

# **COST OF LIVING CRISIS: FIGHTBACK**

## **Fact sheet 5**

### **Moving to a prepayment meter**

Your supplier has to follow licence conditions set by Ofgem, as well as the government's laws and regulations. Here are summaries of the rules that cover prepayment meters - and the protection they offer you.

As well as our summaries, you can see the full wording of the original rules.

Your supplier isn't allowed to ask you for a security deposit when you get a prepayment meter.

#### **Electricity Supply Standard Licence Conditions , conditions 27.3 and 27.4**

**27.3** A licensee must not require a Domestic Customer to pay a Security Deposit in relation to the supply of electricity to his premises or, where the premises are Green Deal Premises, in relation to Green Deal Charges:

**(a)** if that customer agrees that the premises may be supplied through a Prepayment Meter and it is safe and reasonably practicable in all the circumstances of the case for the premises to be so supplied; or

**(b)** if it is unreasonable in all the circumstances of the case to require that customer to pay a Security Deposit.

**27.4** A Security Deposit must not exceed a reasonable amount.

#### **Gas Supply Standard Licence Conditions , conditions 27.3 and 27.4**

**27.3** A licensee must not require a Domestic Customer to pay a Security Deposit in relation to the supply of gas to his premises:

**(a)** if that customer agrees that the premises may be supplied through a Prepayment Meter and it is safe and reasonably practicable in all the circumstances of the case for the premises to be so supplied; or

**(b)** if it is unreasonable in all the circumstances of the case to require that customer to pay a Security Deposit.

**27.4** A Security Deposit must not exceed a reasonable amount.

If you owe your supplier money, or tell them you're going to have difficulty paying, they have to offer you a payment plan.

This could involve paying off your debt in instalments or through a prepayment meter. Or you could arrange to have your [payments automatically taken from your benefits](#).

When your supplier talks to you about these options, they also have to advise you on how to use less energy.

### **Electricity Supply Standard Licence Conditions , conditions 27.5 and 27.6**

**27.5** The licensee must offer each of the services set out in paragraph 27.6 when it becomes aware or has reason to believe that a Domestic Customer is having or will have difficulty paying all or part of the Charges..

**27.6** The services referred to in paragraph 27.5 are:

**(a)** the facility for a Domestic Customer to pay Charges:

**(i)** by using, where available, a means by which payments may be deducted at source from a social security benefit received by that customer;

**(ii)** by regular instalments calculated in accordance with paragraph 27.8 and paid through a means other than a Prepayment Meter; and

**(iii)** by using a Prepayment Meter, where it is safe and reasonably practicable in all the circumstances of the case for the Domestic Customer to do so and where any instalments to be paid are calculated in accordance with paragraph 27.8; and

**(b)** the provision of information about how the Domestic Customer could reduce the Charges for the Supply of Electricity that he must pay by using the electricity supplied to his premises more efficiently.

### **Gas Supply Standard Licence Conditions , conditions 27.5 and 27.6**

These contain the same wording for gas.

You can't be cut off for owing money to your energy supplier unless your supplier has tried to find ways for you to pay back that money. This has to include talking to you about payment plans, prepayment meters and payments directly from any benefits you get.

### **Electricity Supply Standard Licence Conditions , conditions 27.9, 27.9A**

**27.9** The licensee must not Disconnect a Domestic Premises at which the Domestic Customer has not paid Charges unless it has first taken all reasonable steps to recover those charges by means of the service referred to in sub-paragraph 27.6(a)(iii).

**27.9A** For the purposes of conditions 27.9, 27.10, 27.11 and 27.11A, Disconnection includes:

**(a)** Credit Limiting where:

**(i)** it amounts to stopping the supply to the Domestic Premises; and  
**(ii)** the Domestic Customer does not pay Charges by using a Prepayment Meter; and

**(b)** Load Limiting where:

**(i)** the supply to the Domestic Premises is significantly constrained; and

**(ii)** the Domestic Customer does not pay Charges by using a

Prepayment Meter or, where the Domestic Customer pays using a Prepayment Meter, that meter remains for the time being, in credit.

### **Gas Supply Standard Licence Conditions , conditions 27.9, 27.9A**

**27.9** The licensee must not Disconnect a Domestic Premises at which the Domestic Customer has not paid Charges for the Supply of Gas unless it has first taken all reasonable steps to recover those charges by means of the service referred to in sub-paragraph 27.6(a)(iii).

**27.9A** For the purposes of conditions 27.9, 27.10, 27.11 and 27.11A, Disconnection includes Credit Limiting where:

**(i)** it amounts to stopping the supply to the Domestic Premises; and  
**(ii)** the Domestic Customer does not pay Charges for the Supply of Gas by using a Prepayment Meter.

If your supplier says you're behind on paying for your gas or electricity, they have to give you at least 28 days to pay them back. After that they can write to you again to say they're going to move you to a prepayment meter.

They have to give you 7 days' notice before they come to install a gas meter and 7 working days' notice for an electricity meter.

They can charge you the cost of installing the meter, but many suppliers choose not to.

Your supplier can't move you to a prepayment meter if you're disputing the money they say you owe.

If you don't repay money you owe, and you refuse to have a prepayment meter, your supplier could cut off your energy supply.

### **Electricity Act 1989, schedule 6, section 2**

**(1)** Where a customer has not, within the requisite period, paid all charges due from him to an electricity supplier in respect of the supply of electricity to any premises or the provision of an electricity

meter, the supplier may—

- (a)** install a pre-payment meter on the premises; or
  - (b)** disconnect the premises,
- and the supplier may recover any expenses incurred in so doing from the customer.

**(2)** The power of a supplier under sub-paragraph (1)(a) or (b) may not be exercised—

- (a)** as respects any amount which is genuinely in dispute (disregarding for this purpose a dispute under section 39 or regulations made under it); and
- (b)** unless not less than seven working days' notice has been given to the occupier of the premises (or the owner of the premises if they are unoccupied) of his intention to exercise it.

**(3)** In this paragraph the “requisite period” means the period of 28 days after the making by the supplier of a demand in writing for payment of the charges due.

### **Gas Act 1986, schedule 2b, section 7**

**(1)** Sub-paragraphs (3) and (4) below apply where—

- (a)** a demand in writing is made by a gas supplier for the payment of any of the charges due to him from a consumer in respect of the supply of gas to any premises of his (in this paragraph referred to as “the premises ”); and
- (b)** the consumer does not pay those charges within 28 days after the making of the demand.

**(2)** Sub-paragraph (3) below also applies where—

- (a)** a request in writing is made by a gas supplier for the provision of a deposit by way of reasonable security for the payment of the charges due to him from a consumer in respect of the supply of gas to the consumer's premises; and
- (b)** the consumer does not provide such a deposit, or agree to take his supply through a pre-payment meter, within 7 days after the making of the request.

**(3)** If the supplier is a relevant supplier, he may, after giving not less than 7 days' notice of his intention—

**(a)** install a pre-payment meter on the premises in place of the existing meter; or

**(b)** cut off the supply to the premises by disconnecting the service pipe at the meter or by such other means as he thinks fit;

and the supplier may recover any expenses incurred in so doing from the consumer.

**(4)** If—

**(a)** the supplier is not a relevant supplier but another supplier (“the new supplier”) is such a supplier; and

**(b)** the supplier has assigned to the new supplier his right to recover any of the charges due to him from the consumer, sub-paragraph (3) above shall apply as if any reference to the supplier were a reference to the new supplier.

**(5)** The powers conferred by sub-paragraphs (3) and (4) above shall not be exercisable as respects any charges or deposit the amount of which is genuinely in dispute.

## Once you have a prepayment meter

You can switch a prepayment meter to a new supplier even if you owe up to £500 of debt on that meter.

You can switch your gas and electricity meters separately if you want - if, for example, you owe more than £500 on one meter but not the other.

If you switch you'll owe your debt to your new supplier instead

### [Electricity Supply Standard Licence Conditions](#), conditions 14.5 and 14.6

**14.5** The licensee may not make a request in accordance with the Master Registration Agreement to prevent a Proposed Supplier

Transfer in relation to a Domestic Customer at a Domestic Premises at which the licensee is the Relevant Electricity Supplier if the relevant Domestic Customer's Domestic Premises is being supplied with electricity through a Prepayment Meter and:

**(a)** the Domestic Customer has agreed with the proposed new Electricity Supplier that any Outstanding Charges may be assigned by the licensee in accordance with the Protocol; or

**(b)** the licensee, having increased the Charges for the Supply of Electricity to the relevant Domestic Premises, has not taken all reasonable steps to reset the relevant Prepayment Meter within a reasonable period of time after that increase has effect to take account of the increase and the Outstanding Charges (which may have accumulated over time) relate only to the increase and are equal to all or part of it.

**14.6** The licensee shall ensure that Outstanding Charges of amounts equal to or less than £500 are capable of being assigned by the licensee to a new Electricity Supplier in accordance with the Protocol.

### **Gas Supply Standard Licence Conditions, conditions 14.5 and 14.6**

These contain the same wording for gas.

If you're over state pension age, you're disabled, or you have a long-term illness:

- you can give a friend or relative a password so they can talk to your supplier on your behalf
- you can ask your supplier to send your yearly account information to a friend or relative instead of straight to you
- your supplier has to move your meter if you can't easily reach it

- your supplier has to send someone to read your meter for you regularly if no one in your home can read it

Your supplier can't charge you for doing any of these.

### **Electricity Supply Standard Licence Conditions , condition 26.1**

#### **Customers who are of Pensionable Age, disabled or chronically sick**

If a Domestic Customer who is of Pensionable Age, disabled or chronically sick requests it and it is appropriate and reasonably practicable for the licensee to do so, the licensee must, free of charge:

- (a)** agree a password with the customer that can be used by any person acting on the licensee's behalf or on behalf of the Relevant Distributor to enable that customer to identify that person;
- (b)** send each Bill or statement of account in relation to the supply of electricity to the customer's premises to any other person that the customer nominates, if that person agrees to receive them;
- (c)** if the customer informs the licensee that no person occupying his premises is able to read the Electricity Meter there, arrange to read that meter at appropriate intervals and inform the customer of that reading; and
- (d)** if Charges are recovered through a Prepayment Meter and the customer cannot readily make payments through that meter because of infirmity, arrange to move that meter so that the customer can access it.

### **Gas Supply Standard Licence Conditions , condition 26.1**

This contains the same wording for gas.

If you're paying off debt through a prepayment meter, your supplier has to take into account how much you can afford.



It also has to consider your circumstances when deciding how much your payments are and how often you pay them.

This might include a credit check, looking at your other debts, and considering any benefits you're on.

### **Electricity Supply Standard Licence Conditions , condition 27.8**

The licensee must take all reasonable steps to ascertain the Domestic Customer's ability to pay and must take this into account when calculating instalments, giving due consideration to:

**(a)** relevant information provided by third parties, where it is available to the licensee; and

**(b)** where instalments will be paid using a Prepayment Meter, the value of all of the charges that are to be recovered through that meter.

### **Gas Supply Standard Licence Conditions , condition 27.8**

This contains the same wording for gas.

If it's no longer safe and practical for you to use a PPM, your supplier has to do one of the following:

- move your meter to a place where you can get to it
- replace your meter with a standard credit meter
- adapt your meter or payments so they become safe and practical
- arrange for you to pay in a different way

### **Electricity Supply Standard Licence Conditions , condition 28.1A**

Where a Domestic Customer uses a Prepayment Meter and the licensee becomes aware or has reason to believe that it is no longer safe and reasonably practicable in all the circumstances of

the case for the Domestic Customer to do so, the licensee must offer:

**(a)** to alter the position of, or replace with one which has been specially adapted, the Prepayment Meter installed in the Domestic Premises, either in accordance with its obligations under Schedule 6 (Electricity Code) or otherwise, if it would make it safe and reasonably practicable in all the circumstances of the case, for the Domestic Customer to continue to use the Prepayment Meter;

**(b)** to make such other arrangements as are necessary to ensure that it would be safe and reasonably practicable in all the circumstances of the case, for the Domestic Customer to continue to use the Prepayment Meter; or

**(c)** a facility for the Domestic Customer to pay Charges through a means other than a prepayment meter, including, where condition 27.5 applies, the services referred to in condition 27.6(a)(i) and (ii).

### **Gas Supply Standard Licence Conditions , condition 28.1A**

This contains the same wording for gas.

Your supplier has to update your meter's settings when you've either:

- finished paying off the money you owe them, or
- agreed to change the amount that you pay them

This is so you don't pay them more than you owe.

### **Electricity Supply Standard Licence Conditions , condition 28.2**

#### **Resetting of Prepayment Meters**

Where a Domestic Customer pays Charges for the Supply of Electricity through a Prepayment Meter, the licensee must take all reasonable steps to ensure that the meter is reset within a reasonable period of time:

**(a)** after 1 August 2007, if any change has been made to Charges before that date and the meter has not been reset;

**(b)** after any change is made on or after that date to Charges for the Supply of Electricity; or

**(c)** if payments are being made by instalments using the meter:

(i) after any change is made to the amount due in instalments; or

(ii) after instalments are no longer required.

### **Gas Supply Standard Licence Conditions , condition 28.2A**

This contains the same wording for gas.

If you can't get any electricity or gas and you think your meter is faulty, contact your supplier. They have to come round and repair or replace it within 3 hours, or 4 hours on a weekend or bank holiday.

If you think your meter is faulty but the power supply is still working, you should still contact your supplier. They have to arrange a future appointment within 3 or 4 hours.

If you contact your supplier out of hours, the time limit begins at the start of working hours the next day.

### **Electricity and gas (Standards of Performance) (Suppliers) Regulations 2015, regulation 5**

**(1)** This regulation applies where:

**(a)** a customer notifies their supplier that the customer considers that a prepayment meter, through which the customer receives a supply of gas or electricity from the supplier, is faulty; or

**(b)** a customer notifies their supplier of matters relating to a prepayment meter, through which the customer receives a supply of gas or electricity from the supplier, that the supplier ought reasonably to expect to mean that the meter is faulty.

**(2)** Where this regulation applies, the individual standards of performance are:

**(a)** the requirement on the supplier set out in paragraphs (3) and (4); and

**(b)** the requirement on the supplier set out in paragraph (5).

**(3)** Where paragraph (1) applies and the customer has lost supply of gas or electricity from the meter, the supplier must take either of the steps set out in paragraph (4) within:

**(a)** 3 hours on a working day; or

**(b)** 4 hours on any other day, of receiving a notification under paragraph (1).

**(4)** The supplier must:

**(a)** arrive at the customer's premises to commence such work as appears necessary to ensure that the supply of gas or electricity is restored to the customer; or

**(b)** where the supply of gas or electricity can be restored without a visit by the supplier to the customer's premises, commence such work as appears necessary to ensure that the supply of gas or electricity is restored to the customer.

**(5)** Where paragraph (1) applies and the customer has not lost supply of gas or electricity from the meter, the supplier must take an appropriate action within:

**(a)** 3 hours on a working day; or

**(b)** 4 hours on any other day, of receiving a notification under paragraph (1).

**(6)** For the purposes of paragraphs (3) and (5):

**(a)** where:

**(i)** the supplier has advised a customer of a particular postal address that is appropriate for receipt of the information described in paragraph (1)(a) or (b); and

**(ii)** the customer notifies the supplier of that information by post alone, the information is to be treated as received by the supplier when it is received at that particular postal address; and

**(b)** where notification is given to the supplier outside working hours, the period of time within which the individual standard of performance must be completed begins to run at the commencement of the next following period of working hours.

**(7)** In this regulation “appropriate action” means action which will assist the supplier to:

**(a)** confirm whether the customer’s prepayment meter is faulty;

**(b)** restore the faulty meter to being a working meter; or

**(c)** replace the faulty meter with a working meter;

“faulty” in relation to a prepayment meter, means a meter which is not operating so as to permit a supply of gas or electricity to be given to a customer’s premises in the manner for which that prepayment meter was designed;

“prepayment meter” has the meaning given in regulation 4(6); and

“working” in relation to a prepayment meter, means a meter which is operating so as to permit a supply of gas or electricity to be given to a customer’s premises in the manner for which that prepayment meter was designed.

# Information your supplier must give you

If you're thinking of getting a new supplier, they have to tell you roughly how much your gas and electricity will cost you over a year.

They have to tell you this before you sign the contract. The information has to be in writing – over the phone isn't enough.

## Electricity Supply Standard Licence Conditions, condition 25.6

### Pre-contract obligations

Where the licensee or any Representative offers to enter into a Domestic Supply Contract with a Domestic Customer in the course of its Marketing Activities, the licensee or Representative must at the time it makes the offer and before entering into a Domestic Supply Contract with that Domestic Customer:

**(a)** provide to that Domestic Customer, in Writing or by means of electronic display, an estimate of the total annual Charges for the Supply of Electricity which would be payable by that Domestic Customer under the Offered Domestic Supply Contract; and

**(b)** where:

**(i)** the Domestic Customer is, at the time the offer is made, being supplied with electricity through a Prepayment Meter; or

**(ii)** the licensee or a Representative has indicated to a Domestic Customer that the Charges for the Supply of Electricity that would be payable under the Offered Domestic Supply Contract are lower than the Charges for the Supply of Electricity that are payable under the Domestic Supply Contract pursuant to which the relevant Domestic Customer receives its supply of electricity at the time the offer is made,

provide to that Domestic Customer, in Writing or by means of electronic display, a comparison of the Charges for the Supply of Electricity that would be payable under the Offered Domestic Supply Contract and the Charges for the Supply of Electricity that

are payable under the Domestic Supply Contract pursuant to which the relevant Domestic Customer receives their supply of electricity at the time the offer is made. Where a Domestic Customer who falls within the scope of sub-paragraph 25.6(b)(i) is unable or unwilling to provide details of the Charges for Supply of Electricity that are payable under their existing Domestic Supply Contract, the licensee or Representative shall base any comparison which it is required to provide in accordance with this sub-paragraph on its best estimate of those Charges for the Supply of Electricity having regard to any relevant information that is available to the licensee or Representative at the time the comparison is prepared.

### **Gas Supply Standard Licence Conditions, condition 25.6**

This contains the same wording for gas.

Your supplier has to publish a summary of the rules it has to follow. You can ask for this summary at any time, and your supplier has to send you a free copy of it.

At least once a year your supplier has to tell you about this summary and how to get a copy of it.

### **Electricity Supply Standard Licence Conditions, condition 26.8**

The licensee must:

- (a)** prepare a statement that sets out, in plain and intelligible language, its obligations under this condition;
- (b)** publish that statement on and make it readily accessible from its Website (if it has one);
- (c)** take all reasonable steps to inform each of its Domestic Customers, at least once each year, of that statement and how to obtain it; and
- (d)** give a copy of the statement on request and free of charge to any person.

## **Gas Supply Standard Licence Conditions , condition 26.8**

This contains the same wording for gas.

If your supplier installs a prepayment meter it has to give you a guide that explains:

- the advantages and disadvantages of the meter
- how the meter works
- how to top up your credit
- what to do if you run out of credit
- what to do if the meter won't work
- what to do if your key or card is lost or damaged
- what will happen if you replace your meter with a normal meter
- what will happen if your supplier has to update your meter's settings, so that the amount you're paying changes

The latest it can give you this guide is when it comes to install the meter.

## **Electricity Supply Standard Licence Conditions , condition 28.1**

If the licensee offers to enable a Domestic Customer to pay or a Domestic Customer asks to pay Charges through a Prepayment Meter, the licensee must provide, prior to or upon the installation of that meter, appropriate information to that customer about:

**(a)** the advantages and disadvantages of a Prepayment Meter;

**(aa)** information relating to the operation of the Prepayment Meter, including information about the process for, and methods by which, the Domestic Customer can pay in advance through the Prepayment Meter;

**(b)** where he may obtain information or assistance if:

**(i)** the Prepayment Meter is not operating effectively; or



**(ii)** any device used to allow the Charges to be paid through the Prepayment Meter is not operating effectively; and

**(c)** the procedures that the licensee will follow when removing or resetting the Prepayment Meter, including the timescale and any conditions for removing or resetting it.

### **Gas Supply Standard Licence Conditions, condition 28.1**

This contains the same wording for gas.

Your supplier has to:

- let you know about its prepayment meter guide
- make it available on its website
- give you an electronic or paper copy if you want one, free of charge

### **Electricity Supply Standard Licence Conditions, condition 28.3**

The licensee must:

**(a)** prepare a statement that sets out, in plain and intelligible language, its obligations under this condition and includes the information referred to in paragraph 28.1;

**(b)** publish that statement on and make it readily accessible from its Website (if it has one);

**(c)** take all reasonable steps to inform each of its Domestic Customers who pay Charges through a Prepayment Meter, at least once each year, of the statement and how to obtain it; and

**(d)** give a copy of the statement on request and free of charge to any person.

### **Gas Supply Standard Licence Conditions, condition 28.3**

This contains the same wording for gas.

When your supplier sends you an annual statement they have to let you know:

- if they have any cheaper tariffs for prepayment meters
- if they have any cheaper tariffs for other payment methods
- what it would cost if you had to get a new meter so you could get the cheapest tariff

They also have to tell you about anything that could affect what tariffs you're allowed to change to, such as any debt you have.

### **Electricity Supply Standard Licence Conditions , condition 31E.1**

Where pursuant to a standard condition the licensee provides a Domestic Customer with information about their Relevant Cheapest Tariff and/or Alternative Cheapest Tariff, the licensee must provide, in Writing, in close proximity on the same page:

**(c)** where the Domestic Customer has a Prepayment Meter and changing to the Alternative Cheapest Tariff would require the Electricity Meter to be changed:

- (i)** a statement to the effect that changing to the Alternative Cheapest Tariff would require the Electricity Meter to be changed;
- (ii)** an estimate of the costs (in pounds sterling), if any, of changing the Electricity Meter; and
- (iii)** a statement to the effect that there may be restrictions on, or conditions attached to, changing the Electricity Meter.

### **Gas Supply Standard Licence Conditions , condition 31E.1**

This contains the same wording for gas.