

# Prepayment meters installed under warrant: final proposals

OFGEM

Chartered Trading Standards Institute response

9<sup>th</sup> November 2016

## About The Chartered Trading Standards Institute

The Chartered Trading Standards Institute (CTSI) is a professional membership association founded in 1881. It represents trading standards officers and associated personnel working in the UK and also overseas – in the business and consumer sectors as well as in local and central government.

The Institute aims to promote and protect the success of a modern vibrant economy and to safeguard the health, safety and wellbeing of citizens by empowering consumers, encouraging honest business, and targeting rogue traders.

We provide information, evidence, and policy advice to support local and national stakeholders.

We have also, as part of our recently revised remit, taken over responsibility for business advice and education concerning trading standards and consumer protection legislation. To this end, we have developed the Business Companion website ( [www.businesscompanion.info](http://www.businesscompanion.info) ).

The CTSI Consumer Codes Approval Scheme was launched in 2013, superseding the OFT scheme ( [www.tradingstandards.uk/advice/ConsumerCodes.cfm](http://www.tradingstandards.uk/advice/ConsumerCodes.cfm) ).

CTSI is a member of the Consumer Protection Partnership, set up by central government to bring about better coordination, intelligence sharing and identification of future consumer issues within the consumer protection arena.

We run events for both the trading standards profession and a growing number of external organisations. We also provide accredited courses on regulations and enforcement.

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*A key concern for CTSI is that of resources. UK local authority trading standards services enforce over 250 pieces of legislation in a wide variety of areas. They have suffered an average reduction of 46% in their budgets since 2010 and staff numbers have fallen by 53% in the same period.*  
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This response has been composed by CTSI Lead Officer for **Energy, Smart Meters and Climate Change**, Steve Playle. Should you have any queries or wish to discuss the response please do not hesitate to contact **Steve Playle** at [LOenergy@tsi.org.uk](mailto:LOenergy@tsi.org.uk).

Chartered Trading Standards Institute  
1 Sylvan Court, Sylvan Way  
Southfields Business Park  
Basildon, Essex, SS15 6TH  
Tel: 01268 582200  
[www.tradingstandards.uk](http://www.tradingstandards.uk)

## **Prepayment meters installed under warrant: final proposals**

CTSI welcome the opportunity to respond to this consultation. Trading Standards Officers across the UK deal with complaints about the provision of goods and services in order to ensure that consumers are protected from unfair business practices and to ensure there is a level playing field for reputable traders. Although the energy industry is regulated by OFGEM, Trading Standards can still use consumer protection legislation to deal with issues under the criminal law where energy providers and their agents have acted inappropriately.

- CTSI is concerned that consumers who are unable to pay their energy bills for whatever reason need adequate protection and there need to continue to be adequate legal provisions in place to ensure that access to gas and electricity is only deprived by the authority of a Court. However, there needs to be clear recognition that a household's failure to pay for energy may not always be a deliberate choice by them but can be due to any number of vulnerability factors. All those involved in the energy supply chain need to be alive to issues relating to customer vulnerability and take these factors into account where appropriate.
- Where a pre-payment meter (PPM) is to be fitted, CTSI is concerned that the associated costs of carrying this process out can sometimes approach £1000. If these costs are simply added directly onto the customer's debt to be repaid over a set period of time, then the effect will simply be to make their already high tariffs even more expensive and potentially cause extreme hardship. CTSI therefore supports the idea that a cross industry cap of up to £150 is applied to the whole process involved in the installation of a PPM. This may not lead to the recovery of all the actual costs involved in fitting PPMs but it will certainly incentivise the energy industry to streamline and evaluate its processes which it may not currently be doing quite as vigorously as it could.
- Once a PPM is installed, CTSI believes that customers should automatically be entitled to the lowest tariffs available and not automatically put onto the more expensive tariffs. This will give the customer the best possible chance of paying off the £150 installation cost over a set period of time.

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