



Making a positive difference  
for energy consumers

Natalie Don  
[SJSS.committee@Parliament.Scot](mailto:SJSS.committee@Parliament.Scot)

Email: [information.rights@ofgem.gov.uk](mailto:information.rights@ofgem.gov.uk)

Date: 03 March 2023

Dear Natalie,

**Request reference number: FOI2023/00374**

Thank you for your email of 06 February in which you requested the following information:

“Utilities Warrants in Scotland

The Social Justice and Social Security Committee is undertaking some work around applications for utility warrants in Scotland to try to establish how the process works and what protections there might be for customers who are struggling to pay their bills. We are aware that Ofgem is also looking at protections for vulnerable customers in the wider context of switching to prepayment meters, and we will follow your activities with interest. The Committee is aware Ofgem has recently ordered all suppliers to suspend the practice of forcibly installing prepayment meters.

Notwithstanding this, the Committee would be grateful if you could share any information you have in the following areas:

- the number of warrants applied for by energy companies in Scotland each year over the past five years – broken down by warrants to disconnect supply and warrants to install prepayment meters if this information is available
- what communication Ofgem expects energy providers to have with their customers before moving to disconnect/install a prepayment member – and where relevant, what the legal or regulatory basis for the requirements are
- what process an energy company is expected to follow between an initial decision to disconnect/install a prepayment meter and applying to court for a warrant to enter a customer’s home. It would be helpful to have as much detail as possible about this process – e.g., numbers and medium of communication and any content communications are expected to cover. Again, links to any legal or regulatory requirements underpinning the process would be useful
- whether there are specific or additional steps energy suppliers should be taking to identify and support vulnerable customers which are not covered in the above processes

The Committee would be grateful for a response by 27 February. We have also written to Energy UK asking for similar information.”

We have considered your request under the Freedom of Information Act 2000 (FOIA) and can disclose the following information to you.

## Disclosure

I can confirm that Ofgem holds some but not all the information you have requested. The information that we hold is presented in table below.

Table 1: Number of customers in Scotland disconnected for non-payment of debt, 2018-2021

Year	Electricity	Gas
2018	0	0
2019	0	1
2020	0	0
2021	0	0

Source: Ofgem analysis of data received from energy suppliers

Please note that the information on the 'Number of PPMs installed for non-payment of debt on a warrant visit' is only available for 2022<sup>1</sup>. However, this data is not yet available for use. We are currently waiting for clarifications from a couple of suppliers and analysing this data. It should be available later in March 2023.

Suppliers must not disconnect a domestic premise at which the domestic customer has not paid charges unless it has first taken all reasonable steps to recover those charges<sup>2</sup>.

Suppliers must not disconnect, in winter, a domestic premises at which the domestic customer has not paid charges if it knows or has reason to believe that the customer is of pensionable age and lives alone or lives only with persons who are of pensionable age or under the age of 18. Suppliers must take all reasonable steps to avoid disconnecting, in winter, a domestic premises at which the domestic customer has not paid charges if the occupants of the premises include a person who is of pensionable age, disabled or chronically sick, and to whom the regulation above does not apply.

We expect suppliers to use disconnection as an absolute last resort. There are a number of steps that suppliers are required to take before disconnecting a customer. In practice, disconnections for non-payment of debt are rare, with fewer than 20 instances across electricity and gas in 2021.

Supply Licence Conditions (SLCs) and statutory requirements are set out below:

- **SLC 0** requires suppliers at all times to treat each domestic customer, including each customer in a vulnerable situation, fairly. Suppliers would not be regarded as treating a domestic customer fairly if their actions or omissions give rise to a likelihood of detriment to the customer, unless the detriment would be reasonable in all the relevant circumstances.

Suppliers must seek to identify each domestic customer in a vulnerable situation and when applying the Standards of Conduct (the name given to the rules contained within SLC 0), do so in a manner which takes into account the vulnerable situations of each customer identified.

<sup>1</sup> Previously, we have been collecting this data for Great Britain only.

<sup>2</sup> Each supplier's individual processes will differ as they seek to comply with legal and licence requirements. We don't mandate any specific number of contacts beyond what's set out here, so while supplier processes will be similar, they may differ in number of contacts before applying for warrant etc.

- **SLC 28B.5** requires all debt recovery actions and associated costs recovered by suppliers to be proportionate in the context of the amount of outstanding charges.
- **SLC 27.5-27.6** Suppliers are required to offer domestic customers a range of payment options when they become aware, or have reason to believe, that a customer is struggling, or will struggle, to pay their electricity and/or gas bills. These payment options are:
  - Payment by regular instalments through means other than a PPM (for example, direct debit)
  - Payment by direct deductions from social security benefits received by the customer (sometimes known as Fuel Direct)
  - Payment through a prepayment meter (PPM), where it is “safe and reasonably practicable in all the circumstances of the case” to do so.

Suppliers must also provide energy efficiency advice at this time.

- Before installing or switching a customer to prepayment to recover unpaid charges, **Schedule 2B of the Gas Act 1986** and **Schedule 6 of the Electricity Act 1989** require:
  - Suppliers must demand payment in writing and the consumer not to have made payment within 28 days of the demand.
  - Suppliers must give 7 days’ notice before installing a prepayment meter
  - Suppliers must not install a prepayment meter where the payments are ‘genuinely in dispute’

Some of these requirements are replicated in **SLC 23.8A** and **SLC 23.8B**.

- Before visiting a customer’s premises, **SLC 13** requires suppliers to take all reasonable steps to ensure each representative who visits the premises possesses the skills necessary to perform the required function, can be readily identified, uses any password agreed with the customer, is a fit and proper person to visit and enter, and is able to inform the customer of a contact point for help and advice.
- Warrant applications are governed by the Rights of Entry (Gas and Electricity Boards) Act 1954, in combination with Schedule 6 of the Electricity Act 1989 and the Schedule 2B of Gas Act 1986.
- **SLC 28B** – suppliers must not exercise a warrant (or seek customer consent to enter the premises for the same purpose) where such action would be severely traumatic to the 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.

Suppliers may only exercise a warrant where it would be proportionate in the context of the amount of the outstanding charges.

Suppliers must not charge a customer for the costs associated with the warrant where (a) that customer has a vulnerability which has significantly impaired their ability to engage or (b) that customer has a severe financial vulnerability which would be made worse by the charge.

In all cases suppliers must not charge more than £150 for costs associated with a warrant.

- **SLC 27.8** When agreeing the duration and value of a repayment plan, whether through direct debit or PPM, suppliers must take all reasonable steps to ascertain a customer’s ability to pay and take this into account when calculating instalments. We expect suppliers to adhere to the ‘Ability to Pay Principles’, which in 2020 we updated and added the

principles within the supply licence under SLC 27.8A, suppliers need to apply the following:

- having appropriate credit management policies and guidelines
  - making proactive contact with customers
  - understanding individual customers' ability to pay
  - setting repayment rates based on ability to pay
  - ensuring the customer understands the arrangement
  - monitoring arrangements after they have been set up.
- Once a customer is using prepayment, **SLC 27A** requires the supplier to take all reasonable steps to identify on an ongoing and continuous basis whether the domestic customer is self-disconnecting. The supplier must offer Emergency Credit and Friendly-hours Credit. The supplier must offer Additional Support Credit on each occasion that they identify a customer in a vulnerable situation self-disconnecting or self-rationing, unless they determine this would not be in the best interests of the customer. In deciding what support is appropriate, the supplier must take into account whether the customer is in a vulnerable situation.
  - **SLC 28.1A** states that when a supplier becomes aware or has reason to believe that it is no longer "safe and reasonably practicable in all the circumstances of the case" for a customer to use prepayment, they must offer to alter or replace the meter, to make other arrangements as necessary, or switch the customer to a credit meter.
  - **2016 guidance** on the meaning of "safe and reasonably practicable in all the circumstances of the case" is not exhaustive, and suppliers should assess each individual case on its merit, however relevant factors are likely to include:
    - Whether the customer is able to understand and operate the meter and visit top-up points (where needed), for example due to a physical or mental disability
    - Whether the customer requires a continuous supply for health reasons, for example due to medical equipment
    - Whether the meter is situated in a position where the customer cannot operate it, for example high up on a wall or in an external cupboard to which the household does not have continuous access
    - Any advice or guidance received from the Health and Safety Executive (HSE).

The 2016 guidance also states that:

- Many of these circumstances may be addressed by the use of a smart meter or other technological innovations. It is also possible that adults other than the customer may be able to understand and operate the meter
  - The test should also be applied to the choice of non-cash payment methods, with the customer's access to a bank account being a relevant factor
  - What is safe and reasonably practicable should be considered from the customer's perspective
  - Suppliers should take proactive steps to review available information, contact the customer, and contact local authorities and housing associations in order to establish if a prepayment meter is safe and reasonably practicable in all the circumstances of the case
  - Suppliers should obtain authorisation of appropriate seniority prior to moving a customer to prepayment
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- Suppliers should monitor whether a customer is self-disconnecting where technically feasible, and if so, make multiple attempts to contact the

customer by various means and at various times of day to understand the reasons.

Gas distribution network companies (GDN) must provide alternative heating and cooking facilities in the event of a gas supply interruption which is not restored within a prescribed amount of time.

A 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 through; payments via social security benefits, repayment plans based on a customer's ability to pay, and using a prepayment meter where it is safe and reasonably practical.

Licensees must not disconnect a domestic premises in winter when they have reason to believe that the customer is of pensionable age and lives alone or lives only with persons who are of pensionable age or under the age of 18. They must also take all reasonable steps to avoid disconnection in winter to a domestic premises if the occupants include those who are of pensionable age, disabled or chronically sick.

In December 2020, we introduced new protections for domestic customers with a prepayment meter (PPM) who self-disconnect and self-ration, and domestic customers more generally who struggle to pay their bills. These new rules include:

- a new requirement on suppliers to take all reasonable steps to identify all PPM customers who are self-disconnecting and to offer appropriate support in line with current and new obligations, giving due consideration to vulnerable consumers
  - new requirements on suppliers to offer emergency and friendly-hours credit to all PPM customers and to offer additional support credit to PPM customers vulnerable circumstances who self-disconnect or self-ration
  - updated Ability to Pay principles in the electricity and gas supply licences to ensure consistent support for customers struggling to pay their bills.
- **SLC 26** requires suppliers to establish and maintain a Priority Services Register of its Domestic Customers, who, due to their Personal Characteristics or otherwise being in a vulnerable situation, may require Priority Services. Personal characteristics include:
    - Domestic Customer being of Pensionable Age
    - Domestic Customer being chronically sick, or having an impairment, disability, or long-term medical condition (including but not limited to a visual, auditory or mobility impairment)
    - any other characteristics identified by the supplier as being relevant due to the nature of the Priority Services.
  - In September 2022 we set out our key regulatory expectations on suppliers when supporting customers in payment difficulty. Please visit [Regulatory expectations on supporting customers in payment difficulty | Ofgem](#) for more information.
  - In November 2022 we reminded suppliers of their obligations on remote switching Smart Meters to prepayment mode. Please visit [Letter to Suppliers - November 2022 | Ofgem](#) for more information.

## **Your Rights**

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. You must contact us for a review no later than 40 working days after the date of this letter. If you require an internal review, please contact us at [information.rights@ofgem.gov.uk](mailto:information.rights@ofgem.gov.uk) or by writing to us at 10 South Colonnade, Canary Wharf, London E14 4PU.

If you are not content with the outcome of the review, you have the right to apply directly to the Information Commissioner for a decision at:

Information Commissioner's Office  
Wycliffe House,  
Water Lane,  
Wilmslow,  
Cheshire  
SK9 5AF

<http://www.ico.org.uk/>

Please remember to quote the reference number above in any future communications.

Yours sincerely,

**Sabira Bukhari**  
**Information and Correspondence Officer**