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4 February 2015

Dear Johnathan,

Statutory consultation on proposed modifications to the gas and electricity supply licences to reform the switching process for indebted prepayment meter (PPM) customers – the Debt Assignment Protocol

The Citizens Advice Service welcomes this opportunity to respond to the statutory consultation on a proposed licence change to oblige gas and electricity suppliers to increase the monetary threshold at which they must facilitate the transfer of indebted PPM customers from £200 to £500. It is important that the regulatory obligations on suppliers are clear: the modification of the relevant gas and electricity supply licence conditions to reflect the voluntary arrangement of an increased debt threshold demonstrates a clear expectation on how suppliers must treat PPM customers with a debt who wish to switch.

Ambiguity and inconsistent practice in this area can act as a deterrent and prohibit consumers from engaging with the market. A consistent debt threshold provides clarity and consistency and enables advice providers to more easily support consumers when they seek advice on their right to switch.

We are also supportive of the consequential amendment to the data that suppliers report to Ofgem Citizens Advice and Citizens Advice Scotland as part of the Social Obligations. A requirement for suppliers to break down their reporting according to the number of PPM customers with a debt greater than £500, and the number of PPM customers with a debt equal to or less than £500 will account for the change in the debt threshold and enable more consistent monitoring of the amended licence condition.

Yours sincerely

Dhara Vyas
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