

Statement on Prepayment Meters

This statement explains, the conditions that apply when we offer, install, switch, operate, review or remove a prepayment meter for a domestic Customer. A prepayment meter includes a meter installed as a prepayment meter and an existing meter that has been switched to prepayment mode. We will only use a prepayment meter where the relevant conditions are met and where it is safe and reasonably practicable for the Customer to use it. For further information on the authorisation conditions please visit Ofgem's detailed authorisation conditions which have been published here:

<https://epr.ofgem.gov.uk/c/AGoC8Eh-RxmWKxVWbh8L1g/p/4f1cf60a-1de3-4682-accd-bdac9ae3f109/wvp/ef9412be-def7-4c7f-98bf-13cb4523c106>

1. Information we must give before a prepayment meter is installed or switched on

If we offer a domestic Customer the option to pay through a prepayment meter, or if the Customer asks to pay this way, we must give them appropriate information within a reasonable time before the meter is installed or switched to prepayment mode.

That information must explain:

- the main advantages and disadvantages of a prepayment meter;
- how the meter works, including how the Customer can pay in advance and the available ways to top up;
- where to get help if the meter is not working properly, or if any card, key, app or other device used to make payments is not working properly;
- the credit support that may be available, including emergency credit, friendly-hours credit, additional support credit and prepayment meter credit; and
- how we would remove or reset the meter, including the likely timescale and any conditions that would apply.

2. We must not use a prepayment meter unless it is safe and reasonably practicable

Before installing a prepayment meter or switching an existing meter to prepayment mode, we must consider whether it would be safe and reasonably practicable for the domestic Customer to use it in all the circumstances.

If we know, or have reason to believe, that it would not be safe and reasonably practicable, we will not go ahead unless we first make arrangements that make its use safe and reasonably practicable.

If a Customer is already using a prepayment meter and we later become aware, or have reason to believe, that it is no longer safe and reasonably practicable for them to continue using it, we must offer one or more of the following:

- moving the meter or replacing it with a suitable alternative, if that would make continued use safe and reasonably practicable;
- any other arrangement needed to make continued use safe and reasonably practicable; or
- another way to pay charges that does not rely on a prepayment meter.

We must contact Customers who use a prepayment meter at least once every year, using a format that reflects their communication preferences, to check whether it is still safe and reasonably practicable for them to continue using it.

When deciding what is safe and reasonably practicable, we will follow any relevant guidance issued by Ofgem on how suppliers should assess whether prepayment meters are suitable, including checks on vulnerability, welfare visits, information provision and aftercare.

3. We must reset the meter promptly when charges or instalments change

If a Customer pays through a prepayment meter, we must take all reasonable steps to reset the meter within a reasonable period after:

- any change to the charges that apply; or
- any change to an instalment amount being recovered through the meter, or when instalments are no longer required.

4. This statement must be available and easy to get

We must publish this statement on our website and make it easy to find. We must also take all reasonable steps to tell each domestic Customer who pays through a prepayment meter, at least once each year, that this statement exists and how to get it. We must provide a copy free of charge to anyone who asks for one.

5. When we need explicit consent

If installing a prepayment meter, or switching an existing meter to prepayment mode, would require us or someone acting for us to enter the domestic premises, we must not do this unless the Customer has given explicit consent, we will ensure it is clearly and

actively provided, either in writing or through clear, recorded verbal agreement, and that a record is kept of when, how, and by whom it was obtained.

6. When we may be able to install or switch without explicit consent

In some cases, a prepayment meter can be installed, or an existing meter can be switched to prepayment mode, without entering the premises. If the Customer has not given explicit consent, we must not do this unless all of the following conditions are met:

- the debt trigger has been met;
- we have made multiple attempts to engage with the Customer;
- we have complied with our obligations to Customers in payment difficulty;
- appropriate site welfare visits have been carried out;
- we have decided that the prepayment meter would be safe and reasonably practicable in all the circumstances, including by applying the precautionary principle and checking all relevant Priority Services Register information; and
- before the installation or switch takes place, we have given the Customer reasonable written notice explaining, in a reasonable level of detail, how this change will affect the way they must pay for their heating, cooling or hot water.

Ofgem states that involuntary installation or switching must be used only as a last resort and only after strict conditions have been met.

7. Extra protections for Customers in vulnerable circumstances

If a prepayment meter can be installed or switched without entering the premises and the Customer has not given explicit consent, we must not do this in winter if we know, or have reason to believe, that anyone living there is:

- under 2 years old;
- over 75 years old;
- disabled;
- terminally ill; or
- chronically sick.

There is one temporary exception: this winter restriction does not apply during the transitional period to a heat network that supplies, or could supply, 10 or fewer individual premises.

We must also take extra care where we know, or have reason to believe, that anyone in the premises:

- has a medical condition that means they need, or may need, heating or hot water throughout the year for medical reasons;
- has a serious mental or developmental disability;
- is under 5 years old; or
- is temporarily in a vulnerable situation because they are pregnant or for another health-related reason.

In these cases, if there is no explicit consent and the change can be made without entering the premises, we must not install or switch to a prepayment meter unless we have carried out a vulnerability assessment and are reasonably satisfied that using the meter would not have a significant impact on the wellbeing of those occupants.

Ofgem guidance and Ofgem Customer information emphasise that prepayment meters are not suitable for everyone and that suppliers must assess vulnerability, access and ability to use the meter before proceeding.

8. Additional protections where installation or switching happens without explicit consent

Where a meter is installed or switched without explicit consent under the conditions above, we must also:

- accept any information relevant to the Customer's ability to pay and financial circumstances;
- accept information from, and actions taken by, a person or organisation acting on the Customer's behalf;
- not link staff incentives to the number of installations;
- ensure site welfare visits use audio recording equipment or body cameras;
- provide aftercare support after installation; and
- keep assessment records and audio or body camera recordings for an appropriate period.

9. Other obligations still apply

We must also comply with any other obligations that apply to prepayment meters, including obligations relating to payment difficulty, disconnection and direct debits. If there is any irreconcilable inconsistency between those rules and the specific protections described above about installation or switching without explicit consent, the specific protections described above take priority.

10. Debt recovery must be proportionate

When recovering outstanding charges or any other debt from a domestic Customer, we must make sure that any action taken by us or by a representative, and any costs we seek to recover from the Customer as a result, are proportionate to the amount owed.

11. What happens when debt has been repaid

If a Customer is using a prepayment meter because of an installation or switching process without explicit consent and they have repaid all debt owed, we must contact them and offer:

- an assessment of whether a prepayment meter is still the most appropriate payment method;
- appropriate information about alternative payment methods and tariffs; and
- the option to move to an alternative payment method.

If the Customer chooses an alternative payment method, we must agree to and make the change as soon as reasonably practicable, subject to any required credit checks. Any security deposit required as part of that process must not be more than a reasonable amount.

12. Summary of our approach

In summary, we will only offer, install, switch or continue to use a prepayment meter where the rules allow it, the required information and notices have been given, and the meter is safe and reasonably practicable for the Customer to use. We must treat Customers fairly, take special care where there are signs of vulnerability, use installation or switching without consent only in tightly restricted circumstances, provide aftercare, and review whether the meter remains appropriate over time.

A copy of this statement is available upon request.