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Sent by email

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Dear Moritz

Response to Ofgem's statutory consultation on prepayment meters installed under warrant

This submission was prepared by Citizens Advice. Citizens Advice has statutory responsibilities to represent the interests of energy consumers in Great Britain. 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 not hesitate to get in contact.

We welcome Ofgem's proposals to help prevent extreme detriment to vulnerable consumers, and limit further escalation of debt by the proposals in the consultation. Our responses to the specific proposals are set out below.

Prohibition on installation where it would be severely traumatic

We are in support of prohibiting the use of warrants for consumers where it would be severely traumatic due to the consumer's vulnerability.

We are supportive of the expansion to include instances where suppliers are using their statutory powers to install a prepayment meter while seeking the customer's consent.

Prohibition on charging due to significantly impaired ability to engage or severe financial vulnerability

We are supportive of the prohibition on levying warrant related charges for consumers whose ability to engage has been impaired due to their vulnerability, or where the consumer has severe financial vulnerability which would be exacerbated by additional charges.

£150 cap on charges for warrant application and execution

We are supportive of capping the costs consumers face for the execution of a warrant. We are supportive of the cap being set at £150, and agree that setting this level below the costs incurred by suppliers will encourage them to exhaust alternative debt recovery methods first.

However, given the cost of the warrant application stage is estimated at only £50, a £150 charge penalises consumers who engage with the supplier in the pre-execution stage. Charges levied on customers for warrant applications that are not executed should be proportionate and we hope Ofgem will monitor this closely.

We are supportive of the limitation to one levy per customer for warrant related charges in a 12 month period.

Proportionality principle

We are supportive of the debt proportionality principle. Whilst we understand Ofgem's rationale for excluding transfer objections from the principle, objections will need to be monitored to ensure the Standards of Conduct are providing suitable protections for consumers wishing to transfer with an existing debt. We will work closely with Ofgem on this.

We are supportive of extending the scope of the definition of 'Relevant Warrant' to include disconnections. We believe this will prevent the use of disconnection as an alternative to prepayment installation.

We are also supportive of Ofgem's conversations with Energy UK to work towards standardising the warrant application process. Having a template for the process should help ensure key criteria are duly considered by all suppliers.

We look forward to continuing our work with Ofgem on these issues, and will continue to provide evidence to help monitor issues around debt and disconnection.

Yours sincerely,

Alice Brett

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