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By email to: [CDconsultations@ofgem.gov.uk](mailto:CDconsultations@ofgem.gov.uk)

Dear Arina

## Self-disconnection and self-rationing final proposals – statutory consultation

I am writing in response to the above Ofgem Statutory Consultation, dated 29 June, on improving outcomes for consumers who experience self-disconnection and self-rationing.

This response is not confidential and may be published on your website.

### Executive Summary

- In our letter dated 27 September 2019, we flagged our concerns around the absence of a Data Protection Impact Assessment. We remain concerned that Ofgem's proposals (notably those relating to the identification of self-disconnection) would entail the processing, at a large scale, of our customers' personal data, profiling them to make inferences about their behaviours.
- Profiling customers to understand their consumption patterns, determine when they are and are not consuming energy, looking at how much they spend on energy and making comparisons and drawing conclusions based on these data points (which in itself is also personal data) - are the types of areas that suppliers will need to consider if applying Ofgem's proposed draft licence conditions. This will also entail the processing of highly personal activity and fall firmly within the ICO's requirement for a Data Protection Impact Assessment (DPIA). Proceeding without a DPIA would be inconsistent with the requirements of Article 35 of the GDPR and, just as importantly, would fail to protect consumers, given that a DPIA may identify less intrusive and lower risk processing options available that will achieve Ofgem's objectives.
- Ofgem has a responsibility to ensure that all regulatory activity is targeted only at cases where action is needed<sup>1</sup>. The requirement to monitor all customers who may be self-disconnecting falls widely outside of this. Ofgem has not provided any evidence why suppliers need to monitor all customers who may be self-disconnecting and / or self-rationing.

The Information Commissioner's Office (ICO) requires a DPIA if you plan to:

- use innovative technology (in combination with any of the criteria from the European guidelines)
- use profiling or special category data to decide on access to services
- profile individuals on a large scale

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<sup>1</sup> Utilities Act 2000 amendments to the Gas and Electricity Acts

"(5A) In carrying out their respective functions under this Part in accordance with the preceding provisions of this section the Secretary of State and **the Authority** must each have regard to-

- (a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and **targeted only at cases in which action is needed**; and
- (b) any other principles appearing to him or, as the case may be, it to represent the best regulatory practice."

- track individuals' location or behaviour (in combination with any of the criteria from the European guidelines).

Ofgem is proposing that all of the above could happen, so failure to complete a DPIA is a severe omission in the consultation process. Ofgem has failed to provide effective reasoning as to why a DPIA has not been undertaken.

- We continue to flag that we do not agree that targeted support should be offered to all consumers self-disconnecting, but rather, this should focus on vulnerable consumers to allow suppliers to provide appropriate and targeted support and assistance to those customers who are most in need to get back on supply and manage their future usage. Upscaling proactive monitoring to cover all customers (and not only those who are in specific vulnerable situations or at risk of self-disconnection) will be a **significant and costly exercise**, involving the management of massive data sets and intensive resource and training efforts which we do not believe is included in the Price Cap methodology. Additionally, we hear very clearly from customers that the process of us contacting them as they have gone off supply, is **deeply personal and intrusive** and seen as “checking up on them”.
- As we clearly set out in previous responses to Ofgem consultations on this matter, we believe Ofgem has a critical role to play in engaging with the Government, specifically the Department for Work and Pensions (DWP), in relation to the circumstances that can lead to customers self-disconnecting or self-rationing. For example, the delay in payments being made to consumers transitioning to Universal Credit from legacy benefits causes instances where consumers have not received payment for several weeks. We urge Ofgem to work with the DWP to analyse and improve this transition period, rather than simply imposing onerous new obligations on energy suppliers, which will further drive up operating costs – leading in turn to higher prices for customers. **This disconnect now urgently needs to be addressed by Ofgem**, especially as the proposed Ability to Pay (ATP) licence conditions now make specific inclusion of payments deducted at source from a social security benefit.
- The current definition of self-rationing where a consumer ‘deliberately limits their energy use to save money for other goods or services’ is too broad and highly subjective. As currently drafted, the draft licence condition could capture any reduction in consumption for any reason. If Ofgem is intent on suppliers monitoring self-rationing, it must clearly define the specific criteria that it feels will identify where self-rationing is occurring because of a specific customer detriment related to paying for their energy costs.
- Currently, Ofgem’s proposals are flawed, as they have failed to fully address stakeholders’ concerns / submissions. For example, the policy intention is to protect customers in a vulnerable situation, whilst the drafting of the proposals looks to identify and support all customers.
- Ofgem has failed to undertake a robust Impact Assessment, as there is insufficient detail around the actual costs that suppliers will incur to implement these proposals. The omission to operate consistently within the provision of the Default Tariff Cap (DTC), is fundamentally missing from the proposals. It is not practical to suggest that costs can be absorbed by Fixed Tariff Customers as the prices for these tariffs have already been fixed well into 2021.

## Introduction

Centrica recognises that self-disconnection and self-rationing are priority areas for Ofgem and to date we have provided a substantial amount of data in response to the Call for Evidence (December 2018), the Request for Information (February 2019) and the consultation proposals to improve outcomes for consumers who experience self-disconnection and self-rationing (August 2019).

As Ofgem will be aware, Centrica has provided levels of support that have gone well beyond what is required in licence over many years, seeking to ensure that vulnerable customers are able to get back on supply should they self-disconnect. We have also embedded the ATP principles into our training, processes, policies and systems to ensure that customers (and our agents) can have an ATP conversation whenever it is required or appropriate.

Whilst we are broadly supportive of the final proposals, it is disappointing and worrying to note that some of the concerns we raised in our letter of 27 September 2019 have not been acknowledged or addressed.

We have highlighted below our ongoing concerns.

## ***Lack of a Data Protection Impact Assessment***

We have concerns relating to the legal process relating to customer privacy, and the absence of a DPI) and associated Legitimate Interests Assessment.

Article 35 of the GDPR sets out the framework for data protection impact assessments, and the ICO has published a list of situations, in accordance with Article 35(4), in which a DPIA is required. This includes “profiling individuals on a large scale”.

A DPIA is required before any type of processing that is “likely to result in a high-risk”. Without conducting a DPIA, Ofgem cannot be certain that what is being proposed is not a high-risk that requires consultation with the ICO. A DPIA is needed to screen for the potential of widespread or serious impact on individuals. Even if there is no specific indication of likely high-risk, it is good practice to do a DPIA for any major new project involving the use of personal data. This is one such proposal.

A DPIA is required for any other processing that is large scale, involves profiling or monitoring, decides on access to services or opportunities, or involves sensitive data or vulnerable individuals. A good DPIA helps evidence that Ofgem has considered the risks related to the intended processing and Ofgem has met broader data protection obligations. Failing to do a DPIA, could make the proposals unlawful under the GDPR.

Ofgem should be taking a privacy by design approach to considering if the profiling of customer data is justified, proportionate and necessary to meet the stated aims to protecting customers in vulnerable situations. Data protection by design is about considering data protection and privacy issues upfront in everything. It helps ensure compliance with the GDPR’s fundamental principles and requirements, and forms part of the focus on accountability. If Ofgem doesn’t do this; and suppliers subsequently complete a DPIA and find that the processing is unlawful they won’t be able to process data as suggested by Ofgem. It is our view that profiling all customers is a high-risk activity and is not justified to meet the intended aims of protecting customers in vulnerable situations.

Proceeding without a DPIA would be inconsistent with the requirements of the GDPR and, just as importantly, would fail to protect consumers, given that a DPIA may identify less intrusive and lower risk processing options available that will achieve Ofgem’s objectives

Conducting a DPIA at the outset of policy proposals is not a new requirement. The ICO said in response to Ofgem’s Call for Evidence on the potential impacts on consumers following market wide settlement reform, “*The DPIA process is an integral part of data protection by design and by default and can help in identifying the type of technical and organisational measures needed to ensure the intended processing complies with the requirements of GDPR.*” Whilst this is not related to the same proposals, it is a helpful reminder to Ofgem as to why DPIAs should be conducted.

Ofgem has responded in paragraph 1.22 of the Statutory Consultation stating that “in relation to the self-disconnection identification proposal suppliers, in their role as Data Controllers, may need to consider and review their position on their own DPIAs depending upon the nature of any processing they consider they need to take to meet the measures around identifying self-disconnection.”

We continue to urge Ofgem to conduct and publish a DPIA, in conjunction with industry, to ensure that the likely processing activities necessary to fulfil any obligation are properly considered and robustly assessed, and we would welcome further discussion on these matters.

## ***Self-disconnection***

Ofgem’s policy objective is to reduce the number of customers who are self-disconnecting each year and to reduce the detriment caused by self-disconnection. The basis of the harm that Ofgem is trying to avoid for self-disconnection is in relation to vulnerable customers and not, for example, a vacant property where a landlord has chosen to (self) disconnect as no energy is being used.

Customers who we identify as potentially having self-disconnected often feel that the level and nature of proactive contact is highly intimate and intrusive, and complaints are received from customers who want to know why we are accessing (their) customer data in this way to contact them. Therefore, Ofgem must not

assume that all consumers welcome proactive contact from their suppliers, either in the immediate period during, or just after, self-disconnection.

In our September 2019 response, we set out that we did not agree that additional support should be offered to all consumers self-disconnecting but rather this should just focus on vulnerable consumers, to allow suppliers to provide appropriate support and assistance to those customers who are most in need to get back on supply and manage their future usage. It is therefore extremely disappointing to see that the final proposals, as currently drafted, have a very wide remit introducing measures to monitor consumer usage that will be both costly and unnecessary for consumers who do not need this level of support.

As such, we stress yet again, that upscaling proactive monitoring to cover all customers (and not only those who are in specific vulnerable situations or at risk of self-disconnection) will be a significant and costly exercise, involving the management of massive data sets and intensive resource and training efforts which we do not believe is included in the Price Cap methodology. Also, as already mentioned, we continue to stress that Ofgem must complete a DPIA to assess if there is a legal basis / legitimate reason why suppliers need to monitor all customers who may be self-disconnecting.

Also, we would reiterate that it is our understanding that one of the factors leading to self-disconnection and / or self-rationing is the Governments roll out of Universal Credit, including potential sanctions and / or general waiting time to receive monies awarded by the Department for Work and Pensions (DWP) to its clients. Given this process is not one which can be affected in any way by energy suppliers, we once again, urge Ofgem to work with the relevant government departments to address the root cause. Suggesting changes to the energy supply licence conditions is not going to solve the underlying reasons why customers are disconnecting or reducing their consumption. If anything, creating additional burden and costs on energy suppliers, and ultimately customers, is likely to have adverse consequences.

By Ofgem's failure to properly tackle this issue with Government, this only further increases the negative perception and trust in the energy industry. It creates a 'fault' culture which is not of suppliers' making.

Similarly, we once again urge Ofgem to address the misalignment of its Standard Supply Licence Conditions (SLCs) relating to Third Party Deductions and DWP's own policy on Third Party deductions. DWP insists that Third Party deductions (previously Fuel Direct) as a payment option – is only available as a method for debt repayment when there is the threat of disconnection. We have repeatedly asked Ofgem to act on this matter (as has Citizens Advice and our external auditors KPMG). **It is not clear to us why Ofgem wilfully continues to ignore this request.**

### ***Self-rationing***

Further to our call with Ofgem officials on 20 July, it was exceptionally helpful to receive clarification that suppliers are not expected to proactively identify customers who may be self-rationing or have self-rationed. Rather, where proposed Supply Licence Condition (SLC) 27A.5 requires “*on each and every occasion on which a licensee identifies that a Domestic Customer who is in a Vulnerable Situation has Self-Disconnected and/or has Self-Rationed or is Self-Disconnecting and/or Self-Rationing, the licensee must offer Additional Support Credit to that Domestic Customer...*” for self-rationing, it will be applied where the customer identifies themselves that they are self-rationing / have self-rationed.

To make this clearer within the proposed SLC, we have made some suggested changes to the wording of draft SLC 27A.5 and within the definition of Self-Rationing in Annex 1.

We still feel that the current definition of self-rationing where a consumer ‘deliberately limits their energy use to save money for other goods or services’ is too broad and highly subjective. As currently written, the draft licence condition could capture any reduction in consumption for any reason, e.g. some customers may ration use because of the impact to the environment or to manage their costs – but they are not necessarily fuel poor / experiencing financial problems.

If Ofgem is intent on suppliers monitoring self-rationing, it must clearly define the specific criteria that it feels will identify where self-rationing is occurring because of a specific customer detriment related to paying for energy costs. We would suggest adding the wording ‘because they are in payment difficulty’ to make it clear this is why the customer has chosen to self-ration their energy use.

Paragraph 1.14 states that Ofgem will closely monitor the steps energy suppliers are taking to identify consumers in vulnerable circumstances who are self-rationing their energy use. Ofgem notes that it is not proposing to introduce any new requirements on identification of self-rationing currently. It is not clear, however, what outcome Ofgem is expecting from this - if it doesn't introduce new rules on what legal basis should a supplier monitor rationing and if there is no legal basis, suppliers can't monitor because privacy rules need a legal basis.

Additionally, in paragraph 2.2, Ofgem notes "we welcome an industry-wide commitment focused on improving identification of self-rationing through best practice and shared learning". If there is a policy intent for suppliers to do this, then Ofgem must complete a Data Privacy Impact Assessment to demonstrate there is a legal basis for doing so. Ofgem is fully aware that suppliers need a legal basis before processing personal information that could look intrusive or unnecessary. This is why there are a number of rules around how smart data can be used by suppliers.

The Ability to Pay principles, both existing and proposed, make no reference to self-rationing despite the comment at paragraph 2.60, "We believe that keeping the self-rationing definition is appropriate given its reference in other areas throughout the package of proposals, such as additional support credit and the Ability to Pay principles". Is there a policy proposal being considered which hasn't been consulted on at this time?

### ***Additional Support Credit Provision***

Comments on the proposed licence conditions:

- SLC 27A.5 refers to "on each and every occasion on which a licensee identifies that a Domestic Customer who is in a Vulnerable Situation has Self-Disconnected and/or Self-rationed", the licensee must offer Additional Support Credit"

As flagged earlier and on our telephone call on 20 July with Ofgem officials, the proposed new wording of the licence conditions contradicts the policy intention. Paragraph 4.20 of the Statutory Consultation states "...or should they through existing obligations, identify a vulnerable customer who is self-rationing their energy usage who would benefit from the credit to stay on supply." The draft licence condition drafting suggests that suppliers would need to identify customers who are self-rationing. We have suggested some changes to the drafting to align with the policy intention that the requirements apply where a customer proactively informs suppliers, they are self-rationing their energy.

- SLC27A.5 needs to state that this licence condition is just for Domestic Customers with a prepayment meter, as per the definition of Additional Support Credit. As drafted, just referring to all Domestic Customers contradicts the definition of Additional Support Credit and the provision of Information requirement in 27A.8.

### ***Ability to Pay***

SLC 27.8B (c) (iv) now includes a direct reference to exploring payment methods which includes payments deducted at source from a social security benefit. As we have repeatedly set out in previous responses to Ofgem consultations, Ofgem has a critical role to play in engaging with the Government, specifically the Department for Work and Pensions (DWP), in relation to the circumstances that can lead to customers self-disconnecting or self-rationing. For example, the delay in payments being made to consumers transitioning to Universal Credit from legacy benefits causes instances where consumers have not received payment for several weeks. We urge Ofgem to work with the DWP to analyse and improve this transition period, rather than simply imposing onerous new obligations on energy suppliers, which will further drive up operating costs – leading in turn to higher prices for customers. This disconnect, urgently needs to be addressed by Ofgem.

In our letter of 27 September 2019, we asked Ofgem to provide guidance on what is meant by 'all information must be considered'. For example, a supplier who pays for and accesses external credit bureau information in the interests of understanding the customer's full circumstances could find themselves at a disadvantage as the information has become available to them. Their options may adversely be more limited than suppliers who choose not to make use of this information. Without any clear guidance on what is expected, suppliers could choose to use only very limited available information, resulting in customer detriment through unacceptable repayment rates not based on the full customer circumstances. It is

disappointing that this has not been addressed in the Statutory Consultation and we would urge Ofgem to provide further clarity on this.

Any changes to debt recovery practices need to acknowledge and make provision for those customers who choose not to engage with their supplier. This has still not been accepted or acknowledged within the final proposals. Ofgem must recognise that some consumers will choose to never engage with their supplier, or they will avoid any contact from their supplier, or they do engage but for their own reasons they do not open up to allow the supplier to help them with the right support.

### **Impact Assessment**

Ofgem has stated that suppliers may wish to absorb the costs across the Fixed Tariff Customer base, before the end of the price cap period (2023 at latest). As the fixed tariff costs have already been calculated and as such, no further changes can be made, the expectations from Ofgem for suppliers to recoup costs this way are impossible and it is naive of Ofgem to even suggest that suppliers can do this, especially when by Ofgem's own admission, the Price Cap did not factor in for any of these additional costs.

The Impact Assessment at paragraph 3.30 states: *“When calculating the potential distributional impact of the self-disconnection policy we assess the potential likelihood of suppliers passing these costs onto their customer base. We focus this assessment on suppliers’ fixed tariff customer base, with the assumption that suppliers may wish to absorb the costs before the end of the price cap period (2023 at the latest). There are currently 8.3m gas and 9.2m electricity accounts on fixed tariffs. We estimate that the total net costs on industry by 2023 will be £2.1m. Therefore, on average, a fixed tariff customer could increase by 0.02p per account per year should these total costs be absorbed by customers on fixed tariffs equally (nominal value). The distributional impact is discussed in more detail in Chapter 5.”*

This nominal value is based on the assumption that the total net costs, in the Impact Assessment are accurate and reflective of industry costs and with “hard to monetise supplier costs” not included either, it is difficult to see how Ofgem can claim that the totals costs to be absorbed by customers are nominal. Simply by the identification of all customers who may be self-disconnecting / self-disconnected and offering them alternative short-term support or Additional Support Credit, will mean that for those suppliers with a large prepayment customer base, this could significantly change the costs within Ofgem's Impact Assessment.

There appears to be a drafting error in paragraph 3.30, which notes a figure of an estimate of £2.1m, however paragraph 5.7 shows a different figure “we predict that the total net costs to suppliers across the industry by 2023 will be £1.1m”. **Could Ofgem please confirm which is the correct figure?**

In Annex 1, we have made suggested drafting changes to the proposed Supply Licence Conditions.

Please do not hesitate to contact me if you would like to discuss any aspect of our response further.

Your sincerely



Nigel Howard  
**Head of Consumer Policy**  
**Centrica Legal & Regulatory**

## Annex 1

The suggested wording below applies for both the proposed gas and electricity licence conditions. We have shown the suggested new wording in blue underlined and struck out any wording we suggest removing.

### Condition 27. Payments, Security Deposits, Disconnections and final Bills [Extracts]

27.8 The licensee must take all reasonable steps to ascertain the Domestic Customer's ability to pay a and must take this into account when calculating instalments, giving due consideration to:

- (a) relevant information provided by third parties, where it is available to the licensee; and
- (b) where instalments will be paid using a Prepayment Meter, the value of all of the charges that are to be recovered through that meter.

27.8B For the purposes of ascertaining a Domestic Customer's ability to pay as set out in paragraph 27.8, the licensee must give due consideration to:

- (a) Having appropriate credit management policies and guidelines, which includes:
  - (i) Allowing for customers to be dealt with on a case-by-case basis; and
  - (ii) Linking staff incentives to successful customer outcomes not the value of repayment rates.
- (b) Making proactive contact with customers, which includes:
  - (i) Making early contact to identify whether a customer is in payment difficulty;
  - (ii) Regularly reviewing methods of proactive contact to ensure they meet the needs of customers;
  - (iii) Using every contact as an opportunity to gain more information about the customer's ability to pay when the licensee becomes aware or has reason to believe the customer is having or will have payment difficulty; and
  - (iv) Making customers aware of debt advice services when they raise concerns about their ongoing ability to pay, in accordance with Supply Licence Condition 31G.
- (c) Understanding individual customers' ability to pay, which includes:
  - (i) Providing clear guidance and training for staff on how to elicit information on ability to pay and monitoring the effectiveness of this;
  - (ii) Providing appropriate channels for customers to quickly and easily raise concerns and facilitating conversations around customers' ability to pay when requested;
  - (iii) Making full use of all available information; and
  - (iv) Proactively exploring payment amounts and payment methods which are appropriate to the individual circumstances of each customer; this includes debt repayment schemes such as those by which payments may be deducted at source from a social security benefit received by that customer.
- (d) Setting repayment rates based on ability to pay, which includes:

- (i) Ensuring all available information is obtained and taken into account, including the customer's circumstances identified on a warrant or site visit or when installing a prepayment meter on a warrant;
  - (ii) Only setting default amounts when there is insufficient information to ascertain the customers' ability to pay and where default amounts are set, it should be made clear that these default amounts are guidelines only and in any event the levels should be reasonable; and
  - (iii) Not insisting on substantial upfront payments before reconnection.
- (e) Ensuring the customer understands the arrangement, which includes:
- (i) Clear communication with the customer which allows them to understand how much they are regularly repaying; how the repayment will be deducted; when the debt will be repaid; and what to do if they experience difficulties during the arrangement; and
  - (ii) For prepayment meter customers repaying debt by a weekly amount explaining that debt will be recovered regardless of usage.
- (f) Monitoring of arrangements after they have been set up, which includes:
- (i) Individual arrangements must be monitored:
    - for credit meter customers to check for the occurrence of failed repayment arrangements;
    - and for prepayment meter customers to check whether the meter is being used initially and on an ongoing basis;
  - (ii) Monitoring of the approach taken by staff when agreeing repayment rates, using call listening and other techniques, to encourage a consistent and appropriate approach;
  - (iii) Monitoring of failed repayment arrangements to understand whether inappropriate rates are being set
  - (iv) Monitoring of overall repayment rates and recovery periods to understand trends.
- (g) Re-engaging with the customer after an initial occurrence of a failed repayment arrangement, which includes:
- (i) engaging with the customer to discuss the repayment plan, (including whether a different repayment plan or repayment method would be more suitable).

## **Condition 27A. Self-disconnection**

### **Identifying Self-disconnection**

27A.1 Where a Domestic Customer [who is in a Vulnerable Situation](#) uses a Prepayment Meter the licensee must:

- (a) take all reasonable steps to identify ~~on an ongoing and continuous basis~~, whether that Domestic Customer [who is in a Vulnerable Situation](#) is Self-disconnecting [or has Self-Disconnected](#); and
- (b) if the licensee identifies that that Domestic Customer [who is in a Vulnerable Situation](#) is Self-Disconnecting, offer that Domestic Customer appropriate support in accordance with this condition SLC 27A, SLC 28.7 and all other obligations relating to Prepayment Meter customers, and in deciding what is appropriate support for that Domestic Customer, take

into account whether ~~they~~ **that Domestic Customer who is** ~~are~~ in a Vulnerable Situation **has self-disconnected** , as appropriate.

### **Provision of Emergency Credit and Friendly-hours Credit**

- 27A.2 Where a Domestic Customer uses a Prepayment Meter the licensee must offer Emergency Credit and Friendly-hours Credit to that Domestic Customer, unless it is technically unfeasible and/or outside of the control of the licensee to offer those credit facilities to that Domestic Customer.
- 27A.3 Where it is technically unfeasible and/or outside of the control of the licensee to offer Emergency Credit and Friendly-hours Credit to the Domestic Customer, the licensee must take all reasonable steps to provide that Customer alternative short-term support in a timely manner.
- 27A.4 Where paragraph 27A.2 applies, if the licensee becomes aware or has reason to believe that a Domestic Customer is having or will have difficulty paying all or part of the Charges, the licensee must adhere to SLC 27.8 when calculating instalments for the Domestic Customer to repay the total amount of Emergency and/or Friendly-hours Credit provided.

### **Provision of Additional Support Credit**

- 27A.5 Subject to paragraph 27A.7, on each and every occasion on which a licensee identifies that a Domestic Customer **using a Prepayment Meter** who is in a Vulnerable Situation has Self-Disconnected and/or **is Self-Disconnecting and/or the Domestic Customer informs the licensee they have Self-Rationed or is Self-Disconnecting** and/or Self-Rationing, the licensee must offer Additional Support Credit to that Domestic Customer in addition to the support offered in paragraph 27A.2.
- 27A.6 Where paragraph 27A.5 applies, on each occasion on which the licensee offers Additional Support Credit, the licensee must assess the sum of Additional Support Credit it offers to the Domestic Customer and calculate the instalments for the Domestic Customer to repay the Additional Support Credit it offers to the Domestic Customer in accordance with SLC 27.
- 27A.7 Should the licensee, acting reasonably and having fully considered and complied with its obligation in paragraph 27A.5 and 27.A6 (apart from actually offering the Domestic Customer Additional Support Credit), determine that the provision of Additional Support Credit to the Domestic Customer is not in the best interest of the Domestic Customer the licensee shall not be obliged to provide Additional Support Credit under SLC27A.5 to that Domestic Customer on that occasion, however, the licensee must provide alternative appropriate support to that Domestic Customer in accordance with SLC 0 and SLC 31G.2.

### **Provision of Information**

- 27A.8 The licensee must ensure that each Domestic Customer who uses a Prepayment Meter is given adequate information, at an appropriate time, of the licensee's Emergency Credit, Friendly-hours Credit and Additional Support Credit facilities (as appropriate) including what this is, when this can be used and how this is repaid by the Domestic Customer.

### **Definitions for condition**

27A.9 In this condition:

**“Additional Support Credit”** means a fixed amount of credit provided to a Domestic Customer in a Vulnerable Situation when that Domestic Customer's Prepayment Meter credit runs out to ensure return on electricity supply”

**“Emergency Credit”** means a fixed amount of credit provided to a Domestic Customer when that Domestic Customer's Prepayment Meter credit runs low or runs out to ensure continuity of electricity supply or return on supply.

**“Friendly-hours Credit”** means an amount of credit provided overnight, at weekends and public holidays to a Domestic Customer when that Domestic Customer’s Prepayment Meter credit runs low or runs out to ensure continuity of electricity supply or return on supply.

**“Self-disconnection”** means when a Domestic Customer uses a Prepayment Meter and experiences an interruption to their electricity supply because the credit on the meter has been exhausted. Terms derived from this, such as ‘Self-Disconnected’ and ‘Self-Disconnecting’ shall be construed accordingly.

**“Self-rationing”** means when a Domestic Customer [uses a Prepayment Meter and](#) deliberately limits [their \[electricity/gas\] use because they are in payment difficulty](#), to save money for other goods or services. Terms derived from this, such as ‘Self-Ration’ and ‘Self-Rationed’ shall be construed accordingly.

## **Condition 28. Prepayment Meters [Extracts]**

### **Information about Prepayment Meters**

- 28.1 If the licensee offers to enable a Domestic Customer to pay or a Domestic Customer asks to pay Charges through a Prepayment Meter, the licensee must provide, prior to or upon the installation of that meter, appropriate information to that customer about:
- (a) the advantages and disadvantages of a Prepayment Meter;
  - (aa) information relating to the operation of the Prepayment Meter, including information about the process for, and methods by which, the Domestic Customer can pay in advance through the Prepayment Meter;
  - (b) where he may obtain information or assistance if:
    - (i) the Prepayment Meter is not operating effectively; or
    - (ii) any device used to allow the Charges to be paid through the Prepayment Meter is not operating effectively;
  - (bb) the licensee’s Emergency Credit, Friendly-hours Credit and Additional Support Credit facilities as defined in SLC 27A including what this is and when this can be used by the Domestic Customer; and
  - (c) the procedures that the licensee will follow when removing or resetting the Prepayment Meter, including the timescale and any conditions for removing or resetting it.