



*A grassroots campaign taking action against mammoth fuel bills and working towards an affordable, sustainable and democratic energy system*

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## **Fuel Poverty Action response to Ofgem on prepayment meter rules & protections**

**Fuel Poverty Action** has for many years campaigned about the serious harm caused by pre-payment meters. We are relieved that, finally, forced installations have been suspended. But we are concerned at the possibility that this dangerous practice might commence again. It is absolutely essential that this is not allowed to happen. **Energy is essential to life and a right, like water, and should not be cut off.** People in poverty should be helped not punished.

The current Ofgem review of rules and protections suggests the possibility that the long fought for ban on forced installations might be relaxed, and more lives put at risk. Ofgem has written numerous reports, issued rules and guidelines, and despite this serious harm has been done for many years to many people. Rules will be bent and corners cut, just as they have been in the past, especially in an industry with patchy customer service. **Ofgem must not make the same mistake again.**

In Ofgem's own words "If they are put on prepayment meters and self-disconnect or self-ration, it could cause them considerable harm". We agree. **This is not accidental harm** - the constant threat of disconnection, and extreme rationing for fuel poor customers, is exactly what PPMs are designed to do. They are inherently dangerous, and there is NO safe and secure way to protect people from being coerced, traumatised and left in cold dark homes.

Forced PPM installations and remote switching are specifically designed to enable automatic disconnection functionality. All disconnections should be banned, and **the disconnection functionality should be disabled on all meters.** Prepayment functionality can still be offered to those that want it as a budgeting tool i.e. the facility to top-up with frequent small amounts and the use of IHD's offering enhanced, integrated budgeting support, but the disconnection functionality must be banned to ensure people do not suffer severe detriments to physical and mental health including lethality.

We are also very concerned that even during this review process, Ofgem has said meters should be changed back if the customer is "highly vulnerable" - suggesting vulnerability is now not enough. This dangerous situation requires clear and decisive action, not encouraging a flexible interpretation of the rules, which is already endemic in the industry.

You have asked for answers to twelve specific questions. Most of these involve potential **tweaks to a system that is inherently flawed and dangerous**. So we believe this is a misguided approach. However there are some specific ideas that we would like to comment on:

**1. Principles & Obligations.** As stated above, neither adequately protect customers and are subject to different interpretations and real-world implementation.

**2, 3, 6, 7, 9.** These don't apply as they imply that forced installations would be allowed again, just with another set of principles, obligations and processes, when such an approach has repeatedly failed and created harm to large numbers of customers.

**4&5 Vulnerability.** Even the basic vulnerability definition is problematic - "significantly more likely than a typical customer to suffer detriment". Obviously those unable to pay are already financially vulnerable. The installation of a PPM or remote switch then worsens this with higher costs, and the disconnection threat creates a serious health and wellbeing vulnerability too. These vulnerabilities are inextricably linked when a disconnection device is used as a punishment for poverty.

**8 & 12. Smart meters.** Yes, the restrictions should apply equally to smart meter remote switching. Indeed the threat of remote switching seriously undermines the consumer appeal of smart meters. Therefore a ban on this practice and disabling disconnection functionality is an essential step in rebuilding consumer trust for further adoption.

**10. Other proposals.** The critical challenge that all proposals are struggling to crack is how to ensure that everyone has the essential energy they need, without running up a bill they cannot afford to pay. We believe the only way to achieve this is to provide everyone with a free band of essential energy. This is the foundation of our [Energy For All](#) proposal which has huge public support. The free band would be funded by stronger windfall taxes, an end to fossil fuel subsidies and a premium rate for excess energy usage.

**11. Load limiting.** We believe this should not be allowed, just as trickle valves have been banned in the water sector. It's also flawed and unfair. For example a 1kW limit would allow a fridge-freezer to be run 24/7 but not a kettle to be boiled for 1 minute or a cooker used. Not much point having a fridge-freezer with food you can't cook. And those in electric-only homes would be denied heating and hot water. You point out that load-limiting would still be unsafe for customers who need to refrigerate medicine or use power for medical equipment - as it of course would be - **but people with these requirements should not be using prepayment meters at all** and should be firmly protected from both forced installation and continuing usage by long-standing rules about safety and practicability. The regulator should, in these circumstances, focus on the urgent task of removing prepayment meters from homes where prepayment is clearly not a safe and practicable option and offering substantial compensation to those who have suffered the impacts of forced installation in clear breach of licence conditions. It is unsettling that the regulator, instead, considers the impact of trickle charging on these most acutely vulnerable customers.

**In summary, it is essential that forced installation and remote switching do not start again.** They have caused immense harm to millions of people over many years. We must not go back to the bad old days. And those wrongly installed need to be removed or reverse-switched, and adequate compensation paid to those that suffered. We hope that Ofgem will now act decisively, to ensure that the recent positive change is continued not lost.