

Energy Charter – FAQs

1. Are all consumers likely to benefit from the commitments in the charter?

The Charter is designed to help consumers in need. So, while its protections extend to all households, in practice it's expected that customers in debt or who are vulnerable because of age, disability or chronic illness are more likely to avail of the protections it offers.

2. What does making a financial commitment to a hardship fund involve – how much will be contributed? Who will look after the hardship fund and how can consumers get the support?

All suppliers have committed to supporting a hardship fund for customers in need. Contributions will be made to a fund or to another charity of the suppliers' choosing or to in-house funds managed by the companies themselves. The amounts being donated are at the discretion of each individual supplier. Who is eligible for support and how they can access help is being handled by the funds themselves. These funds are being aimed at those that are struggling most with their gas and electricity payments. We are confident that charities will be able to get it to those most in need.

3. What will reducing the maximum debt repayment for consumers mean in practical terms?

Pre-payment customers in debt to their suppliers are expected to pay off some of what they owe when buying more gas or electricity as part of a debt repayment arrangement. Under the existing Code of Practice overseen by the Utility Regulator a supplier can deduct up to 40% from a purchase of electricity or gas to reduce debt. However, by signing up to the Charter, suppliers have agreed to halve that figure. This means at least 80% of any new payment will go to securing additional supplies of gas or electricity. Suppliers will, however, continue to work with customers to make sure that any debt arrangements fit their own specific circumstances.

4. And how will suppliers maintaining an individual assessment of the ability to pay benefit consumers?

Suppliers are already required to try to identify and communicate with customers who risk having difficulty with bill payments. By maintaining an individual assessment of the ability to pay, suppliers will be better informed when they consider whether to reduce a repayment rate or extend a payback period.

5. Does the commitment to reviewing debt collection processes mean that consumers will not have to deal with debt collection agencies?

While suppliers may prefer to deal themselves with the collection of debt from customers, the use of debt collection agencies may happen. Using such agencies however does not reduce the responsibility on suppliers to meet strict standards of care. A supplier is liable for a breach of the Utility Regulator's Code of Practice on Payment of Bills no matter who collects debt on their behalf.

6. What is the customer care register and how do consumers get on this register?

Each gas and electricity supplier is required to compile and maintain a customer care register which stores details of consumers who merit special treatment on account of age, disability or chronic illness. While each supplier has a responsibility to promote awareness of its register, consumers have to choose to join it.

7. Why are the commitments in the charter only voluntary?

The aim is to develop, agree and promote a Charter providing enhanced consumer protection for households this winter. That timetable would have been put at risk by making the commitments in the Charter mandatory. That's because to do so would have required changes in supplier licences which can only take place after lengthy consultation.

8. Will the measures being put in place to increase consumer protection only be in place for this winter?

Customers are facing increased energy bills right now. That is their immediate concern. This Charter is designed to address that problem for electricity and gas customers by enhancing consumer protection this winter. We will continue to monitor the situation for consumers and should the need for these protections to continue, we will discuss further options with suppliers.

9. What will be done to make sure suppliers honour their commitments?

Since suppliers have made a voluntary commitment to the Charter, there is every reason to believe they will act in accordance with it. The Utility Regulator will nevertheless monitor their behaviour to ensure they honour the commitments they have made.

10. Who will operate the website offering clear, up to date energy efficiency information?

The Consumer Council already provides advice for consumers on energy matters. It is envisaged that it will continue that role extending the range of information available in consultation with other stakeholders.

11. What should consumers do if they need any help or support?

Consumers should contact suppliers directly if they need help or support. All the information consumers need should be on suppliers' websites, and this might be a quicker way to get the information they require. Useful information is also available on the Consumer Council's website. If consumers are unable to access the information they need through suppliers' websites, they should contact suppliers directly via telephone.