



## END FUEL POVERTY COALITION PREPAYMENT RULES AND PROTECTIONS CONSULTATION RESPONSE

6 March 2023

Over the last three months we have seen an abuse of power in regards to the forced installation of prepayment meters (PPMs) on an industrial scale.

The [investigation by Dean Kirby of the i paper](#) revealed the extent to which energy firms were using the courts to gain warrants to people's homes to force them onto PPMs

Throughout Kirby's investigation, energy firms assured campaigners, ministers, MPs and the media that these meters were not used on vulnerable customers.

Energy UK, the industry trade body which represents firms including British Gas, Scottish Power and EDF Energy [told the i paper](#) that "suppliers face 'difficult decisions' in dealing with customers in debt on their bills and the warrants are a last resort after 'exhausting all other options' and after vulnerability checks are carried out."

However, [The Times investigation](#) into British Gas proved this was not the case. Research for the [Warm This Winter campaign by YouGov](#) suggests that as many as two-thirds of PPMr customers could be classed as vulnerable with many of these spending winter 2022/23 in cold damp homes.

Despite the current ban being put in place by Ofgem and the Chief Justice, there are [still reports of energy firms](#) using the threat of a court order imposed PPM to intimidate households.

That is why we believe that only a legally enforceable ban on the forced transfer of homes onto a PPM (by court order or smart meter transfer) is the solution to this abuse of power.

Until Parliament can legislate for such a ban, Ofgem must ensure that there is no return to forced transfer to PPMs until:

1. The full PPMs Market Compliance Review has concluded and suppliers have implemented all recommendations.
2. Revised licence conditions have been implemented (as per the recommendations below).
3. Confidence is regained that suppliers have in place processes to follow the existing and updated rules set by Ofgem.

In relation to this specific consultation, we believe that Ofgem must fundamentally strengthen the protections for consumers in relation to forced transfer to PPMs.

**Ofgem should provide a higher level of prescription in the supplier licences, especially when it comes to PPM installations**

Currently, a supplier must ensure that a PPM is safe and reasonably practicable for the customer before its install.

While guidance exists, it is only the licence itself that is enforceable, and energy suppliers have taken differing approaches to their interpretation of what 'safe and reasonably practicable' means. This means that there are varying protections for vulnerable customers across energy suppliers.

For forced installations, there is even less argument for such a flexible approach as this is a unilateral supplier decision with no customer consent.

**Ofgem should explicitly ban forced installations for certain types of households**

Building on the point above, licences and guidance already prohibit warrant installs in vulnerable households, for example where it "would be severely traumatic to that Domestic Customer due to an existing vulnerability which relates to their mental capacity and/or psychological state and would be made significantly worse by the experience." (SLC28)

While this is a welcome prescription in the licence, it must be built on and more clarity provided to explicitly ban installations where suffering may be caused.

This should include, for the avoidance of doubt, specifically including protections from forced installations for all those with ill mental health and with physical health conditions that make them particularly vulnerable living without access to heat and/or power (that can occur as a result of a self-disconnection, whether for affordability reasons or not).

Therefore, protections against PPMs being installed in households without their active and informed consent, must be strengthened. In no circumstances should a PPM be forced on a household where there is someone present who:

- Is medically dependent on powered medical equipment in order to stay healthy at home (e.g. dialysis machines, oxygen concentrators, use artificial ventilators) or rely on energy to power equipment (e.g. charge wheelchairs, run fridges for medicines)
- Has a respiratory disease
- Has a cardiovascular disease
- Suffers from mental ill health
- Has Sickle Cell Disease
- Has issues with nutrition, or may be at risk from poor nutrition caused by not being able to use energy (e.g. if a young child is present in the household)
- Could otherwise be considered elderly or disabled

Furthermore, Ofgem should also consider the impact of forced PPMs on those with financial vulnerability (which all customers threatened with a PPM necessarily have). Unless there is a clear assessment that the financial situation would be improved under a PPM regime, it would not be appropriate for a PPM to be installed. It should be noted that for as long as standing charges / unit costs are not equalised for PPM customers and suppliers can charge an install cost for a PPM, it is unlikely that we would agree that such an assessment would be passed.

Failure to act on this in a comprehensive manner is a matter of life and death for some customers and energy firms and Ofgem should fully appreciate the impact of their decision making on people's health and wellbeing.

### **Ofgem must ensure equivalence for Smart Meter Remote switching**

While a PPM is defined as "any Electricity Meter operating in a mode which requires a Customer to pay Charges in advance, and references to the installation or removal of a PPM includes the switching of any Electricity Meter to or from such a mode", implying that smart meter remote mode switching is equivalent to a legacy PPM install, changes to the licence are needed to clarify this, and strengthen protections.

Firstly Ofgem should either make all references in the licences to PPM explicitly related to smart meters as well, or issue their expectations regarding the definition above to suppliers in written form, to ensure that all suppliers are aware that the licence makes no separation for legacy PPM installs and smart prepayment mode switching in general.

Secondly, the licence currently does not provide equivalent protection for unconsented legacy prepayment meter installations (i.e. warrant installs), and unconsented smart meter mode switches. Ofgem must improve the licence so that any protections given for installations under warrant are extended to smart meter mode switches that happen without customer consent. There is no material difference in outcomes between the two procedures for the customer, therefore there should not be a difference in protections offered.