



Making a positive difference  
for energy consumers

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Date: 25 August 2025

### **Regulatory expectations on suppliers' use of Additional Support Credit**

In 2020 we introduced the 'additional support credit' (ASC) rules<sup>1</sup>, which require suppliers to offer additional credit to vulnerable prepayment customers who have self-disconnected or are at risk of doing so. The intent of the policy is to provide temporary emergency support to consumers in vulnerable situations to help avoid the harm that can be caused by self-disconnection. We expect consumers to pay back the ASC provided, at a rate appropriate to their circumstances and consistent with the Ability to Pay rules.

We have seen both the amount and instances of ASC provision have increased considerably since the beginning of the gas crisis.<sup>2</sup> ASC is a vital tool to ensure support is available to consumers in vulnerable situations. However, it is not intended as a tool to provide ongoing affordability support, particularly if continuous provision leads to a consumer getting into an unsustainable level of debt, which can also be detrimental to consumers' mental health and wellbeing, and might lead to harmful spending restrictions in other areas. Some consumers, particularly those with negative budgets, face ongoing hardship and repeated self-disconnection. In such cases, suppliers should explore long-term, sustainable solutions in addition or as an alternative to ASC, including referrals to financial support and relevant services.

We expect suppliers to assess each offer or request for ASC on an individual basis. This should be based on engagement with the customer to determine the need for ASC, and if granted, the

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<sup>1</sup> The ASC rules (SLCs 27A.5-27A.9), combined with rules on customers in payment difficulty (SLCs 27.5-8) and Assistance and advice information (SLC 31G) are designed to provide a holistic support provision for consumers struggling to pay for their energy.

<sup>2</sup> From September 2022, increase from around £4m a month to between £8m - £18m a month, with seasonality peaks

appropriate value, frequency, and repayment terms based on the severity of their situation and ability to pay. Suppliers may seek additional information to further understand the customers' circumstances that helps explain the challenges a customer requesting ASC is facing. Any treatment of customers should be proportionate and fair, in line with the Standards of Conduct in SLC0 and the requirements of SLC 4A<sup>3</sup>. Suppliers must have regard to the impact on the consumer when judging the nature and timing of this type of request.

We recognise there are circumstances where ASC may not be the most appropriate support mechanism. This is reflected in the ASC rules, which include a requirement for suppliers to consider if the provision of ASC is in the customer's best interest, and a requirement to provide alternative support where this is more appropriate to the customer's circumstances. Suppliers can also consider limitations to or rejections of ASC in situations where they consider a customer may be misusing credit. This could include failing to adhere to agreed ASC repayment terms without further engagement or providing false information about vulnerability status or financial hardship.

If a supplier suspects misuse of credit, it is essential that this is investigated thoroughly and in accordance with the best interest assessment outlined in the rules. Each case must be considered on a case-by-case basis, ensuring that any decision to provide or withhold support is proportionate, fair, and tailored to the consumer's individual circumstances. Where ASC is refused, suppliers must consider and should offer support with long-term solutions, e.g. signpost to a free debt advice service, sustainable and affordable repayment plans, support with energy efficiency measures, income maximisation or considering whether prepayment is the most suitable payment method.

Suppliers must also record clear justification for decisions taken, including evidence for why the assessment determined ASC to be unsuitable, to ensure transparency and accountability.

We have included examples of good practice we have observed in the annex of this letter.

### **Next steps on our Debt Strategy work**

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<sup>3</sup> SLC 4A(1) states "The licensee must ensure it has and maintains robust internal capability, systems and processes to enable the licensee to: efficiently and effectively serve each of its Customers; efficiently and effectively identify likely risks of consumer harm and to mitigate any such risks; and comply with relevant legislative and regulatory obligations."

This clarification forms part of our Debt Strategy work. We intend to publish an update to our priorities and work programme in the Autumn. We expect this update to include further considerations on:

- Ensuring we have a controlled approach to credit in the retail market, including exploring the roles of different payment methods and reviewing how and when financial support should be offered to customers.
- Tackling system inefficiencies and incentives that might mean that customers with the means to pay, avoid paying their fair share, or are not incentivised to engage with their supplier.
- Improving customer trust and engagement in the sector to ensure better debt outcomes for individual customers and the sector as a whole.

As part of this work, we are open to further discussion on vulnerability verification, including when it may be appropriate to ask for verification and what would be appropriate to request as evidence.

Yours sincerely,

Charlotte Friel  
Director, Retail Pricing and Systems

## **Annex - Areas of good practice**

### Clear staff policies, training and support

We have observed strong examples of well-considered and comprehensive policies that clearly outline the steps front-line advisers should follow when supporting customers with ASC. Notably, these policies include:

- Clear guidance on the complete customer journey, including when vulnerability assessments should be completed, reviewed, or confirmed with the customer.
- Scenario-based examples to support adviser decision-making in complex situations.
- Defined escalation routes and adviser support mechanisms, particularly where the policy may lead to a refusal of ASC.

When these policies are paired with robust, regularly updated training—shaped by quality assurance insights and adviser feedback—and reinforced through ongoing engagement with advisers, team leaders, and escalation points, they contribute to more consistent and positive outcomes for consumers in vulnerable circumstances.

### Holistic support

To better support consumers in vulnerable situations from the moment they first experience difficulty paying, we have observed effective practices where suppliers initiate alternative forms of support at the first point of contact. This is often provided alongside financial assistance, such as ASC or non-repayable credit. This proactive and holistic approach has been shown to improve outcomes for consumers and reducing their future reliance on ASC.

The types of alternative support vary but commonly include signposting or providing tailored referrals to services such as debt advice, income maximisation support, and arranging site visits for consumers identified as self-disconnecting and unresponsive to previous communication attempts.

### Further assessment and escalation triggers

Within the policies reviewed, we have seen leading examples that include clear triggers and decision points prompting a more detailed assessment of a consumer's circumstances. In these cases, guidance sets out the specific steps front-line advisers should follow—whether that involves conducting a more in-depth vulnerability or financial assessment, including their ability to pay or initiating appropriate signposting or escalation routes.

We have also observed good practice where assessments of vulnerability for the provision of ASC are informed by practical considerations and existing guidance. Whilst suppliers should consider consumers' circumstances in the round, they may also wish to consider existing guidance such as the PPM Guidance (Safe and & Reasonably Practicable) which outlines circumstances and characteristics where there may be a risk of detriment if a PPM is installed or, if already installed, remains the mode for paying for energy.<sup>4</sup> This Guidance can similarly be used to guide policies used to assess the potential for detriment if ASC is refused and no alternative support is available.

This structured approach ensures that decisions are subject to an additional layer of oversight to help to ensure that the outcome for the consumer is appropriate, fair, and well-informed.

### Identifying vulnerability

To accurately assess and respond to consumer vulnerability, we have identified several examples of good practice, including:

- Providing accessible and straightforward routes for consumers to self-identify as being in vulnerable circumstances
- Using system-based prompts for frontline advisors when engaging with consumers to encourage appropriate and timely conversations about vulnerable situations
- Using data analytics to proactively flag potential indicators of vulnerability
- Monitoring consumer interactions for signs of distress, confusion, or disclosure of personal challenges
- Appropriately utilising the full set of industry PSR needs codes

In line with our Consumer Vulnerability Strategy, we also consider it good practice for suppliers to:

- Explore the use of open data and leverage existing digital platforms and tools to better identify, understand, and support consumers in vulnerable situations.
- Actively participate in cross-sector data sharing to build a more complete picture of consumer needs and risks.

Furthermore, suppliers should carefully consider the role of emerging digital technologies, such as artificial intelligence, to enhance their understanding of consumer behaviour, enable early intervention, and remove barriers to self-identification. These tools can also help foster a more open environment where consumers feel safe to disclose their circumstances and seek support.

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<sup>4</sup> [Involuntary prepayment meter decision | Ofgem](#)