rules.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf)

## **Schedule 1 – Final modifications to the standard conditions (SLCs) of all gas supply licences**

We have included SLC 26.7, 27.8C, 27A (27A.7 onwards only), 28 and 28B below and the changes we are making. Changes to existing SLCs are shown in ~~striketrough~~ for deletions and underlining for new text. Changes from Stat Con version of proposed SLCs are as above but also highlighted in **yellow**.

### **Definitions for condition**

26.7 In this condition:

**“Minimum Details”** means the Domestic Customer’s name, details of any relevant Personal Characteristics and/or vulnerable situation, and such other details which are relevant to the subject matter of standard condition 26 as the Authority may from time to time specify by publishing a statement in Writing (following public consultation and giving at least two months’ prior notice).

**“Personal Characteristics”** means:

- (a) the Domestic Customer being of Pensionable Age;
- (b) the Domestic Customer being chronically sick, or having an impairment, disability, or long-term medical condition (including but not limited to a visual, auditory or mobility impairment);
- (c) any other characteristics identified by the licensee as being relevant due to the nature of the Priority Services.

**“Priority Services”** is to be interpreted in accordance with paragraph 26.5.

**“Relevant Industry Mechanisms”** means arrangements for the purposes of sharing the Minimum Details with specified persons as:

- (a) set out in the Retail Energy Code, or
- (b) designated by the Authority by publishing a statement in Writing (following public consultation and giving at least two months’ prior notice).

**“Safe and Reasonably Practicable in all the Circumstances of the Case”** is to be interpreted in accordance with ~~paragraph 28.1B of standard condition 28~~ SLC 28.4.

27.8C The licensee must ensure that the terms and conditions of each Domestic Supply Contract or a Deemed Contract reflect the following provisions of the standard conditions:

- (a) paragraphs 5 to 8 (inclusive) of standard condition 27 and ~~paragraphs 5 and 6 of standard condition 28B~~ SLC 28.15 and SLC 28.16, stipulating that charges may not be demanded or recovered and until it can be established that the corresponding contractual terms have been complied with; and
- (b) paragraphs 17 and 18 of standard condition 27.

### **Provision of Involuntary Prepayment Meter Credit**

27A.7A On each occasion the licensee installs an Involuntary Prepayment Meter in accordance with SLC 28.7, the licensee must ensure that each Domestic Customer receives Involuntary Prepayment Meter Credit, unless it is technically infeasible and/or outside of the control of the licensee to offer those credit facilities to that Domestic Customer.

27A.7B Where paragraph 27A.7A applies, the licensee must adhere to SLC 27.8 when calculating instalments for the Domestic Customer to repay the total amount of Involuntary Prepayment Meter Credit.

27A.7C In the event it is technically infeasible to apply the Involuntary Prepayment Meter Credit in paragraph 27A.7A, the licensee must take all reasonable steps to ensure that the Domestic Customer does not experience an interruption to their gas supply.

### **Provision of Information**

27A.8 The licensee must ensure that each Domestic Customer who uses a Prepayment Meter is given adequate information in a form and frequency that is sufficient to allow that Domestic Customer to quickly and easily understand the licensee's Emergency Credit, Friendly-hours Credit, ~~and~~ Additional Support Credit and Involuntary Prepayment Meter Credit facilities (as appropriate) including what this is, when this can be used and how this is repaid by the Domestic Customer.

### **Definitions for condition**

27A.9 In this condition:

**“Additional Support Credit”** means a fixed amount of credit provided to a Domestic Customer in a Vulnerable Situation when that Domestic Customer's Prepayment Meter credit runs low or runs out to ensure continuity of electricity supply or return on supply.

**“Emergency Credit”** means a fixed amount of credit provided to a Domestic Customer when that Domestic Customer's Prepayment Meter credit runs low or runs out to ensure continuity of electricity supply or return on supply.

**“Friendly-hours Credit”** means an amount of credit provided overnight, at weekends and public holidays to a Domestic Customer when that Domestic Customer's Prepayment Meter credit runs low or runs out to ensure continuity of electricity supply or return on supply.

**“Involuntary Prepayment Meter Credit”** 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.

**“Self-disconnection”** means when a Domestic Customer uses a Prepayment Meter and experiences an interruption to their electricity supply because the credit on the meter has been exhausted. Terms derived from this, such as ‘Self-Disconnected’ and ‘Self-Disconnecting’ shall be construed accordingly.

**“Self-rationing”** means when a Domestic Customer deliberately limits its electricity use to save money for other goods or services. Terms derived from this, such as ‘Self-Ration’ and ‘Self-Rationed’ shall be construed accordingly.

### **Information about Prepayment Meters**

28.1 If the licensee offers to enable a Domestic Customer to pay or a Domestic Customer asks to pay Charges through a Prepayment Meter, the licensee must provide, prior to or upon the installation of that meter, appropriate information to that customer about:

- (a) the advantages and disadvantages of a Prepayment Meter;

- (aa) information relating to the operation of the Prepayment Meter, including information about the process for, and methods by which, the Domestic Customer can pay in advance through the Prepayment Meter;
- (b) where ~~he~~ they may obtain information or assistance if:
  - (i) the Prepayment Meter is not operating effectively; or
  - (ii) any device used to allow the Charges to be paid through the Prepayment Meter is not operating effectively;
- (bb) the licensee's Emergency Credit, Friendly-hours Credit, ~~and~~ Additional Support Credit and Involuntary Prepayment Meter Credit facilities as defined in SLC 27A including what this is and when this can be used by the Domestic Customer; and
- (c) the procedures that the licensee will follow when removing or resetting the Prepayment Meter, including the timescale and any conditions for removing or resetting it.

### **Safety and reasonable practicability of Prepayment Meters**

~~28.1A~~ 28.2 Where a Domestic Customer ~~requests, is offered or~~ uses a Prepayment Meter or a licensee installs an Involuntary Prepayment Meter and the licensee becomes aware or has reason to believe that it is ~~no longer~~ not safe and reasonably practicable in all the circumstances of the case for the Domestic Customer to have a Prepayment Meter ~~do so~~, the licensee must offer:

- (a) to alter the position of, or replace with one which has been specially adapted, the Prepayment Meter installed in the Domestic Premises, either in accordance with its obligations under Schedule 2B (Gas Code) or otherwise, if it would make it safe and reasonably practicable in all the circumstances of the case, for the Domestic Customer to continue to use the Prepayment Meter;
- (b) to make such other arrangements as are necessary to ensure that it would be safe and reasonably practicable in all the circumstances of the case, for the Domestic Customer to continue to use the Prepayment Meter; or
- (c) a facility for the Domestic Customer to pay Charges through a means other than a ~~Prepayment M~~ Prepayment Meter, including, where ~~condition~~ SLC 27.5 applies, the services referred to in ~~condition~~ SLC 27.6(a)(i) and (ii).

28.3 In complying with SLC 28.2, the licensee must contact the Domestic Customer, in a form that takes into account their communication preferences, as a minimum, on an annual basis, to assess whether the Prepayment Meter remains safe and reasonably practicable in all the circumstances of the case in accordance with SLC 28.4.

### **Prepayment Meter guidance**

~~28.1B~~ 28.4 The licensee must at all times have regard to comply with the Prepayment Meter guidance ~~on~~ which includes the interpretation of "safe and reasonably practicable in all the circumstances of the case" which, following consultation, the Authority may issue, and may from time to time revise (following further consultation).

### **Resetting of Prepayment Meters**

~~28.2~~ 28.5 Where a Domestic Customer pays Charges for the Supply of Gas through a Prepayment Meter, the licensee must take all reasonable steps to ensure that the meter is reset within a reasonable period of time:

- (a) after 1 August 2007, if any change has been made to Charges before that date and the meter has not been reset;

- (b) after any change is made on or after that date to Charges for the Supply of Gas; or
- (c) if payments are being made by instalments using the meter:
- (i) after any change is made to the amount due in instalments; or
- (ii) after instalments are no longer required.

### **Provision of information**

~~28.3~~ 28.6 The licensee must:

- (a) prepare a statement that sets out, in plain and intelligible language, its obligations under SLC 28 ~~this condition and includes the information referred to in paragraph 28.1;~~
- (b) publish that statement on and make it readily accessible from its Website (if it has one);
- (c) take all reasonable steps to inform each of its Domestic Customers who pay Charges through a Prepayment Meter, at least once each year, of the statement and how to obtain it; and
- (d) give a copy of the statement on request and free of charge to any person.

Condition ~~28B~~ 28.7 Involuntary Prepayment Meters PPMs, Warrants relating to Prepayment Meters PPMs and other supplier actions to recover debt

### **Involuntary Prepayment Meters**

28.7 A licensee must not install an Involuntary Prepayment Meter, unless, in accordance with the guidance issued under SLC 28.4, each of the following requirements are satisfied:

- (a) the Debt Trigger has been met;
- (b) the licensee has made multiple attempts to engage with a customer;
- (c) the licensee has complied with its obligations to customers in payment difficulty (including but not limited to under SLCs 27, 27A and 28);
- (d) appropriate Site Welfare Visits have been carried out; and
- (e) the licensee has determined that an Involuntary Prepayment Meter would be safe and reasonably practicable in all the circumstances of the case (including but not limited to the Precautionary Principle, and having carried out checks of all information relating to the Priority Services Register).

28.8 The licensee must comply with any other obligations relating to Prepayment Meters (including but not limited to those in SLCs 27, 27A and 28 and set out in the guidance issued under SLC 28.4). In the event of any irreconcilable inconsistency between SLC 28.7 and any other SLC or any other provision made under them, SLC 28.7 shall prevail.

28.9 In relation to the installation of an Involuntary Prepayment Meter, the licensee:

- (a) when considering the customer's ability to pay and conducting financial assessments, must accept any information relevant to the subject matter of paragraph 28.9;
- (b) must accept information from and actions on behalf of a customer by any person or organisation legally entitled authorised to act on their behalf;

- (c) must not link any staff incentives to the number of installations;  
(d) must ensure that Site Welfare Visits include the use of audio recording equipment or body cameras;  
(e) must ensure that post installation aftercare support is provided; and  
(f) must retain any assessment documentation and audio or body camera recordings for an appropriate period; and  
must have regard to the guidance issued under paragraph 28.4.

### **Prohibitions on exercising a warrant and recovering costs**

~~28B.1~~ 28.10 The licensee must not exercise a Relevant Warrant (or otherwise exercise a statutory power which would give rise to the grounds for obtaining a Relevant Warrant) in respect of a Domestic Customer's premises where such action would be severely traumatic to that Domestic Customer or any member of their household due to an existing vulnerability which relates to their mental capacity and/or psychological state and would be made significantly worse by the experience.

~~28B.2~~ 28.11 The licensee must not charge a Domestic Customer in respect of any costs associated with a Relevant Warrant where:

1. that Domestic Customer has a vulnerability which has significantly impaired their ability to engage with the licensee or a Representative in relation to the recovery of a Relevant Payment; or
2. that Domestic Customer has a severe financial vulnerability which would be made worse by charging them any costs associated with a Relevant Warrant.

### **Cap on warrant costs**

~~28B.3~~ 28.12 Subject to paragraph ~~28B.3A~~ 28.13 where the licensee or any Affiliated Licensee obtains and/or exercises one or more Relevant Warrants in respect of particular Domestic Premises of a particular Domestic Customer, the total amount of charges they recover (or seek to recover) at any time from the same Domestic Customer in relation to any costs associated with those Relevant Warrants and incurred within the Specified Period, must not exceed the Specified Amount (and, for the avoidance of doubt, no additional costs that were incurred within the Specified Period may be recovered during any other period of time).

~~28B.3A~~ 28.13 Where the licensee or any Affiliated Licensee obtains and/or exercises one or more Relevant Warrants in respect of more than one Domestic Premises of the same Domestic Customer, paragraph ~~28B.3~~ 28.12 applies separately to each of those Domestic Premises.

### **Proportionality principle for debt recovery activities**

~~28B.4~~ 28.14 The licensee must only exercise a Relevant Warrant where such action would be proportionate in the context of the amount of the Outstanding Charges.

~~28B.5~~ 28.15 In relation to the recovery of Outstanding Charges, Other Outstanding Charges or any other debt ('the charges') from a Domestic Customer, the licensee must ensure that:



1. any action it or a Representative takes (including, but not limited to, the exercise of statutory powers); and

2. the costs which they seek to recover from that Domestic Customer as a result, are proportionate in the context of the amount of the charges and the customer's ability to pay (as assessed in accordance with SLC 27.5), having regard to the guidance issued under SLC 28.4.

~~28B.6~~ 28.16 Paragraph ~~28B.5~~ 28.15 does not apply in relation to a Transfer Objection.

### **Debt completion assessment**

28.17 The licensee must ensure that once a customer using an Involuntary Prepayment Meter has repaid all debt owed, the customer is contacted and offered:

1. an assessment of whether a Prepayment Meter remains the most appropriate payment method (including but not limited to in accordance with SLC 28.2 and the guidance issued under SLC 28.4);
2. appropriate information on alternative payment methods and tariffs; and
3. the option to move to an alternative payment method.

28.18 If the customer decides, pursuant to paragraph 28.17 to move to an alternative payment method, the licensee must:

(a) agree to and implement this change as soon as reasonably practicable, subject to required credit checks; and

(b) ensure that any security deposit required as part of this process does not exceed a reasonable amount.

### **Duration of the restrictions**

~~28B.7~~ 28.19 Paragraphs ~~28B.1 to 28B.4~~ 28.10 to 28.13 will cease to have effect on 31 ~~December 2020~~ 30 June 2025 unless the Authority specifies a later date by publishing a statement in Writing.

~~28B.8~~ 28.20 The power to specify a later date in paragraph ~~28B.7~~ 28.19 may be exercised by the Authority on more than one occasion (before, on, or after the expiry of any later date specified by the Authority).

### **Definitions for condition**

~~28B.10~~ 28.21 For the purposes of this condition:

**“Involuntary Prepayment Meter” means:**

1. a Prepayment Meter installed by execution of a Relevant Warrant in respect of a Domestic Customer; or
2. a Smart Metering System switched to a mode which requires a Domestic Customer to pay Charges for the Supply of Gas in advance when there are Outstanding Charges and the customer has failed to comply with other payment methods in paragraph 27.6(a) (i) and (ii) and the licensee has made attempts to offer alternative payment methods in accordance with SLC 27, relevant notice has been given under ~~paragraph 23.8B~~ SLC 23,



and the Domestic Customer has not given explicit Consent for the switch to Prepayment mode;

and references to the installation or removal of an Involuntary Prepayment Meter include the switching of any Gas Meter to or from such a mode.

28.22 Each of the following has the meaning given in guidance issued under SLC 28.4 For the purposes of this condition:

“Consent” 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.

“Debt Trigger” 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.

“Precautionary Principle” 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.

“Site Welfare Visit” 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.

**“Relevant Warrant”** means:

- (a) a warrant pursuant to paragraph 23(2)(c) of Schedule 2B to the Gas Act 1986 for the purposes of paragraph 7(3)(a) of Schedule 2B to the Gas Act 1986;
- (b) a warrant pursuant to paragraph 7(4) of Schedule 6 to the Electricity Act 1989; and
- (c) any other type of warrant specified or described by the Authority by publishing a statement in writing (or by issuing a direction to the licensee), following consultation.

**“Specified Amount”** means £150 or such higher amount as may be designated by the Authority from time to time by publishing a statement in Writing following consultation, or as set out in any guidance issued by the Authority and which the Authority may revise from time to time, following consultation.

**“Specified Period”** means twelve months or such other (shorter or longer) period which may be specified by the Authority by publishing a statement in writing (or by issuing a direction to the licensee), following consultation.

**“Transfer Objection”** means to prevent a Proposed Supplier Transfer on grounds permitted by SLC14.

**“Relevant Payment”** has the meaning given in paragraph 7(1A) of Schedule 2B to the Gas Act 1986 and paragraph 2(1A) of Schedule 6 to the Electricity Act 1989.

## **Application to white label tariffs**

~~28B.9~~ 28.23 In this licence condition any reference to “premises” covers the premises of Domestic Customers supplied under or by virtue of the licence held by the licensee, including where those premises are subject to Tariffs which use the brand name of a person that does not hold a Gas Supply Licence and/or an Electricity Supply Licence.

## **Condition 28 B**

**Not used**

~~*“Condition 28B. Warrants relating to Pre-payment Meters and other supplier actions to recover debts*~~

### **~~Prohibitions on exercising a warrant and recovering costs~~**

~~28B.1~~ The licensee must not exercise a Relevant Warrant (or otherwise exercise a statutory power which would give rise to the grounds for obtaining a Relevant Warrant) in respect of a Domestic Customer’s premises where such action would be severely traumatic to that Domestic Customer due to an existing vulnerability which relates to their mental capacity and/or psychological state and would be made significantly worse by the experience.

~~28B.2~~ The licensee must not charge a Domestic Customer in respect of any costs associated with a Relevant Warrant where:

- ~~1.~~ that Domestic Customer has a vulnerability which has significantly impaired their ability to engage with the licensee or a Representative in relation to the recovery of a Relevant Payment; or
- ~~2.~~ that Domestic Customer has a severe financial vulnerability which would be made worse by charging them any costs associated with a Relevant Warrant.

### **~~Cap on warrant costs~~**

~~28B.3~~ Subject to 28B.3A, where the licensee or any Affiliated Licensee obtains and/or exercises one or more Relevant Warrants in respect of particular Domestic Premises of a particular Domestic Customer, the total amount of charges they recover (or seek to recover) at any time from the same Domestic Customer in relation to any costs associated with those Relevant Warrants and incurred within the Specified Period, must not exceed the Specified Amount (and, for the avoidance of doubt, no additional costs that were incurred within the Specified Period may be recovered during any other period of time).

~~28B.3A~~ Where the licensee or any Affiliated Licensee obtains and/or exercises one or more Relevant Warrants in respect of more than one Domestic Premises of the same Domestic Customer, paragraph 28B.3 applies separately to each of those Domestic Premises.

### **Proportionality principle for debt recovery activities**

~~28B.4 The licensee must only exercise a Relevant Warrant where such action would be proportionate in the context of the amount of the Outstanding Charges.~~

~~28B.5. In relation to the recovery of Outstanding Charges, Other Outstanding Charges or any other debt ('the charges') from a Domestic Customer, the licensee must ensure that:~~

- ~~1. any action it or a Representative takes (including, but not limited to, the exercise of statutory powers); and~~
- ~~2. the costs which they seek to recover from that Domestic Customer as a result, are proportionate in the context of the amount of the charges.~~

~~28B.6 Paragraph 28B.5 does not apply in relation to a Transfer Objection.~~

### **Duration of the restrictions**

~~28B.7 Paragraphs 28B.1 to 28B.4 will cease to have effect on 31 December 2020 unless the Authority specifies a later date by publishing a statement in Writing.~~

~~28B.8 The power to specify a later date in paragraph 28B.7 may be exercised by the Authority on more than one occasion (before, on, or after the expiry of any later date specified by the Authority).~~

### **Application to white label tariffs**

~~28B.9 In this licence condition any reference to "premises" covers the premises of Domestic Customers supplied under or by virtue of the licence held by the licensee, including where those premises are subject to Tariffs which use the brand name of a person that does not hold a Gas Supply Licence and/or an Electricity Supply Licence.~~

### **Definitions for condition**

~~28B.10 For the purposes of this condition:~~

**~~"Relevant Warrant"~~** means:

- ~~(a) a warrant pursuant to paragraph 23(2)(c) of Schedule 2B to the Gas Act 1986 for the purposes of paragraph 7(3)(a) of Schedule 2B to the Gas Act 1986;~~
- ~~(b) a warrant pursuant to paragraph 7(4) of Schedule 6 to the Electricity Act 1989; and~~
- ~~(c) any other type of warrant specified or described by the Authority by publishing a statement in writing (or by issuing a direction to the licensee), following consultation.~~

**~~"Specified Amount"~~** means ~~£150 or such higher amount as may be designated by the Authority from time to time by publishing a statement in Writing.~~

**~~"Specified Period"~~** means ~~twelve months or such other (shorter or longer) period which may be specified by the Authority by publishing a statement in writing (or by issuing a direction to the licensee), following consultation.~~

~~“Transfer Objection” means to prevent a Proposed Supplier Transfer on grounds permitted by standard condition 14.~~

~~“Relevant Payment” has the meaning given in paragraph 7(1A) of Schedule 2B to the Gas Act 1986 and paragraph 2(1A) of Schedule 6 to the Electricity Act 1989.~~