



STATUTORY CONSULTATION – INVOLUNTARY PPM RESPONSE FROM CLIMATE CYMRU

26/07/23

Climate Cymru is an active network of over three hundred partner organisations from Welsh society, and a movement of over 14,000 individuals from across Wales who are concerned about climate change.

[Warm This Winter](#) is a UK-wide campaign supported by leading anti-poverty and environmental organisations calling on the UK Government to provide emergency support for people struggling with energy bills and a coherent plan to end oil and gas developments, through a rollout of home insulation and the upscaling of renewable projects.

Climate Cymru is running a sister version of the campaign in Wales, calling on the Welsh Government to support vulnerable people in Wales, and to implement policies to support them via home efficiency grants, and investment in community renewables.

We initiated a petition to the Senedd's Petitions Committee in Cardiff Bay calling for an inquiry into Prepayment Meters. This triggered such an inquiry by Politicians, and we have given evidence to it formally, providing a voice for those who signed our petition, and those in Wales affected by this scandal. We await the outcome of the committee investigation, but without our work, no such inquiry would have taken place. The First Minister recently said in the Senedd *"It is our view that the enforced instalment of prepayment meters should be banned completely."*

Having followed this issue closely via our campaign work and via our membership of the UK Parliament APPG on ppm's, we do not believe that energy firms should be given the power to restart forcing people onto prepayment meters (PPMs).

The [investigation by Dean Kirby of the i paper](#) revealed the extent to which energy firms were using the courts to gain warrants to people's homes to force them onto PPMs. 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](#) 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. Case studies we have identified from Wales show that people have been treated unfairly by the system, and are choosing between heating and eating as a result.

We cannot tolerate more cases where people are treated unfairly, 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.

We are disappointed that the UK 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. 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.

Warm this Winter Wales also carried out a Wales specific survey which showed that people on PPM's had cut back on other activities in their lives so as to afford to pay bills, and were worried about their bills constantly.

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

- Research from Warm this Winter shows that half a million people in Wales spent Christmas of 2022 in cold, damp ['dickensian conditions'](#).
- The [unfair penalty some areas of Wales](#) pay due to the Distribution Network Operators (DNOs) charging more for the same energy than in the rest of the UK is an area of concern for campaigners in Wales.
- The NHS Confederation in Wales has stated that the cost of living is proving to exacerbate inequalities in Wales, and Wales now has the worst child poverty rate of all the UK nations at 31%
- The Guardian has reported that the Mental Health of people in Wales are [worst affected](#) by the cost of living crisis in a yougov poll for Business in the Community.

We agree with Ofgem's approach to integrating the relevant parts of the Code into the Safe and Reasonably Practicable guidance and that 'over 85s' in the 'do not install' category. Ofgem should include children under the age of 5 in the 'do not install' category.

However, Ofgem's definition of those to be protected by the 'do not install' category does not go far enough. This needs to be widened to include more categories of people.

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.

We must see bold action from Ofgem to support the most vulnerable in our society. We believe that action is only now being taken by the regulator due to the campaigning happening on the ground that shone a light on these awful practices. We urge you to initiate discussions with the UK Government about strengthening the role of Ofgem, ensuring that you are able to take swift action against the way in which Energy companies treat the most vulnerable in our society.