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26 November 2020

Extending protections for domestic customers who may have had prepayment meters installed under warrant

Christians Against Poverty (CAP) welcomes the opportunity to provide feedback on the consultation *Extending protections for domestic customers who may have had prepayment meters installed under warrant*.

Extending existing support

The protections introduced in 2018 provided valuable support for those consumers in vulnerable circumstances that were struggling to maintain repayments towards their energy arrears. CAP has found these principles a helpful point of reference in dealing with suppliers on an ongoing basis, particularly where it is clear a consumer may be at risk of significant detriment.

However, CAP's experience of these protections being used in practice has been inconsistent and open to interpretation by suppliers. Evidencing a customer's vulnerability can be challenging, and explanation by third parties is not always taken at face value, leaving customers in vulnerable circumstances not receiving the protections they are entitled to. Ofgem is encouraged to give stronger guidance to suppliers in this area to ensure the intended spirit of the protections is maintained without being abused.

In CAP's research for the report *A dark place*, one in three (31%) CAP clients with a prepayment meter said their supplier had installed the PPM because of debt. While debt levels are fairly consistent across income levels, the installation of a PPM because of debt is more common for those on a lower income. 17% of those PPM customers on income less than £900 per month had had their meter installed due to debt. This compares to just 4% of those on incomes between £2,250 and £2,700¹.

CAP shares Ofgem's concerns that Covid-19 may result in more customers falling into arrears, and as Ofgem also acknowledges, the use of prepayment meters as a

¹ CAP (2020) *A dark place: Unaffordable energy costs and how low-income households cope*, available at capuk.org/adarkplace

means of dealing with a debt situation has started to grow once again. With this in mind, CAP supports the proposal to extend the protections which remain a vital part of the safeguards for customers in vulnerable circumstances.

Remote mode-switching

Further to the existing protections, there also needs to be consideration given to the safeguards in place for customers already moved onto smart technology. One of the advantages of home visits conducted by engineers is that they can encounter circumstances not immediately visible from a phone call or digital interaction. CAP has seen instances where an engineer has called-off an installation because of the destitution they have recognised during the appointment.

Unfortunately, many consumers in vulnerable circumstances are likely to be disengaged from the debt collection process, often through no deliberate fault of their own. The move to smart technology and the ability to make remote changes to a meter present other potential problems, since in too many situations the 'human' element can be missed and a valuable touch point is lost when smart meters can be remotely mode-switched.

One CAP client using a smart meter was remote mode-switched from credit to prepayment earlier this year while receiving hospital treatment following a heart attack. Naturally this client was unable to inform her supplier of the health concern during treatment, and when she returned home she was left confused and without a clear understanding of her new energy supply method at a time of severe health problems. In this case, the supplier was very quick to respond and revert the mode-switch upon being informed of her health condition, however this situation does highlight a potential failing with the existing lack of protections for those already on smart meters. Ofgem should consider adding further guidelines to energy customers already taking advantage of smart technology.

CAP would encourage Ofgem that in embracing the move to smart technology there are other challenges this technology presents to consumers in vulnerable circumstances and that protections such as these should continue to be reviewed to ensure that they remain fit for purpose in the coming years and the smart context.



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