Unit 6

Paying for Fuel

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Document History

Revision History

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Name	Title & Company	Issue Date	Revision
Sue Russell	Training Manager OFT/Citizens Advice	20/01/12	25/01/12
Helen Kerrridge	Learning and Development Consultant, Citizens Advice	20/01/12	25/01/12
Sue Russell	Training Manager Citizens Advice	24/05/12	24/05/12
Ailsa Dent	Quality Assessor and Developer	07/12/16	07/12/16

Approvals

This document requires the following approvals:

Name	Title	Issue Date	Revision
Sue Russell	Training Manager Citizens Advice	20/01/12	25/01/12
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Introduction

In this unit we will look at who is responsible for paying for gas and electricity bills.

Large suppliers must offer a wide range of payment methods, the most common of which are considered in this unit.

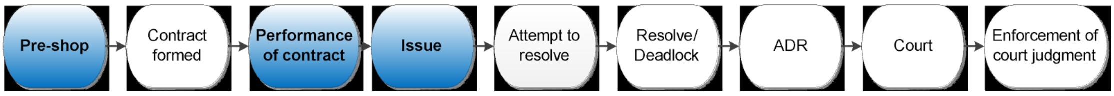
The SLC also state that any difference in the terms and conditions offered by large suppliers regarding different payment methods should represent the additional cost to the supplier of offering that payment method, that is, be cost reflective.

We will therefore look at the following:

Section 1: Who has to pay the bill?

Section 2: How to pay the bill

The stages of the consumer's journey addressed in this unit are as indicated below:



Section 1

Who has to pay the bill?

Suppliers may attempt to claim payment from people who are not actually legally responsible for payment. The person(s) named on the bill is not necessarily the one, or the only one who is legally responsible for paying. In this section we will consider some general principles that apply in these situations and consider what practical guidance can be given to consumers to try to protect them against being pursued for a debt that they should not have to pay.

The general principles of contract law that were discussed in unit 2 'Contract law' will apply here. Remember that privity of contract means that only the parties to a contract can sue or be sued under that contract. There are also some exceptions to this rule, for example, under the law of agency. This is discussed in more detail in unit 11 ‘Business advice’ since the use of agents is more prevalent with business customers.

In this section you will find the following:

- Contracts
- Common areas of dispute

Contracts

Unit 4 'Energy supply contracts' included an explanation of how supply commences in the form of express contracts and deemed contracts. Remember that a consumer may be responsible for the bill because they have knowingly entered into a contract with a supplier (express contract), or they have a deemed contract with the supplier because they have used energy and they do not have an express contract.

(a) Express contracts

Signed contracts

Consumers may have physically signed a contract for the supply of energy to the property. The consumer has accepted the terms of the contract. The person that actually signs the contract is responsible for the energy bill from the date that they signed the contract or the date that they requested that the supply should begin.

Sometimes the contract may be signed by just one person in the property. If this is the case technically, only the person that signed the contract is responsible for the supply. If more than one person signed, they will all be responsible and that responsibility is generally 'joint and several'. This means that they could all be pursued for the bill or the supplier may choose to only pursue one individual for the entire amount. Their liability will end when the contract is terminated (see termination of contracts below). Liability appears to be relatively straight forward in this situation.

Other contracts

Consumers sometimes enter into verbal contracts over the phone with the supplier. As a general rule, the person requesting the supply is responsible for the energy bill. The responsibility for the bill will start from the date that the supply was requested by that consumer. Liability in these contracts will end when the contract is terminated (see below).

(b) Deemed contracts

Consumers who use an energy supply at their property and do not have an express contract will generally have a deemed contract with the supplier. Deemed contracts usually exist when a person moves into a property that already has a supply. Other common situations include where consumers have an express contract for a fixed term that has expired or someone who previously had sole responsibility for the supply has left the property. Remember that also deemed contracts are likely to be in place for most former tariff consumers. SLC(G&E)7 & 28 deal with deemed contracts.

(c) Termination of liability

The many different ways in which an energy contract can be terminated were explained in unit 4 'Energy supply contracts'. The main ways in which a consumer will cease to be responsible for the bill if they have an express contract are listed below:

- ✓ the consumer moves out of the property (or no longer owns the property)
- ✓ the consumer transfers to another supplier
- ✓ the contract comes to an end or the consumer terminates it in accordance with the terms and conditions
- ✓ the consumer tells the supplier that they no longer require a supply and the supply is disconnected

In the case of a deemed contract, the consumer will generally cease to be responsible if: they transfer supply, they enter into an express contract with the supplier or they move out (or no longer own the property).

Moving out of the property

The consumer will not be responsible if they move out of the property or no longer own the property. SLC(G&E)24 explains when the contract terminates in this situation.

If the consumer notifies the supplier at least two working days before the date that they move out, they will not be responsible for the bill from that date. If they do not notify the supplier before they move out, responsibility for the bill will cease:

- ➢ if they give notice later, at the end of two working days after they have notified the supplier, or
- ➢ the date on which any other person starts to own or occupy the premises and starts to take supply

Transferring to another supplier

The consumer will be responsible for the bill with their existing supplier until the transfer takes place.

Termination in accordance with the terms and conditions

The consumer's contract could be for a fixed period in which case it will end when that period expires. All energy contracts must allow the consumer to terminate by giving a maximum of 28 days notice (SLC(G&E)24).

Practical tip

When a consumer intends to terminate the contract, they should always, where possible, give the supplier advanced notice of the date that they will be moving out. They should also take their own meter reading and arrange for the supplier to take a final meter reading to prevent disputes later on.

Common areas of dispute

Having considered the general position as to when somebody can be held responsible, we shall now consider some of the problems that may arise.

(a) Moving out

If a person who signed the contract or agreed to the supply has left the property their liability will only end in the circumstances explained above under 'termination'. If they had sole responsibility for the bill, the other members of the household will not generally be responsible for the bill during the period that the person who left was responsible.

If the person leaving was jointly responsible with others under an express contract, that person, will be equally responsible for paying the bill along with the others in the property until their liability ceases. This means that the supplier could pursue the person who has left, or the remaining occupiers for part or all of the debt.

Practical tips

Those intending to leave the property should be advised to inform the supplier of the date that they intend to leave and provide a meter reading as close to that date as possible.

They could try to negotiate with the supplier that the bill be split equally between those responsible for the bill.

In the case of partners and spouses co-habiting where they are jointly responsible, they could negotiate with the supplier not to pursue them for the entire sum during the period that their partner or spouse was still there and that the bill should be split equally for that period.

In the case of those intending to move in with others, it is a good idea to get all of those in the property who should be responsible for the bill to sign the contract with the supplier so that it is clear that they agreed to this.

(b) New occupiers

The consumer will not be responsible for the debts of the previous occupier when they move into a new property. However, they will be responsible to pay for the energy that they have used, from when they moved in to the property, even if the bills that have been received were addressed to 'the occupier'.

Practical tips

It is a good idea for those moving into a new property to do the following:

- inform the supplier of the date that they will be moving / moved in to the property (they may need to provide evidence of this date in the event of a dispute)
- ensure that there is a meter reading as close to this date as possible
- check the new bills to ensure that they are not charged for the usage of the previous occupier
- in the case of consumers with PPMs, they should ensure that they do not use the credit device of the previous occupier, and ensure that the meter is not set to recover the debts of the previous occupier

Example

Mark moved into a new property 18 months ago. He did not inform the supplier of the change of occupier. He did not open the bills that were addressed to 'The Occupier'. He recently received a visit from a meter reader who asked for Mark's details. Mark has now received a bill from the supplier for the 18 months that he has lived there. Mark asks if he is obliged to pay the bill.

Advice

Mark will be responsible for the charges from the date that he started to use the supply. He should have informed the supplier of the change of occupancy when he moved into the property. He could try to negotiate with the supplier as regards payment terms for clearing the debt. The Back Billing Code would not apply as the supplier has sent bills to 'The Occupier' and the supplier was not at fault as Mark did not provide his details.

(c) Death

If a person dies and they had sole responsibility for the bill, any outstanding bills would be charged to their estate and will only be paid if there are sufficient funds after any priority debts have been paid. Members of their family cannot be held responsible for the debt. If the person was jointly liable with another, the supplier could choose to pursue the other party / parties for the entire debt if they wished to do so.

(d) Landlords and rented property

Who is responsible for the bill where the occupier lives in a rented property will depend upon the circumstances. Sometimes the landlord is responsible for the bill where the tenant pays an inclusive rent that includes the fuel. In other cases the tenant may be responsible for the bill. CA may receive complaints from landlords who say that the tenant's bill has been added to their account in error or vice versa.

Disputes sometimes arise as to how much the landlord is charging the consumer for their energy. Remember that the landlord has to comply with the rules in relation to the MRP (see unit 5 'Charging for fuel' for further details).

(e) Premises that are jointly occupied

We have already discussed the situation where somebody moves out of premises that are jointly occupied or where a person dies where there is an express contract in place that has been signed. Liability is more certain when a signed contract is in place as generally only the people that have signed the contract can be held responsible for the bill.

There are a number of other situations where responsibility for the bill may be called into question and the supplier may claim that people who have not themselves expressly agreed to enter into a contract are responsible for the bill. Common situations include:

- ✓ the person who contacted the supplier to request the supply asked for another person's name to be added onto the bill (this may be problematic if that other person claims that they did not agree to this)

- ✓ the person who contacted the supplier was acting on somebody else's behalf and requested that the bill was addressed solely to that other person (this can be problematic if the other person claims that this was done without their knowledge)

✓ there is a deemed contract in place and the supplier claims that all occupants are responsible for the bill (disputes may arise, for example, where the occupants may claim that only the owner of the property should be responsible or have other reasons for disputing that all occupiers are responsible)

These situations involve complex legal principles and it appears that there is no clear certainty as to who is responsible to pay the bill.

Practical tip

In the above situations those who are being pursued by the supplier should request that they provide a clear explanation of the legal basis for their claim against them. It may be that if the matter is not resolved and the contractual arrangements are complex, a referral in accordance with RAST will need to be made or the matter taken to the Energy Ombudsman.

Summary

- Suppliers may attempt to claim payment from consumers who are not liable to pay the bill.
- Consumers may be responsible for paying the bill under either an express contract or a deemed contract.
- Consumers that sign a contract will be responsible for paying the bill. The consumer may also be responsible if they have entered into a verbal contract with the supplier.
- A deemed contract generally exists when there is no express contract in place and the consumer uses energy.
- Liability for the bill ends when the contract is terminated. Termination may occur in a number of ways including: moving out of the property, transferring supplier, disconnection of a supply when the consumer no longer requires the supply and termination in accordance with the terms and conditions of the contract.
- Common areas of dispute in relation to responsibility for the bill include: moving out, new occupiers, landlords and rented accommodation and property that is jointly occupied.

Section 2

How to pay the bill

There are a number of ways in which a consumer may pay their bill. Each supplier has a code of practice on paying bills which explains the payment methods that consumers can use and these differ from each other (see the Adviceguide).

In this section you will find the following:

- Credit meters
- Pre-payment meters
- Lost payments
- Enquiries regarding accuracy and payment methods

Credit meters

The consumer may be offered a number of payment methods by their supplier. The main options are explained below.

(a) Direct debit

Consumers pay for their bill by having regular payments taken from their bank account. The consumer gives authority to the supplier to take payments from their account and instructs their bank to permit these payments. These payment methods may assist budgeting as the payments are spread out and the supplier usually offers a discount to those who pay by direct debit.

The payments will be covered by the Direct Debit Guarantee. If the amount changes the consumer should be notified of any changes at least ten working days before the change is to take place (or a different period if this has been agreed with the supplier). Also under the scheme any money deducted in error should be refunded immediately.

Monthly / quarterly

The amount taken is based on the consumer's annual consumption and this is divided into equal payments. For existing consumers this is based on their past consumption and for new consumers it is estimated. Consumers will usually overpay during the summer months and may build up credit during this period. However, the credit will generally be used during the winter months when the consumer usually underpays for their usage.

If the consumer is not happy with the amount taken they should ask the supplier to justify the amount that they have calculated. The Code of Practice for Accurate Bills and SLC(G&E)27 provide that where the consumer pays for their supply on the basis of a direct debit, the supplier must take all reasonable steps to ensure that the fixed amount paid by the consumer is based on the best and most current information available (unless the contract states otherwise). The code states that direct debit payments should be reassessed every 15 months. CA often receives complaints regarding the amount of the fixed payment.

Variable

The consumer makes payments at regular intervals but these are not fixed amounts, they are based on the amount of gas and electricity that the consumer has actually used over the last quarter or six months.

Practical tips

Consumers should check their energy bills against their consumption on a regular basis as the amount calculated by the supplier may not be appropriate for the consumer. The supplier should be given the actual reading so that they can amend the payment appropriately if relevant.

If the consumer ends their contract with the supplier (for example, they switch) it is recommended that they cancel their direct debit instruction after receiving the final bill so that the supplier does not continue to take payments in error. The consumer should contact the supplier to make them aware that they will be cancelling the direct debit before they actually cancel it.

Example

Mr Fennel set up a direct debit to pay for his gas supply at £55 per month. He agreed this sum with his supplier based upon what he used to pay at his previous property. Mr Fennel has now received a bill which states that the direct debit will increase to £70 next month to cover the usage. Mr Fennel is unhappy with the increase.

Advice

Suppliers often estimate what they think will be an appropriate payment level for new consumers. This is often adjusted once the supplier receives data on the actual consumption used by the consumer. Mr Fennel could ask the supplier to justify how this increase has been calculated. He should contact his supplier and confirm the complaint in writing in accordance with their complaints scheme (WRDKC / COP).

(b) Monthly / quarterly standing order

The consumer pays a fixed amount each month for their usage and this operates in a very similar way to direct debits. However, although the consumer's bank is directed to pay the money to the supplier, it is the consumer who has control over the payments. The supplier cannot change the payments made by standing order, only the consumer can instruct the bank to do this if the payments need to be varied. Some suppliers offer a discount for paying by standing order.

(c) Continuous authority credit / charge cards (monthly or quarterly) (CATS)

This enables consumers to pay for their energy automatically using their nominated credit card or charge card. The consumer's card has a set amount deducted each month (or quarter) which is based upon their annual usage. Consumers may benefit from any interest free period offered by their card issuer and / or any loyalty schemes. However, if they do not pay off the account in full this can sometimes be an expensive way of paying when interest accrues. Remember that when the consumer pays using their credit card, they may have a claim under s75 of the Consumer Credit Act 1974 against the credit card company for any breach of contract or misrepresentation providing that the cash price is over £100.

(d) On demand quarterly / monthly

The consumer makes their payment once they have received their bill. This is sometimes referred to as 'standard credit'. The bill is based on an estimate or an actual meter reading.

Cash / cheque

The bill may be paid at a bank or post office using cash or cheque. Alternatively, the consumer can pay post a cheque. If the payment is not received on time the consumer may incur a late payment fee. Note that some banks, building societies and post offices may charge a fee for the transaction. The bank will not charge if the consumer holds an account there or if they use the same bank as the supplier.

Debit / credit card over the phone or online

Consumers may pay their supplier over the phone using their debit or credit card. Alternatively, they may pay online using internet banking or the supplier's own online system. Remember that when the consumer pays using their credit card, they may have a claim under s75 of the Consumer Credit Act 1974 against the credit card company for any breach of contract or misrepresentation providing that the cash price is over £100.

Payment cards may also be used to pay bills on demand. These are discussed below.

Practical tip
The consumer may complain that they have received a late payment fee but they paid the bill by the due date. It is important for consumers to check their bills carefully, most will give an indication that the payment will need to be processed before it is credited to the account and that this will take a specified period of time. For example it may state that the consumer should allow seven working days for a cheque to be processed or three working days for a payment made into the post office to be processed.

(e) Payment cards

These are swipe cards which enables consumers to pay their bill free of charge at the post office, PayPoint or PayZone outlets (the consumer needs to check if their supplier uses PayZone and /or PayPoint). Remember that these outlets may be found at a variety of locations including shops and petrol stations. All of the outlets accept cash and cheque payments and some may accept payments by debit or credit card.

Some suppliers give consumers the facility to make flexible payments throughout the year using these cards. Others only allow consumers to use the card to make fixed payments at regular intervals.

Practical tip
Consumers can find out further information about their nearest outlet by contacting PayPoint (www.paypoint.co.uk) or PayZone (www.payzone.co.uk)

(f) Fuel Direct

Fuel Direct is the scheme that enables payments to be deducted directly from certain benefits. It is sometimes referred to as the 'Third Party Deduction Scheme'. The scheme is operated by the Department for Work and Pensions (DWP). This is only available to consumers who are in debt who should be informed of the scheme when they are eligible and this is the most suitable method of debt repayment for that consumer. It is part of the SLC that suppliers must provide the fuel direct scheme. The consumer's local benefit office will agree the amount that should be deducted with the consumer and the energy supplier. The payments cover current fuel use and a proportion of the debt owing.

Currently, consumers on the following benefits may be eligible for the scheme:

- Income Support
- Pension Credit
- Employment and Support Allowance
- Income-based Jobseeker's Allowance

At the time of writing the amount that can be deducted under the scheme is £3.25 per week per fuel. The supplier and the DWP must agree in order for the consumer to be registered on the scheme. Those wishing to register should contact their local benefits office. Fuel Direct will be discussed in further detail in unit 8 'Debt and disconnection' and that unit will also include an explanation of other assistance that may be available to consumers who are in debt and / or vulnerable.

Pre-payment meters

Pre-payment meters were discussed in detail in unit 5 ' Charging for fuel'. Consumers using PPMs pay for their energy in advance. These are usually the most expensive way to pay for energy. Remember that PPMs can be credited using the following methods:

- ✓ tokens
- ✓ cards
- ✓ keys
- ✓ smart cards

The credit devices for meters can be credited at selected post offices and PayPoint / PayZone outlets (selected shops and petrol stations). The consumer may experience problems when using PPM devices and some of these are discussed below.

(a) Supplier requests payment

Consumers may receive a bill or a debit balance on their statement. This could occur in the following circumstances:

- ✓ the meter has not been adjusted to reflect price increases (see below for further explanation)
- ✓ the consumer has used someone else's pre-payment device to credit their meter (see below for further explanation)
- ✓ the consumer's payment has been misdirected
- ✓ the supplier's records incorrectly show that the consumer has a credit meter, not a PPM
- ✓ the meter has changed from a credit meter and the consumer was in arrears (these would normally be put onto the meter to be paid off but could be billed instead)

Example

Having unexpectedly received a windfall at the beginning of the year, Michael topped up his electricity PPM with £500 using his smartcard to credit the account expecting that this would last him for at least the next quarter. He has just received a statement that shows that he owes £200. Michael has contacted the supplier who says that they do not have a record of the payment. Michael topped up his card using his debit card.

Advice

Michael should be advised to WRDKC / COP to his supplier with evidence of the payment in accordance with their complaints procedure. Ideally, he should include a copy of the receipt if he still has this. If not he could send a copy of the bank statement. Michael should block out the other transactional details on his statement so that the supplier only receives the information that is relevant to that particular transaction. Michael should request that the supplier amends their records accordingly.

Practical tip

Reminder for all PPM customers – a debt will be recovered irrespective of usage. This is particularly relevant to clients over the summer months. For example, if a PPM is not credited during the summer months, or credited less frequently, when the client next tops up the meter will retrieve any debt owed to date. This may mean the client will have to top-up again to credit the meter.

Using another PPM device

If a consumer uses a token or card that has not been purchased from an authorised dealer (for example, if they buy from friends or family) their account is not actually credited and although they are able to use energy to the value of the token, the consumer is likely to receive a bill from their supplier as the payment has not credited to the consumer's account. The same problem may occur if the consumer purchases a device from an outlet that is not authorised (for example, not PayZone or Paypoint).

Practical tip

If the consumer has used another person's payment card / token, the consumer may be able to request that the supplier credits their account if they can get the other person's permission in writing to transfer the credit to the correct meter.

Example

Jonathan ran out of credit on his PPM on a number of occasions over the past year and he often purchased tokens from his neighbour if it was late at night. Jonathan has now received a bill from his supplier and he contacted them to complain. They say that this is because he used someone else's card. Jonathan is very confused about what has happened.

Advice

Jonathan should be advised about how the token meter operates. He has an account card which is credited when he purchases tokens from an authorised dealer. The token itself simply enables the supply of electricity to the value of the token. As Jonathan has simply purchased a token from his neighbour, although he has received a supply of electricity, the payment for the electricity has not been credited onto his account. Jonathan could try asking his neighbour if they would be willing to state in writing that the payments have been credited to their account and that they give the authority for the payments to be transferred. If they are not willing to do this then he may have to pay the bill. Jonathan should be advised to contact his supplier and confirm the complaint in writing in accordance with their complaints procedure. He should WRDKC / COP.

Consumers may move into a property that already has a PPM installed. If a consumer uses the previous occupier's PPM card the money will be credited to the account of the previous occupier.

Example

David moved into a new property one year ago. The property had a PPM installed and David has used the card that was in the property when he moved in to credit the meter. David is surprised to see that his statement shows that he owes the supplier money for the electricity that he has used since he moved into the property.

Advice

David should be advised that the money will have been credited to the account of the previous occupier. He should contact his supplier and conform his position in writing sending his letter by recorded delivery or by obtaining a certificate of posting and retaining a copy for his records, to inform them of the situation. He should send copies of his receipts for all of the payments that he has made. David should ask his supplier for a card to be issued to him that he can use for his account. The supplier should arrange for the money to be transferred to the consumer's account.

Token meters and price rises

The SLC state that the supplier must take reasonable steps to ensure that the meter is re-set within a reasonable time of any changes to their charges (SLC(G&E)28). Suppliers have policies as to what will happen in the event that the PPM is not adjusted but they vary. Some state that they will not charge the consumer if they have failed to adjust the meter within a reasonable time where they have not made attempts to gain access.

Example

Mr Thompson received a bill but he has a PPM. Mr Thompson contacted the supplier who said that this is because a price rise occurred in the last eight months ago and his meter was not adjusted.

Advice

Mr Thompson should be advised to consider if he is aware of the supplier making attempts to visit the property to look at the meter. He could ask the supplier if they have any evidence that they made reasonable attempts to gain access for this purpose and ask the supplier what their policy is in relation to charging consumers when the meter has not been adjusted. If the supplier did make attempts to visit or the policy does not permit reduction of the debt consumer may be faced with paying the increase. Mr Thompson should be advised to complain to his supplier and confirm this in writing in accordance with their complaints procedure. He should be advised to send the letter by recorded delivery post or obtain a certificate of posting and to keep a copy for his records.

(b) Lost, faulty and damaged credit devices

If the consumer loses or damages a credit device or they receive one which is faulty, the supplier should be able to issue a replacement item. However, the consumer may have to pay for a replacement card or key in the event that they are lost. Ofgem commented that when consumers take on a PPM suppliers must make them aware that charges may be applied for lost devices and failure to do so may amount to a breach of the CPR (Review of Supplier's Approaches to Debt Management and Prevention June 2010). They also commented that if charges are disproportionate or the contract is not clear in relation to the term allowing the charges to be levied, the terms may be unfair under the UTCCR 1999.

Practical tips

Consumers with faulty cards should follow the procedure as noted above for key meters (report it to the supplier, request a replacement and keep any receipts).

It the client has been back to the supplier and the matter is still unresolved, it may be the case should be referred through to the EHU and handled in accordance with RAST protocols.

Lost payments

It may be the case that the consumer has paid for their energy using one of the methods explained above but the money has not been credited onto the consumer's account. These are sometimes referred to as 'misdirected payments'. This issue was discussed in relation to PPMs at 2.2 above. Sometimes with PPM devices it may be unclear if the payment has simply not been credited onto the account or if there is a fault with the device.

Practical tips

Consumers may complain that they have paid for credit for their PPM device at an authorised outlet but when they have tried to use it at home the amount has not been credited. In these circumstances they could be advised to take the following steps:

1. Check the display on their meter - if it says the device has been accepted then they should check the receipt.
   The receipt may contain a message 'credit failed' or not show the transaction at all. The consumer should return to the outlet with their receipt and ask them to credit the device. If this does not work they should contact their supplier.

2. If there is an 'error message' there may be a problem with the device. They could try wiping it with a dry cloth or blowing it to clean it to remove traces of dirt or dust. If this still does not work they should contact the supplier as it is likely that his key has been damaged or is faulty. It is likely that they will issue a replacement key. The supplier should ultimately fund the cost of the replacement if they key is found to be faulty and there has been no damage caused by the consumer.

Credit meters

There are a number of possible explanations as to why payments may go missing from credit meters. Possible explanations include:

- ✓ the consumer used an incorrect reference number
- ✓ there was an administrative error made by the supplier when processing the information, for example, they logged the payment onto the incorrect account
- ✓ the cheque payment was lost in the post
- ✓ there were problems with the credit / debit card system

The consumer should contact the supplier as soon as possible to report the problem and request an explanation of what has happened to the payment. They should contact their bank, where appropriate, to see if the payment has left their account and if so provide appropriate evidence to the supplier (for example, a copy of a cheque / bank statement). Alternatively, if they have paid by cash they should provide a copy of the receipt.

Example

Francis paid her last bill three months ago. She has just received another bill and it is showing her previous bill as being currently outstanding. Francis paid the previous bill by cheque.

Advice

Francis should check with her bank to see if the cheque has been cashed and if so she should write to the supplier in accordance with their complaints procedure explaining the position and enclosing a copy of her bank statement. Francis should block out the other transactional details on her statement so that the supplier only receives the information that is relevant to that particular transaction. She should request that the supplier amends their records accordingly by WRDKC / COP. If necessary, Francis may have to produce a copy of the cheque but she should avoid this initially because her bank will probably charge her for this. If she did have to pay to get a copy of the cheque she could request the cost of this from her supplier.

If the cheque has not been cashed then Francis should pay the balance in full and she should ask her bank to cancel the cheque. The supplier may be willing to negotiate to give her more time to pay if she no longer has sufficient funds.

Enquiries regarding accuracy and payment methods

Consumers may need to make enquiries with their supplier in the event that they feel that the account is inaccurate or if they want to change their payment method. GS(E)16(S) offers extra protection to those electricity consumers who have never switched away from their local electricity supplier (former Public Electricity Suppliers). The following guaranteed standards will apply:

GS reference	Standard	Further details in:
GS(E)16(S)	Responding to queries for consumers of ex PES suppliers	Annexe 1

Quick reference guide: payment methods for credit meters

Method	Advantages	Disadvantages
Direct Debit: Monthly and quarterly Direct Debit Variable	• Assists with budgeting as the same amount is paid each month/quarter (avoids unexpected high bills) • Suppliers often issue discounts • Payments are protected by the direct debit scheme (e.g. immediate refunds for payment errors and notice of any changes) • Consumer can cancel at any time • The consumer pays for their energy based on actual usage	• Payment level may be insufficient/too high • Consumer must manage their bank account to ensure that there are sufficient funds every month • Makes budgeting more difficult if the amount is not fixed (will usually be high in winter and lower in summer)
Monthly/ quarterly standing order	• Assists with budgeting as the same amount is paid each month/quarter (avoids unexpected high bills) • Some suppliers often issue discounts	• Consumer must complete a form for the bank each time the payment needs to be changed

	• Payments cannot be taken by the supplier in error	
Continuous arrangement	• The consumer can benefit from the 'interest free' period provided by the relevant card (sometimes up to 56 days) • The card may offer reward/loyalty points	• Consumers are not protected in the same way as they are for direct debit schemes (e.g. against unauthorised withdrawals) • If the consumer does not pay off the balance during the interest free period it can be an expensive way of paying due to interest charges
On demand **(cash/ cheque/ debit card/ credit card)**	• Consumer may receive a discount for prompt payment • The consumer controls when they pay their bill	• Discounts may not be as generous as direct debit discounts • There is a risk of late payment Which may incur a late payment charge

Quick reference guide: payment methods for pre-payment meters

Method	**Advantages**	**Disadvantages**
Token/card	• As they are widely available they are easy to replace if lost and the consumer does not have to wait to receive one from the supplier	• Meter must be adjusted to reflect price changes • Must pay off any emergency credit first when the meter is re-credited • These are outdated and most token meters have been replaced
Key	• The meter can be adjusted using the key rather than manually	• Some suppliers charge for replacement keys
Smart card	• The meter can be adjusted using the card rather than manually	• Some suppliers charge for replacement cards

Summary

- There are a wide range of payment methods and schemes available.
- In the case of credit meters, the consumer usually has the option to pay weekly, monthly, quarterly or in some cases at 6 month intervals or using completely flexible payment schemes.
- If the consumer pays by direct debit, they are protected by the direct debit guarantee scheme. The direct debit may be for a fixed amount or variable. The supplier must reassess payments made by direct debit every 15 months.
- Consumers paying by standing order have control over the payments as the order can only be altered or cancelled by the consumer.
- Other methods of payment for credit meters include: continuing authority transactions on credit and charge cards, cash, cheque, credit or debit card, payment cards provided on behalf of the supplier and fuel direct.
- PPM can be credited with: tokens, cards, keys and smartcards. Problems may arise if the card is lost, damaged or faulty, or if another person's credit device is used. Problems may also occur if a token meter is not manually adjusted to reflect price rises or the repayment of debt.
- Payments made to credit meters may be misdirected.