



Making a positive difference  
for energy consumers

Affected domestic gas supply  
licence holders

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Dear Supplier,

### **Overcharging of Gas Prepayment customers – update on supplier refunds and lessons learned**

This letter provides an update on suppliers' progress in refunding live customers, and on the steps being taken to prevent a similar situation occurring again.

We are pleased that, overall, suppliers have continued to treat this issue with the seriousness that it deserves so that virtually all live customers (c1.5m) have now received their refunds. Those refunds remaining relate to unnamed "occupier" accounts where a refund cannot be issued until the customer provides further information. We understand that suppliers will continue to directly refund the small balance of remaining occupier accounts, and that where customers cannot be reunited with their money suppliers will take action to ensure they do not benefit from this issue.<sup>1</sup>

We have liaised with relevant parties to understand the root cause of the CV issue and what remedial actions may be required. We are pleased that the Supply Point Administration Agreement (SPAA), which oversees the management of legacy gas pre-payment meter activities, has set up the Schedule 25 working group to propose relevant changes by the start of autumn 2015. This will ensure there are robust end to end assurance arrangements, solutions to identify a CV issue should it recur, and suitable pre-payment governance arrangements, for legacy pre-payment meters. We also recognise arrangements are being introduced which should prevent recurrence for smart meters.<sup>2</sup> We will raise the CV issue at the Smart Metering Design Group so all parties are aware of the links between these issues going forward.

In terms of other next steps, we will continue to engage with industry to monitor refunding of historic account customers and any remaining residual issues.

Yours sincerely,

**Rob Church**  
**Partner, Retail Markets**

<sup>1</sup> For example, suppliers could make equivalent donations for unclaimed refunds to organisations providing assistance to energy consumers.

<sup>2</sup> <https://www.ofgem.gov.uk/ofgem-publications/95370/deccstatementongasppm180615-pdf>