

Statutory Consultation – Involuntary PPM

Citizens Advice Scotland response

Key points

- Our position remains that an outright and permanent ban is necessary to protect consumers now and through next winter.
- While the introduction of a Code of Practice is a progression in terms of where we were prior to February 2023, what is proposed is a downgrade on the protections which were in place during the moratorium period.
- Moreover, as outlined in [our original consultation response](#), the existing suite of regulations and conditions are already often inadequate to protect consumers in practice.
- Whether you physically install a PPM in someone’s home, or switch remotely, the outcome is the same. People – who are at risk of being made vulnerable, often with young children – are being moved from a situation where energy costs can be smoothed out over time, to a situation where the costs must be covered up front.
- Many people will not have that income upfront and available and this will result in self-disconnection. The EHU logged 12,619 self-disconnection cases between the 1st October 2022 and the 31st March 2023). This is a 322% increase on the year prior.
- The outcome of allowing suppliers to resume forced installations this coming winter will mean that many households will be left with the stark reality of being unable to afford energy and having no option but to self-disconnect.

An outright ban on involuntary PPM offers best protection for at-risk consumers

- We remain of the view that there should be an outright ban on Mandatory PPM.
- The highest level of protection consumers had was during the moratorium on forced installation and switching. A Code of Practice, even when on a statutory footing, cannot protect consumers in a way that an outright ban will.
- Being put on a PPM can have life changing impacts, with significant safeguarding issues.
- PPMs are not always installed as a last resort and being on the Priority Services Register (PSR) does not always result in appropriate support.
- In our evidence, we found that the threat of forced installation was prevalent. Even where that action wasn’t undertaken due to the intervention of advice, the impact on a person affected cannot be understated, as outlined below:

Citizens Alert: A West of Scotland CAB was helping someone in her early 60s with severe health conditions. Her income source is disability benefit. She had attempted to negotiate a payment proposal to manage the debt owed to her energy supplier. Her offers were refused, and that supplier is now trying to obtain a warrant to install a pre-payment meter. She is desperately seeking to avoid this due to the risk of

self-disconnection – and even if she had that money, there are practical difficulties with the process of purchasing and applying credit to the meter.

Citizens Alert: EHU was supporting a consumer with physical and mental health issues, asthma and COPD whose medication requires refrigeration. They have a support worker for learning difficulties and are in receipt of Universal Credit and Personal Independence Payment. The supplier was intending to force fit PPMs on 26th January 2023 (referral received 24th). Their debt is approximately £600 over both fuels. Vulnerability (including health and financial vulnerability) is noted on their account, but their supplier was continuing with PPM action until contacted by EHU. At that point PPM installation stopped and the consumer was put in touch with Ability to Pay team. There is ongoing discussion regarding an affordable payment plan, but it has been confirmed that a prepayment meter will not be fitted.

The Code of Practice is untested

- With the Code of Practice only coming into force on the 18th of April, it hasn't been in place long enough to have been adequately evaluated and reviewed. It is being put on a mandatory footing with no evidence that it is working adequately.
- Prior to the introduction of the Code, rules were not being adequately enforced.
- CAS has previously called for better enforcement and that this should be backed up by a risk assessment, review and evaluation of PPM installation. This applies equally to the Code and should be carried out before it is put on a statutory footing.
- The consultation states that Ofgem recognises that suppliers may not have been following existing rules and the extent of the impact of this and the exact impact of the proposals cannot be estimated. The MCR is still ongoing. The review into suppliers is also ongoing and these, with this consultation, seem to be running concurrently but with little recognition of each.
- While we recognise the need to act swiftly to protect consumers in response to recent supplier failings, several unknowns remain and estimates cited in the consultation, an ongoing MCR and no evaluation of the effectiveness of the Code.

The Code of Practice doesn't go far enough

- We remain of the view that there should be an outright ban on Involuntary PPM.
- Defining a high-risk category is welcome but parameters of what that entails is currently too narrow and should be extended.
- The approach to the definition of high-risk should start from a broad-base – it is far better that people who may be relatively lower risk are captured within the high-risk 'do not install' category, rather than a scenario where people who are high-risk are left outside of the enhanced protections.
- It remains unclear what evidence consumers may be required to provide to demonstrate that they are at risk of harm from paying for their energy via prepayment.

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- The consultation states that over 85s “appear to be on the border of the optimum balance.” Again, our position is that it is better to include those who may be high risk and prevent harm, than to exclude and risk harm.
- That same principle applies to the inclusion of children under 5. The examples below outline way in which these households can be impact, and also highlight the inadequacy of existing protections such as PSR.

Citizens Alert: A North of Scotland CAB reports of a single parent family with a child under 5. Client stated she had used her emergency credit and was now disconnected from her electric supply (she has electricity only). Her supplier has refused to provide additional credit as she has already had this once, although she had paid this back. Client is on the PSR.

Citizens Alert: A North of Scotland CAB reports of a client a 25 year old single parent with two children aged two and nine. Client is in receipt of Universal Credit, Personal Independence Payment, Child Benefit, Scottish Child Payment and Council Tax Reduction. Client is not able to top up her meter as they have no money and will not receive next benefit payment until next week. Client has a pre-payment. Client states that they have contacted the supplier to arrange an emergency credit and was informed that this would take up to 10 days to process by which time the credit would have run out.

About Citizens Advice Scotland

Citizens Advice Scotland (CAS), our 59-member Citizen Advice Bureaux (CAB) and the Extra Help Unit, form Scotland's largest independent advice network. Scotland's Citizens Advice Network is an essential community service that empowers people through our local bureaux and national services by providing free, confidential and independent advice. We use people's real-life experiences to influence policy and drive positive change. We are on the side of people in Scotland who need help and we change lives for the better.