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Citizens Advice response to Ofgem's consultation on extending protections for domestic customers who may have prepayment meters installed under warrant (Electricity and Gas Supply Standard Licence Condition 28B)

Dear Dennis and Patrick,

We are pleased to support the proposal to extend these protections until June 2025. It is both fair and proportionate to extend the protections for a duration which matches that of the new smart meter framework set by the government.

Maintaining protections that ban suppliers from using warrants where customers in vulnerable circumstances are at particular risk and limit the costs suppliers can charge for warrants is a positive step, especially in the current context of consumer debt and affordability.

We welcome Ofgem's consideration of the impacts of COVID-19 on people's financial situations when assessing the need for these protections in future. We estimate that 6 million UK adults have fallen behind on at least one household bill during the pandemic, with 2.8 million of these falling behind on their energy bills. And some groups are more likely to be behind on bills than others, for example people in insecure work, BAME people, carers and disabled people.¹

We agree that, although positive, the gradual decline in the number of prepayment meters installed under warrant is not sufficient to allow the protections to end this year. The more recent uptick in the number of prepayment meters installed to repay debt could increase some risks for consumers. Having a prepayment meter to repay debt has implications for self-disconnection if repayment rates are not set based on a customer's ability to pay. We recently found that 63% of people repaying a debt through their prepayment meter in the previous year had self-disconnected at least once, compared to 28% without a debt.²

These protections, alongside those recently introduced by Ofgem in relation to self-disconnection, self-rationing and debt repayments - alongside existing rules that

¹ Citizens Advice (2020) [Excess debts](#)

² Citizens Advice (2020) [The end of the beginning](#)

require prepayment to be safe and practicable - should help to reduce the risk that consumers are placed on prepayment inappropriately or with insufficient support from their supplier. These policies alongside the rollout of smart meters are important steps towards the aims we set out in response to Ofgem's Consumer Vulnerability Strategy 2025, of radically improving the prepay experience and enabling an end to self-disconnection.³

We recognise that remote mode switching of customers with smart meters to prepayment is outside the scope of this consultation. We remain concerned by cases we see where customers are switched to prepay without being aware in advance, or without the right tools and information to top up, putting people at risk of going off supply unexpectedly. We'll continue to monitor these issues and raise them with Ofgem when necessary. And we'll work with suppliers to ensure that they have robust processes in place to confirm that customers are aware when a mode switch is going to occur, including home visits where necessary to verify the safety of prepayment as a payment method.

This document is entirely non-confidential and may be published on your website. If you would like to discuss any matter raised in more detail please do get in touch.

Yours sincerely,

Rachel Mills

Policy Researcher

³ Citizens Advice (2019) [Citizens Advice response to Ofgem's consultation on its draft Consumer Vulnerability Strategy 2025](#)