

Guidance

Supply licence guide: Safety and vulnerable consumer protections

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This is a guide to the rules about safety of energy supply, and specific protections for consumers in vulnerable situations. It's mostly relevant for suppliers of domestic customers, but some of the rules on safety also apply to non-domestic suppliers.

Ofgem may update this guide from time to time. Suppliers are responsible for keeping up to date with the latest version of the rules.

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KEY



Applies to electricity suppliers



Applies to gas suppliers



Applies to domestic suppliers



Applies to non-domestic suppliers*



Some of these rules only apply to suppliers with more or fewer than a certain number of customers

* We specifically state where rules only relate to a subset of non-domestic customers, eg microbusinesses.

Overview of safety and vulnerable consumer protections

We recognise that not all consumers are equally capable of engaging in the market. Some find it challenging, as their circumstances (permanent or temporary) make them vulnerable.¹ These consumers are a key priority for Ofgem.² As retail energy markets evolve, and there are more choices available – both in the number of suppliers and in the types of products and services – we want to ensure that consumers in vulnerable situations are able to benefit. The rules in the supply licences are clear that energy suppliers must make an extra effort to identify and respond to the needs of those in vulnerable situations. Under SLC 0 (the Standards of Conduct), domestic suppliers must identify and understand the characteristics, circumstances and needs of vulnerable customers and satisfy themselves that their actions are resulting in vulnerable consumers being treated fairly.

Protecting consumers is at the core of Ofgem’s role. All consumers have the right to expect safe provision of gas and electricity from their supplier. The rules in the supply licences focus particularly on gas safety, which is important given the risks of carbon monoxide poisoning.

Key Standard Licence Conditions (SLCs) for this theme

Below are the licence conditions that relate to this theme (safety and vulnerable consumer protections). We’ve highlighted some parts of these rules, but you should refer to the actual SLCs for the full detail. The documents listed in the ‘other useful information’ section may help you understand the rules, especially our consultations.

¹ Our definition of vulnerability is when a consumer’s personal circumstances and characteristics combine with aspects of the market to create situations where he or she is significantly less able than a typical consumer to protect or represent his or her interests in the energy market; and/or significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.

² Our [Consumer Vulnerability Strategy](#) has more information about our approach to achieving positive outcomes for consumers in vulnerable circumstances. Our 2018 [report](#) on vulnerable consumers in the retail energy market presents a view of the extent to which vulnerable consumers are experiencing positive outcomes in the retail energy market.

Remember:

The Standards of Conduct contain enforceable overarching principles that are relevant across many supplier activities and licence guide themes. (The Standards are SLC 0 for domestic / SLC 0A for non-domestic suppliers.) These are aimed at ensuring licensees (and their representatives in the case of domestic suppliers) treat each customer fairly. This includes behaving in a fair, honest, transparent, appropriate, and professional manner, and providing information that is complete, accurate and not misleading. Domestic suppliers also need to make an extra effort to identify and respond to the needs of domestic customers who are in vulnerable situations.

SLC 31G Assistance and advice information



- Suppliers must provide domestic consumers with information so they can quickly and easily understand how to
 - (a) identify and contact relevant parties (suppliers, representatives and the relevant gas transporter/licensed distributor) if they have a problem, question, emergency, complaint, or need any other assistance, and
 - (b) seek impartial advice from Citizens Advice consumer service.
- Suppliers must also provide information, as appropriate in the circumstances, so consumers can quickly and easily understand their rights relating to dispute settlement, and how to access appropriate assistance and advice, eg information about debt management and government programmes.
- Gas suppliers must let customers know to report a gas leak immediately, and provide a telephone number for doing this.

RULES RELATING TO SAFETY

SLC 16 Security and emergency arrangements



- Suppliers must comply with all reasonable requests made by gas transporters to prevent or reduce danger to life or property, to secure the safe conveyance of gas, or to secure the safety of gas pipelines.
- This SLC also includes rules on the terms relating to gas safety that must be included, or are prohibited, in domestic and non-domestic gas supply contracts.

SLC 20 Safety of gas supplies, meter point reference number and dispute settlement – for non-domestic customers (gas) / Enquiry service, supply number and dispute settlement – for non-domestic customers (electricity)



- This SLC covers a number of areas. Of particular relevance to this theme:
- Gas suppliers must let customers know to report a gas leak immediately, and provide a telephone number for doing this.
 - Electricity suppliers must keep customers informed of the current postal address and telephone number for their licensed distributor's enquiry service. This is the service that customers can contact to receive reports and advice on anything that might cause danger or require urgent attention.

SLC 29 Gas safety



- Rules on gas safety checks (including how suppliers must conduct these checks), and information that suppliers should provide to domestic consumers about gas safety and gas safety checks.

RULES RELATING TO VULNERABLE CONSUMERS

SLC 0 Standards of Conduct



- The domestic Standards of Conduct contain, amongst other things, a broad vulnerability principle that clarifies to suppliers that to uphold their obligation to treat all domestic customers fairly, they need to make an extra effort to identify and respond to the needs of those in vulnerable situations.
- The domestic Standards apply to all activities of the licensee and any representative which involve, or otherwise relate to, dealings with a domestic customer.

SLC 26 Priority Services Register



- Suppliers must establish and maintain a Priority Services Register (PSR) of domestic customers who may need priority services because they are in a vulnerable situation.
- The SLC sets out factors that may indicate someone should be on the PSR, and the priority services that suppliers must offer these customers for free, e.g. communicating with the customer in an accessible format, and conducting meter readings if the customer is unable to do.

SLC 27 Payments, security deposits, disconnections and final bills



This SLC covers a number of areas. Of particular relevance to this theme:

- Rules about the requirement to offer a wide range of payment methods, including cash and prepayment meters. This only applies to suppliers with over 50,000 domestic customers. Any differences in price between payment methods must be cost-reflective.
- Suppliers with under 50,000 customers must also offer customers the chance to pay for energy through a prepayment meter as an alternative to a security deposit, or if they become aware or have reason to believe that the customer will have difficulty paying for their energy.
- Rules on security deposits. The SLC sets out cases where domestic customers are not required to pay a security deposit. Where a security deposit is charged, it must not exceed a [reasonable amount](#).³
- There is a list of services that suppliers must offer to customers in payment difficulty. Suppliers must take all reasonable steps to ascertain customers' [ability to pay](#) and take this into account when calculating instalments. Suppliers also have to provide energy efficiency information to customers in payment difficulty.

³ Paragraphs 96 and 97 on pages 15 and 16 of this document clarify what constitutes a reasonable amount.

- Rules on disconnecting properties where charges haven't been paid. This includes rules that suppliers must not disconnect certain vulnerable customers during the winter, or disconnect anybody whose debt the supplier has not taken all reasonable steps to recover first by using a PPM.

SLC 28 Prepayment meters (PPMs)



- Rules on information that should be given to consumers before a PPM is installed, steps a supplier must take to ensure it is safe and practicable in all circumstances of the case for a consumer to use a PPM (additional guidance on what this means is [here](#)), and resetting PPMs.

SLC 28A Prepayment charge restriction (PPM price cap)



- Between 1 April 2017 and 31 December 2020, the amount of money suppliers can charge a domestic prepayment customer is subject to a price cap. This applies to all domestic prepayment customers, except those with a fully interoperable smart meter (also known as a SMETS2 meter).
- The SLC sets out how the price cap is calculated and updated, and rules about how suppliers must report their compliance with the price cap to Ofgem.

SLC 28AD Regulation of charges for Domestic Customers supplied under certain Domestic Supply Contracts



- From 1 January 2019, customers who pay standard variable and default rates are protected from being overcharged through a price cap, in order to ensure that prices paid closely reflect the cost of energy supplied.
- Customers that benefited from the WHD safeguard tariff have been moved onto this default tariff cap. However, customers benefiting from the prepayment meter cap are exempt.

SLC 28B Warrants relating to Pre-payment Meters and other supplier actions to recover debts



- Rules to protect customers having PPMs force-fitted under warrant to recover debt, and to improve protections for all consumers in the debt recovery process.
- Prohibits suppliers levying any PPM warrant charges, and banning installations entirely, for the most vulnerable customers.
- Caps the amount that suppliers can levy for warrant-related costs in all cases where a warrant is used to force-fit a PPM to recover debt to £150.
- This condition includes a proportionality principle covering costs and actions of suppliers, for all customers in the debt recovery process.

SLC 32 Reporting on performance (Social Obligations Reporting)



- Requires suppliers to submit information to Ofgem, Citizens Advice, and Citizens Advice Scotland when requested. This includes data on the number of domestic customers in debt, disconnections carried out, and the number of domestic customers on a supplier's PSR.
- We request this data from suppliers quarterly and annually in the form of [Social Obligations Reporting](#).

SLC 35/41 Smart metering installation and installation code of practice – domestic consumers



- Rules to ensure that consumers have a good experience of the end-to-end smart meter installation process and know how to use, and benefit from, the smart metering equipment to improve the energy efficiency of their homes.
- Requires suppliers to collectively prepare a domestic installation code setting out minimum standards of service for domestic smart meter installations.
 - This code has been developed and was approved by Ofgem in April 2013. It's called the Smart Meter Installation Code of Practice ([SMICoP](#)).
 - All domestic gas and electricity suppliers must comply with the SMICoP.
 - One requirement of the SMICoP is that suppliers must identify and meet the needs of specific customer groups during the installation process, including in particular those customers with certain vulnerabilities prescribed in the licence.
- Suppliers should consider the opportunities that the smart meter rollout may bring in relation to their obligations to vulnerable consumers, given that they will be visiting their customers when installing smart meters.

Many licence conditions apply to both the supplier and their **representatives**. This means that any person or third party directly or indirectly authorised to represent the supplier in its dealings with customers **must** have the same considerations for vulnerable consumers as the supplier themselves. Suppliers will be held responsible if any of their representatives fail to do so.

Other SLCs you should consider

SLC 12A Matters relating to theft of gas/electricity



- Suppliers are responsible to detect, investigate, prevent and deter theft of gas and electricity.
- When handling all matters relating to the theft of gas or electricity, suppliers must take into account whether customers are of pensionable age, disabled or chronically sick, and will have difficulty paying charges for the gas or electricity supply resulting from the theft.

SLC 13 Arrangements for site access



- Includes requirements for representatives visiting a customer's premises on the behalf of a supplier, eg that they are a fit and proper person to visit the customer's premises.

SLC 14 Customer transfer blocking



- The domestic rules in this SLC cover, amongst other things, transfer blocking when a customer has a PPM. A supplier cannot object to a domestic customer switching if, for example, the new supplier agrees to take on up to £500 of their debt per fuel, in accordance with the Debt Assignment Protocol.

SLC 22 Duty to offer and supply under domestic supply contract



- This SLC sets out a general duty on suppliers to offer to supply all domestic customers who have requested it. This is subject to certain exemptions, one of which is where a security deposit is required (in compliance with SLC 27) and a customer hasn't paid it.

SLC 22G Requirements for restricted meters



- Restricted meters are where a domestic customer's consumption is separately recorded at certain times and, in some cases, for certain purposes (eg heating). Customers on these types of meters are quite often vulnerable.
- This SLC applies to suppliers with over 50,000 customers. It sets out rules about the tariffs that suppliers must make available and the information they must provide to customers with restricted meters.
- This condition excludes Economy 7 meters and PPMs (the latter being subject to the price cap set out in SLC 28A).

Obligations outside the supply licences

There are regulatory obligations relating to this theme that suppliers should be aware of, other than those in the gas and electricity supply licences. This is not an exhaustive list and we remind suppliers they are responsible for ensuring compliance with all applicable laws and regulations.

- **Rights of disconnection and meter removal** are set out in Schedule 2B to the Gas Act 1986 and Schedules 6 and 7 to the Electricity Act 1989.
- **Health and Safety legislation and other obligations:** this includes the Health and Safety at Work etc Act 1974 and the Electricity at Work Regulations 1989. There are health and safety obligations on energy companies relating to metering safety in industry codes such as the Code of Practice for Gas Meter Asset Managers and the Meter Operation Code of Practice Agreement. The Health and Safety Executive [website](#) also contains a list of separate rules in relation to gas safety.
- **Equality Act 2010:** all service providers, including energy suppliers, have a duty to take certain individuals' vulnerable circumstances into account in their dealings with them as a customer.

The following are voluntary measures. Although not mandatory for suppliers to follow, we think they are helpful for suppliers to be aware of, as they can showcase good practice.

- **Prepayment principles:** principles developed by the trade association Energy UK which commit signatories to ten commitments to raise standards of service for customers using prepayment meters.
- **Safety net:** a series of advanced measures developed by Energy UK integrated into debt management processes that form part of a pledge to never knowingly disconnect a vulnerable customer at any time of year.

Other useful information

Below is a (non-exhaustive) list of some other documents we have published that may help you understand the rules in this theme better. Suppliers may wish to consult other helpful materials about good practice, for example those published by Citizens Advice and other consumer groups and charities.

In addition to the rules for suppliers in this area, we also offer impartial information and advice to consumers. This information can be found on our [website](#). It may be helpful to read in addition to the rules, as it highlights some services that we have indicated consumers can expect from their supplier. The guides for [customers in payment difficulty](#) and those who require [extra help from energy services](#) may be particularly useful.

Document	Date
Consumer Vulnerability Strategy: <ul style="list-style-type: none"> • Open letter: updating the Consumer Vulnerability Strategy- CVS 2025 • Progress report: outlining impact for consumers since publication in 2013 • Consumer Vulnerability Strategy (CVS 2013) 	Dec 2018 Sep 2015 Jul 2013
Vulnerability reports: <ul style="list-style-type: none"> • Vulnerable consumers in the energy market: 2018 (reporting on 2017 performance) • Vulnerable consumers in the retail energy market report (reporting on 2016 performance) • Domestic Suppliers' Social Obligations report (reporting on 2015 performance) 	Jun 2018 Oct 2017 Sep 2016
Introduction of the vulnerability principle, within the enforceable Standards of Conduct: <ul style="list-style-type: none"> • Final decision • Statutory consultation • Policy consultation 	Aug 2017 Jun 2017 Jan 2017
Information on the implementation of the Default tariff cap: <ul style="list-style-type: none"> • Decision • Policy consultation 	Nov 2018 May 2018
Introducing a new obligation around installing prepayment meters under warrant: <ul style="list-style-type: none"> • Final decision • Statutory consultation • Policy consultation • Proposals to improve outcomes for prepayment customers • Prepayment review: understanding supplier charging practices and barriers to switching for prepayment customers 	Nov 2017 Jul 2017 Sep 2016 Dec 2015 Jun 2015
Documents relating to the Debt Assignment Protocol (DAP, the switching process for indebted prepayment meter customers): <ul style="list-style-type: none"> • Letter explaining the actions we took to address the CMA's recommended remedy on improving the DAP process • Final decision confirming changes to the DAP • Statutory consultation • Open letter setting out the results of our review of the DAP 	Feb 2017 May 2015 Dec 2014 Sep 2014

Information about the prepayment price cap: <ul style="list-style-type: none"> • Reporting template and FAQ • Letter to suppliers about the price cap 	Feb 2017 Dec 2016
Changes to the Priority Services Register licence obligations: <ul style="list-style-type: none"> • Final decision • Statutory consultation • Final proposals for consultation 	Oct 2016 Jun 2016 Dec 2015
Guidance on monitoring suppliers' performance in relation to domestic customers (Social Obligations Reporting)	Aug 2016
Modified guidance on the interpretation of “safe and reasonably practicable in all the circumstances of the case” in SLC 28.1B	Mar 2016
Provisional Order issued to Economy Energy regarding their compliance with obligations including SLC 22	Jun 2015
Our expectations of domestic suppliers’ telephone services	Apr 2015
Our expectations of suppliers’ debt collection communications – using alternative branding to communicate with indebted customers	Sep 2014
Open letter on non-domestic debt and disconnection	Dec 2012
Conclusions from an enforcement investigation into British Gas’ compliance with SLC 27	Nov 2011
Conclusions from an enforcement investigation into First Utility's compliance with SLC 27	Apr 2011
Principles to take into account when assessing a consumer’s ability to pay (appendix 1)	June 2010

NB our [website](#) has a full list of all enforcement investigations.

We remind all suppliers that this guide does not modify or replace the conditions in the gas and electricity supply licences. Neither is it an exhaustive list of supplier obligations or information resources. This guide is designed to introduce you to the rules, highlight relevant supply licence obligations, and signpost to key information that may help you understand these rules. Suppliers should continue to refer to the conditions outlined in the most recent versions of the [gas](#) and [electricity](#) supply licences.