

## **2. Prepayment meters**

Companies usually jump to give you a prepayment meter. This can prevent you running up any further debt, but that's because when you can't feed the meter, you end up in the dark and the cold – they make you in effect disconnect yourself whatever the season, and however vulnerable you may be.

Some people prefer prepayment meters, and others hate them – you should have a choice.

**If you are thinking about asking to get a prepayment meter installed, or if your energy supplier is trying to force you to accept a meter, it is worth reading the following information.**

### **How prepayment meters work**

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Most companies' tariffs for prepayment meter customers are officially similar to what you would pay with an ordinary "credit" meter. But if you have a prepayment meter you will generally **end up paying more**. You will not have the same access to the cheapest tariffs (like the tariffs for people who pay online or by direct debit from a bank) and you may need to **travel to get top-ups from a shop**.

#### **Standing Charge**

If you go away for a few days or you do not top up your meter will continue charging you for the "**Standing Charge**" which you must continue to pay even when you are not using the fuel. It is typically a charge of about £2 per week (but may be less, depending who your energy supplier is) which is taken off of any money you top up. If you have not topped up your meter for a while, you may need to pay off all of the standing charge before you can use any fuel.

For example, if you have not topped up your gas meter at all for 20 weeks over the summer you will need to put in (£2 per week x 20 weeks =) £40 before your supplier will give you credit which you can then spend on fuel.

Not-for-profit energy supplier Ebico don't have a Standing Charge, and they don't charge a higher rate for the first units used – which is a kind of hidden standing charge that many companies use. They also charge prepayment meter customers the same rate as everyone else. If you use a

low amount of energy, you may save money by moving to Ebico.

<https://www.ebico.org.uk/>

### **Emergency credit**

Most energy suppliers will give you £5 to £7 'emergency credit' on your meter. This means if you run out of money/credit on your meter, you can use up to another £5 to £7 worth of 'emergency' credit before you are then cut off from your gas or electricity. This has to be paid back however, as 'emergency credit' is 'just like an overdraft from the bank.' The next time you go to the shop to top up, your supplier will then take the emergency credit you owe back off you before you can use your energy again. Don't forget, they will also take money off for the Standing Charge.

For example, if you top up £10 after having used £5 of your emergency credit, you will be left with £5 to use on energy (and less after your Standing Charge has been taken off).

### **Rights on a prepayment meter**

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Below we will say how you can avoid having a prepayment meter installed. But even if you end up having one imposed on you, you still have rights.

- **You have a right to have the meter located in a place that's easy for you to reach and use**, especially if you are elderly or disabled. There is no charge for this. (And it applies to other kinds of meters too). If this isn't the case, **phone your energy provider and let them know that you want it moved**.
- You have a right to have the **meter set to collect arrears at a rate you can afford**. Don't let them tell you the setting can't be changed – it can.
- **No night time switch-offs!** Companies are, generally, not supposed to switch you off at night. If you are running out, you may want to time your usage so that you've still got some credit in the meter in the evening and then it will last through the night. All the big energy providers have 'friendly' times when they should not cut you off.
- **If you move into a property with a prepayment meter with debt on you should not have to pay the debt**. We have heard several reports of people being forced by their energy supplier to pay off the debt of the person who lived there before them, sometimes with promises that the supplier will 'pay them back'. The safest thing is to **call the energy supplier when you first move in to inform that you are a new**

**resident in the building and give them a meter reading.** Your meter may need to be reset. Then make certain that you are not repaying someone else's debt when you top up your meter.

### **Switching supplier when on a prepayment meter**

If you owe money to your energy supplier you will not be allowed to switch supplier until your arrears are less than £500 (per meter). **The Debt Assignment Protocol** is a process which allows you to switch to a cheaper pre-payment meter deal so that you can pay off your debts more easily. In theory this sounds like it could help, but in practice it seems that successful switching is rare. Of 70,000 electric and 71,000 gas customers who applied to switch in 2012, just 248 (0.17% of the total) were able to do so. (Let Us Switch! - Church Action Poverty report, February 2014)

Comparison website UKpower.co.uk says that for prepayment meters,

- the cheapest deal is from E.ON.
- dual fuel is cheaper than separate accounts – as for credit meter customers
- you need your landlord's permission to switch.

### **Changing back to a credit meter**

If you are able to pay off your arrears you can request to have a credit meter back. However, you will have to pass credit checks and be willing to set up a fixed direct debit for future payment.

### **An example of getting an unwanted meter removed**

Residents of a shared rented house had a meter installed without their consent. The residents repeatedly called and wrote to their energy supplier (E.ON) to ask to get it removed but were told they owed a debt they were not aware of. They were losing about £6 of every top up for 4-5 months before they enlisted the help of a community lawyer who wrote to the supplier requesting the meter was removed. The energy company subsequently removed the meter and reimbursed the residents before sending them a bill detailing their actual arrears.