

Statutory Consultation – Involuntary PPM

Response from the Centre for Sustainable Energy

Who we are

We're a charity supporting people and organisations across the UK to tackle the climate emergency and end the suffering caused by cold homes. We do this by sharing our knowledge, practical experience and policy insights. For over 40 years, we've supported people to take effective action on energy in their homes. We help communities and local councils to understand energy issues, set priorities, and put plans into action. Our research and analysis focus on making the energy system greener, smarter and fairer.

Through our advice line, home visits and one to one support, we support around 15,000 people a year to reduce their bills and make their homes more energy efficient. More people are experiencing financial difficulties and higher energy costs. This means that more people need our advice than ever before. During the last financial year, we helped people achieve financial outcomes of over £7m. Over £300,000 of this has been given to prepayment meter customers in the form of vouchers. This short-term intervention is in part designed to address the unfair premium that prepayment meter customers are currently paying.

Trust in the energy market is a fundamental requirement of a transition to a functioning future energy system. The district network operators need the smart meter roll out to happen in a timely manner if they are to become system operators. Many of the people we speak to no longer want a smart meter because they fear being switched remotely to prepay. This is very worrying when the smart meter roll out sits at 57% of homes with nearly half of the remaining homes having concerns about them¹. (NAO)

Our response

CSE wholeheartedly disagrees with energy suppliers being given the power to restart forcing people onto prepayment meters (PPMs). Our response mirrors that of the End Fuel Poverty Coalition and we entirely support their well-thought-out position.

In recent weeks [Kirby](#) and the [BBC Radio 4's You & Yours programme](#) have reported that energy firms who agreed to the voluntary ban are continuing to threaten households with forced installation.

[Evidence shows](#) email and post correspondence from debt collection firms and energy companies claiming that they will obtain a court warrant to forcibly enter their properties and install the meter. Many of the threats posted from energy companies are taken from emails and letters sent after the

¹ NAO Update on the rollout of smart meters (2023)

voluntary end to forced installation was imposed earlier in 2023. Facebook groups and Twitter posts continue to show this practice continuing.

While Centrica promised that only a handful of households were wronged, this shows the underlying complacency on this issue from energy firms, the Government and regulators.

Even a handful of cases is too many given the dangerous implications of being on a prepayment meter which runs out of credit. This means we need to keep in mind [The Times investigation](#) into British Gas at all times and the impact of what restarting forced PPMs may mean to those in vulnerable situations.

We believe that a legally enforceable ban on the forced transfer of homes onto a PPM (by court order or smart meter transfer) is the only solution to this abuse of power.

We are disappointed that the Government continues to refuse to amend the Energy Bill to provide the protections vulnerable households need.

Sadly, given the Ministers' apparent dereliction of responsibility, we must therefore support Ofgem's proposals to integrate the Code into the supply licences. [Q1]

However, we do not believe the Code itself goes far enough, nor will it protect the most vulnerable from the risks of disconnection (or self-disconnection).

If vulnerable households are unable to heat their homes adequately, because they have been placed onto a prepayment meter which has run out of credit, they run the risk of their homes becoming cold and damp.

Research for the [Warm This Winter campaign](#) suggests that as many as two-thirds of PPM customers could be classed as vulnerable with many of these spending winter 2022/23 in cold damp homes.

We appreciate that Ofgem has spoken to health practitioners in development of the consultation, but we would urge Ofgem to also consider the following expert analysis of the impact of living in cold damp homes:

- Cold homes can cause and worsen respiratory conditions, cardiovascular diseases, poor mental health, dementia and hypothermia ([Institute of Health Equity](#)) as well as cause and slow recovery from injury ([PHE](#)).
- Fuel poverty impacts people's physical health by causing higher levels of inflammation, measured by fibrinogen, a blood-based biomarker. Elevated fibrinogen levels have been strongly linked to higher risk of coronary heart disease, heart attacks, stroke and an increased risk of death ([UEA](#)).
- Living in non-decent, cold or overcrowded housing and in unaffordable housing are further key drivers of increased stress and a reduction in a sense of empowerment and control over one's life, and in turn of depression and anxiety ([Gibson et al.](#)).
- In a study of young people aged 11-18, more than one in four who lived in cold damp homes were at risk of developing mental health problems, in comparison to 1 in 20 who had a history of living in warm housing ([Geddes et al.](#)).
- A report by the [Money and Mental Health Policy Institute](#) highlighted the impact of the cost of living crisis on the public's mental health. One person told researchers, "I can't sleep at night for worrying, I keep crying and wonder how I'll manage to keep going. I'm staying in

bed a lot more, even though I'm not sleeping, as I'm scared to go out and spend money, and scared to heat the flat when it's cold."

- A [Public Health England report](#) found that cold homes and poor housing conditions have been linked with a range of health problems in children.
- A [Childhood Trust report](#) found that fuel poverty can also have a number of indirect impacts, such as lower rates of educational attainment in school, and a strain upon young people's mental health.
- The [British Medical Journal](#) reports that "children growing up in cold, damp, and mouldy homes with inadequate ventilation have higher than average rates of respiratory infections and asthma, chronic ill health, and disability. They are also more likely to experience depression, anxiety, and slower physical growth and cognitive development."
- A third of disabled adults saying their impairment or condition has a significant impact on their energy costs. The impact of this is severe, with half of disabled people are not planning to use heating, even when cold, and more than a third cutting back on food and skip meals. ([Scope](#)).

Therefore, we agree with Ofgem's approach to integrating the relevant parts of the Code into the Safe and Reasonably Practicable guidance [Q2] and that 'over 85s' in the 'do not install' category [Q3].

And based on the evidence above, it is clear that Ofgem should include children under the age of 5 in the 'do not install' category [Q4].

But equally, based on the above evidence, it is clear that Ofgem's definition of those to be protected by the 'do not install' category does not go far enough.

In the strongest possible terms, we would urge Ofgem to broaden the scope of the 'do not install' category.

A presumption not to install a prepayment meter should be the case if an inhabitant of a household:

- Is medically dependent on powered medical equipment in order to stay healthy at home (e.g. dialysis machines, oxygen concentrators, use artificial ventilators) or rely on energy to power equipment (e.g. charge wheelchairs, run fridges for medicines)
- Has a respiratory disease
- Has a cardiovascular disease
- Suffers from mental ill health
- Has Sickle Cell Disease
- Has issues with nutrition, or may be at risk from poor nutrition caused by not being able to use energy (e.g. if a young child is present in the household)
- Is young or a school age child
- Could otherwise be considered elderly or disabled
- Could otherwise be considered financially vulnerable and at risk of "self disconnection"

This wider definition of vulnerability should be the default in the energy market going forward.

If it is not possible for the full list of vulnerabilities above to be included in the "do not install" list, at the very least this should form the basis of the "further assessment needed" category. **The impact of**

all installations of prepayment meters among these groups should be subject to close regulatory scrutiny, statistical reporting and formal review.

While we are unable to provide any further evidence on the potential costs and benefits of your proposals [Q5], it is clear that Ofgem also needs to consider the risks associated with not going further than the voluntary code. For example, illnesses linked to cold, damp and dangerous homes cost the NHS more than £2.5 billion a year ([IHE](#)). Increasing protections for vulnerable groups, as outlined above would help reduce reliance on the NHS.

We welcome the fact that Ofgem reflected the concerns of End Fuel Poverty Coalition members in the terms of this consultation [pp 22-26], however it was notable that the responses you received have created two sides to this debate.

On the one hand there are the groups who work on the front line with people who experience fuel poverty and struggle to keep their homes warm in the winter urging for more protection from the worst excesses of the energy market. On the other side are the energy firms who seem keen to reduce the protections available to vulnerable groups and limit the scope of these protections.

Ofgem has a clear choice to make.

A failure to act on this in a comprehensive manner is a matter of life and death for some customers and energy firms and Ofgem should fully appreciate the impact of its decision making on people's health and wellbeing.