



Prepayment meters installed under warrant- Statutory consultation (August 2017)

We welcome the proposals to cap the amount that suppliers can levy for warrant-related costs. While we would have preferred the lower proposed cap of £100, a cap of £150 will still offer protection to many customers and will introduce a more level playing field.

We also welcome the introduction of prohibitions on exercising warrant and recovering costs for vulnerable customers, particularly the inclusion of a protection for customers where severe financial vulnerability would be made worse by charging them any costs associated with force-fitting.

We would like to highlight the following additional feedback on the Consultation Document:

- The inclusion of a 'principles-based rules' raise questions of definition. For example, what mechanisms will be in place to assess whether a suppliers' actions represent proportionality in debt collection?
- The probation criteria are welcome, but are open to interpretation. Judging whether a customer's vulnerability would make entering their home to force-fit a PPM under warrant an especially traumatic event is a subjective judgement. Similarly, deciding whether a customer is already in 'severe financial vulnerability' is also open to interpretation.
- While we recognise that efforts have been made to issue guidance to suppliers on how to assess financial vulnerability, we suggest that there is provision for a clear and transparent appeal process for customers who feel they have been unfairly ruled ineligible for the prohibition. This appeal process should allow for representatives of the customer to make submissions on their behalf if necessary (including advice workers, representatives of food banks or other emergency food projects where people in financial difficulty often go as their first point of call in a crisis). It should also be clear that the force-fitting cannot go ahead while the appeal process is ongoing.
- We would welcome the inclusion of specific data points within the Social Obligation Reporting (SOR) tool which requires suppliers to report on the number of meters force-fitted under warrant, and the number and outcome of appeals.
- We would urge Ofgem to consider recommending additional support for people who do go on to have PPMs force-fitted under warrant. These could include an automatic breathing space before debt recovery begins, and the offer of a non-repayable emergency fuel voucher to help them through the immediate crisis period.

Roll out of smart meters

We would like to highlight a concern relating to the roll out of smart meters. While the direct costs of installation under warrant would no longer apply once smart meters are in place, because the change to a pre-payment system can be made remotely, we are concerned that some suppliers may use this opportunity to recoup costs in other ways.

An example from the Feeding Britain pilot in Barnsley illustrates the concern. Barnsley Metropolitan Council Housing Services have been supporting a client who experienced unexpectedly high prices following the installation of a smart meter. While this was not a case of force-fitting under warrant, we are concerned that it raises important questions about the actions of suppliers using indirect means to recoup the cost of installation of smart meters.

“He changed to a new energy supplier as they promised to install Smart meters and keep his weekly payments low. A smart pre-payment meter was installed.

However after a couple of weeks he realised that he was having to spend more on his weekly payments – almost double. He spent £10 per week on gas and £10 per week electric with his previous supplier and this had now gone to between £17-20 per week on Gas and £17-20 per week on electric with the new supplier.

He rang the customer service number to ask why his payments had gone up so much. He was told by someone at the call centre that he had to be on a higher rate as the smart meters he had fitted cost £200 each and he needed to pay for them.

He got back in contact with his original supplier and they removed the smart meters and refitted the standard ‘pay as you go’ meters and his payments have gone back to £10 per week.”

This raises a wider concern about suppliers deducting money from pre-payment customers through higher energy rates to recoup the costs of smart meter installation without making this clear up front, and we would encourage Ofgem to investigate this.

We would urge Ofgem to closely monitor this issue and to take action where it appears that suppliers are applying higher prepayment energy prices to circumvent the prohibitions on recovering costs for switching to prepayment systems, both before and after the completion of smart meter roll out.