The
Scottish Justices
Association

Chair: Mr T. Finnigan JP DL

Secretary: Mr D. W. Barr BA(Hons) JP

Address for Correspondence

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Dear Sirs,

In response to the current Ofgem consultation on prepayment meters installed under warrant, the Scottish Justices Association (SJA), which is the representative body for Justices of the Peace in Scotland wish to provide comments generated by our members, who as part of their responsibilities have an obligation to consider all utility warrant applications made by energy supply companies across Scotland.

At the outset we do wish to confirm that we fully recognise that utility supply companies are required to manage their interaction with their customers and to act to minimise customer debt. We would also wish to clarify that the comments that we wish to make on behalf of our members, relate only to warrants that are raised in relation to domestic customer debt; and that warrants raised to gain entry into premises for business debt, or for issues of customer safety, or where there are reasonable grounds for believing that fraudulent activity or meter tampering is suspected, are not the subject of our comments.

From the perspective of our members we would ask Ofgem and the energy supply companies to take full cognisance of the fact that it is imperative for any Justice of the Peace to put their name on any type of warrant, that they are satisfied that the request for the warrant is fully justified and reasonable, taking into account the action that they are being requested to sanction.

We also wish to clarify that there is no political motivation behind our concerns, particularly as utility company profits have been a recent election issue, rather, that our concerns are simply to establish that the granting of a warrant was fully appropriate in the circumstances.

It is against this background that several concerns have been raised over recent years regarding utility warrants. The most commonly raised concern relates to the lack of clear information on the warrant request and an apparent lack of a consistent approach by the different supply companies. The situation has been exacerbated in recent years by the substantial growth in the number of energy supply companies operating in each geographic area and more recently by the increased use of debt recovery agencies acting on behalf of the energy suppliers. It has given rise to a growing belief amongst our members that there is inadequate information on many warrant requests to fully justify the granting of the warrant.

Our members believe that the granting of a warrant for a utility company to forcefully enter domestic premises for the purposes of disconnection of supply or of installing a pre-payment meter is the final stage in the debt management process. We do think that it is a necessary final stage that should be available to utility companies, but that to invoke it the supplier should be able to fully demonstrate that they have taken all reasonable steps to recoup the debt by other means. Accordingly, we think that each warrant application should have a detailed and individual statement which identifies the actions that the supplier has taken with respect to the management of customer debt.

We are of the collective opinion that such a statement with each individual warrant application would considerably allay the concerns that Justices have with respect to the validity and justification of the warrant application. We do not consider it appropriate that warrants are granted simply on the basis of correspondence issued by the supplier that has not elicited a response from the customer. We do feel that it would be of great benefit to JPs for the supplier to detail any debt payment arrangement that had previously been agreed, and whether this was being adhered to, and if not, were there any reasons for failure to comply. In addition, is there any record of direct customer contact, and if so what was the outcome. Similarly, but in a converse manner, we should be made aware of any active steps a customer has taken to avoid direct contact with the supplier. These and other related issues are of vital importance in helping a JP determining the appropriateness of granting the warrant.

Furthermore, we believe that this type of statement would greatly assist in the processing of utility warrants due to the sheer volume of warrants being requested. For example, in Glasgow and Strathkelvin Sheriffdom, which is the busiest in Scotland, the annual number of utility warrant requests is between 8,000 and 10,000. To handle this volume Justices should have a clear and simple reference document with each individual request to confirm the actions that the supply company has undertaken, and to provide clarity that the warrant is justified and required.

A further area of concern is the identification of potentially vulnerable customers and whether appropriate special arrangements are in place for handling debt incurred by vulnerable customers. We do recognise that the vulnerability of certain groups of

customers can vary with the passage of time and that the term 'vulnerable customers' does require some definition and parameters set around it. Nevertheless, we are of the view that the statement that is referred to above, to accompany each warrant application, should include a reference to the circumstances of the customer and whether or not they could be considered vulnerable through age, health, income or family profile.

In addition, a significant inconsistency that our members have noted between the energy suppliers is the level of debt incurred which has instigated the warrant application being made. In instances in Glasgow for example, the level of debt has on occasion been less than £100, whereas the average would be several hundred pounds, and sometimes is a four-figure level of debt. Given that all the costs incurred by the energy supplier in applying for and implementing the warrant are added to the customer's level of indebtedness, we believe that this situation should be reviewed. A minimum level of debt could be identified as being the norm before a warrant is applied for. Alternatively, there could be a cap on the level of the warrant costs eligible to be recovered, or even a proportionality scale adopted to link the additional warrant costs to the level of initial debt. These levels, if adopted, could be waived in special circumstances that could be identified in detail on a statement with the warrant application.

A final point of concern that has been raised is in relation to the distance between the domestic premises identified in the warrant and the court to which any relevant hearing would be heard. Whilst this is an area of particular concern to more rural areas and has been exacerbated by recent court closures across the country, it should be a requirement that any warrant application is made to the nearest court to the customer's premises. We would expect that all energy supply companies should adhere to this requirement.

The Scottish Justices Association would be pleased to provide further information on these proposals and would be prepared to engage further with all relevant bodies and agencies to develop a set of procedure and policies which would be designed to assist and improve the entire process for the review of warrant applications. Our correspondence address is at the head of this letter, or the appropriate e-mail address is secretary@scottishjustices.org.

Yours faithfully,

Dennis W. Barr

Secretary SJA