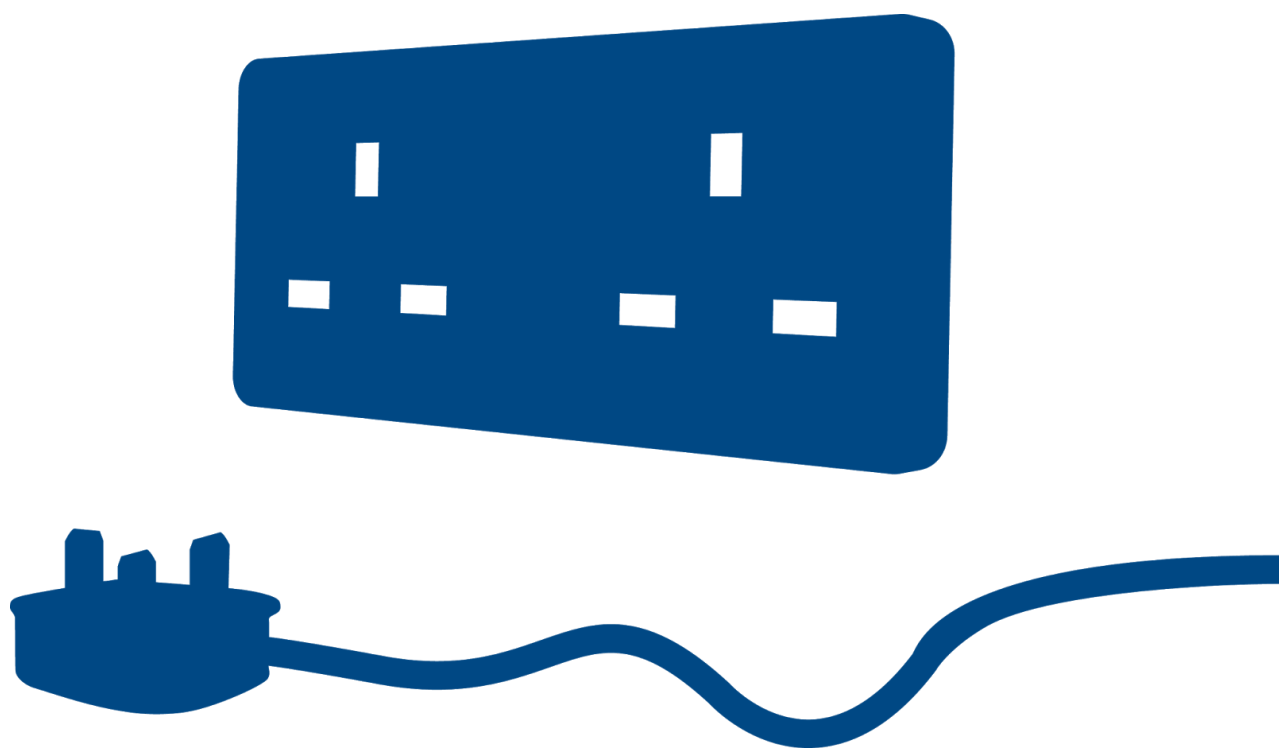


# Supplier good practice guide

Responding to prepayment customers who  
self-disconnect



**citizens  
advice**

# Summary

This short good practice guide was originally published in April 2016. This version of the guide includes a number of minor revisions and updates, particularly around smart meters. Citizens Advice has also published a guide on holistic support for energy consumers who self-disconnect from their prepayment meter.<sup>1</sup>

Suppliers can adopt a range of measures when responding to prepayment customers who self-disconnect. We consider the following areas to be core good practice:

- Get the consumer back on supply
- Reassess debt repayment arrangements
- Provide further financial assistance
- Offer energy efficiency measures
- Check if a PPM is still safe and reasonably practicable

Energy UK's PPM principles set out a number of voluntary commitments by suppliers to address concerns about customers who are at risk of self-disconnection.<sup>2</sup> At time of writing, 13 suppliers have signed up to these principles. We hope that more will do so.

Our good practice suggestions are based on the experiences of the Extra Help Unit. The Extra Help Unit is part of the Citizens Advice Service and takes referrals from the Consumer Service helpline. It has statutory duties and powers to help energy consumers who are in a vulnerable situation due to their personal circumstances or the nature of their complaint, or because they are at risk of having their gas or electricity cut off. The unit consists of a team of specialist caseworkers who liaise with energy suppliers on behalf of clients.

We would expect that all prepayment customers who self-disconnect or who are at risk of self-disconnection receive fair treatment from their supplier, whether or not they have come to the Citizens Advice Service for assistance.

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<sup>1</sup> Citizens Advice, Good practice guide: holistic support for energy consumers who self-disconnect from their prepayment meter, October 2017.

<sup>2</sup> [energy-uk.org.uk/policy/prepayment-meters.html](https://energy-uk.org.uk/policy/prepayment-meters.html)

# 1. Get the consumer back on supply

Self-disconnection presents an immediate risk to the health and wellbeing of the consumer and other members of their household. Suppliers should help consumers get back on supply by offering a discretionary top up or, where necessary, clearing any outstanding charges from the meter. We recommend suppliers to do the following.

- **Provide an appropriate amount of discretionary credit**

Consumers who state that they cannot afford to top up their meter should be offered discretionary credit to keep them on supply until they are able to top up again using their own funds. This is usually a loan that the consumer pays back in installments, although the supplier may agree not to recover the amount if there are particular concerns around vulnerability or hardship. The amount loaned should be calculated on the basis of the consumer's own consumption and based on when they expect to next have available income. Credit should be provided for both gas and electricity, where relevant.

- **Arrange a suitable repayment plan**

It may not be appropriate for the consumer to start repaying discretionary credit straightaway, so a reasonable start date should be agreed. Repayment plans should take into account the consumer's individual circumstances and any existing debt repayment arrangements. If a consumer is in receipt of welfare benefits, we would recommend total weekly repayments of no more than £3.70 (equivalent to the Fuel Direct debt recovery rate).

- **Accommodate repeat requests and provide additional support**

A person may fall into financial difficulty any number of times, so suppliers should not arbitrarily cap the number of times they will provide a discretionary top up. Each case should be taken on an individual basis bearing in mind the importance of getting the consumer back on supply. Repeat requests may also indicate ongoing financial hardship, so further financial assistance should be offered (see below).

- **Clearly explain how to claim the credit**

For traditional PPMs, it is important that consumers understand the process for collecting discretionary credits from a top up outlet. This avoids any delay getting them back on supply.

The consumer will sometimes need to visit several outlets or top up a number of times before they receive the credit. This is a particular issue with RTI tags. Make sure the consumer knows that they only need to top up a minimal amount each time, e.g. £1, otherwise they may end up out of pocket.

- **Check that the consumer has collected the credit**

It is good practice to call the consumer back after a suitable amount of time to check that they have collected the discretionary top up, particularly in light of the above issues.

If the consumer has a smart meter in prepayment mode, any credit added locally or remotely is applied immediately. Suppliers will receive a response or alert that the command has been successfully executed. A supplier can check the meter balance and supply status to further reassure itself that the consumer is on supply.

- **Explain additional steps to get back on supply (smart PPM)**

If the consumer has a smart meter in prepayment mode, the supplier should clearly explain any actions the consumer needs to take in order to get the supply on again once the credit has been added. For example, they may be required to press certain buttons on the meter.

- **Offer free wind-ons**

Where other options are not available, suppliers can send out an engineer to credit the consumer's meter. It may be necessary, for example, when a consumer is unable to go out to an outlet. This service should be free of charge.

- **Clear any outstanding charges**

Standing charges build up when a consumer does not top up their meter for a period of time. Some consumers self-disconnect because they cannot afford to pay the outstanding balance upfront. Suppliers should offer to clear the charges to help them get back on supply. These can be added to the meter as a debt to be repaid over a suitable period of time, but some suppliers will simply write off the amount.

## 2. Reassess debt repayment arrangements

Suppliers should proactively reassess debt repayment arrangements even when this is not the consumer's stated reason for self-disconnecting. We recommend the following:

- **Check that existing debt repayment arrangements are still affordable**

All debt repayment arrangements must take into account the consumer's ability to pay. Income and expenditure assessments can help to ascertain what is affordable for the consumer. If a consumer is in receipt of welfare benefits, we would recommend that weekly repayments do not exceed £3.70, which is equivalent to the Fuel Direct debt recovery rate.

- **Consider suspending debt repayments**

Some consumers may not be able to afford debt repayments alongside ongoing consumption for a period of time. This could be due to increased energy usage in colder weather or because of a temporary drop in income. Current good practice among suppliers is to suspend debt repayments in such cases. After an agreed period of time, the debt is reviewed and repayments may commence if this is affordable for the consumer.

More generally, debt repayment arrangements should offer a degree of flexibility and reflect individual circumstances.

## 3. Provide further financial assistance

Many consumers who self-disconnect have wider financial difficulties. As well as addressing the immediate problem by getting the consumer back on supply, it is important to look at sustainable solutions. This can reduce the likelihood of the consumer repeatedly self-disconnecting.

- **Proactively support the consumer to make a trust fund application**

If a consumer is in debt to their energy supplier and struggling to keep up repayments, they may be eligible for a grant from an energy trust fund. British Gas Energy Trust, EDF Energy Trust and E.on Energy Fund are open to all energy consumers, regardless of who their supplier is.

As well as helping consumers to fill out an application form (either in-house or by signposting to a third party), it is good practice to put debt repayments on hold and accept payments for usage-only while the application is being processed. Some

suppliers with their own trust funds will also prioritise applications from consumers who are self-disconnecting.

- **Help the consumer to apply for the Warm Home Discount**

Many consumers who are self-disconnecting may be eligible for the Warm Home Discount broader group. It is good practice to check eligibility, explain the application process and, where relevant, send an application form out in the post. If the applicant is successful, we recommend the discount be applied to current usage rather than any debt repayments.

- **Refer the consumer for money advice**

Many suppliers have strong relationships with debt advice agencies including Stepchange, National Debtline, PayPlan or Citizens Advice. Current good practice is to signpost or refer the consumer to one of these agencies.

We would like to encourage suppliers to refer consumers for general money advice, rather than debt advice, where appropriate. Money advice can help consumers maximise their income, make the most of their budgets and prevent further financial difficulties. Money advice can benefit consumers who have self-disconnected regardless of whether they are repaying a debt to their energy supplier.

## 4. Offer energy efficiency measures

Energy efficiency measures can help self-disconnecting households in the longer term by enabling them to consume a more appropriate amount of energy.

- **Offer energy efficiency advice**

Some suppliers provide energy efficiency advice over the phone to customers who have self-disconnected whilst others send out energy efficiency packs or arrange energy efficiency home visits. If the consumer has a smart meter installed, some suppliers will use data from the smart meter to inform the advice provided. By providing insight through the smart meter, it assists the consumer's use of the IHD (if accepted) for longer-term engagement. We also recommend suppliers to signpost consumers for independent energy efficiency advice. The Energy Saving Advice Service, for example, can provide independent advice on energy efficiency schemes including supplier schemes.

- **Check eligibility for energy efficiency schemes**

Where appropriate, suppliers should check a consumer's eligibility for insulation, home improvements or boiler replacements under the Energy Company Obligation (ECO) scheme.

## 5. Check if a PPM is still safe and reasonably practicable

Self-disconnection poses a health and safety risk to consumers, particularly if consumers are self-disconnecting regularly. Suppliers should therefore take the opportunity to reassess whether a PPM is still safe and reasonably practicable and, if appropriate, arrange an alternative payment method.

Suppliers signed up to the Energy UK PPM principles have committed to:

- Offer alternative payment methods if a PPM installation is not safe and reasonably practicable
- Exchange the meter free of charge and/or change the mode if they decide it is no longer safe and reasonably practicable for the consumer to have a PPM
- Exchange the meter free of charge and/or change the mode if the consumer moves into a property with a pre-existing PPM and it is not safe and reasonably practicable

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