

Energy Supplier Codes of Practice

FINAL DECISIONS

June 2015



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Consumer Protection; and Water.

Our Mission

Value and sustainability in energy and water.

Our Vision

We will make a difference for consumers by listening, innovating and leading.

Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

Abstract

This paper provides information on our final decisions with regard to the Consultation on the Implementation of Energy Supplier Codes of Practice. On implementation, these Codes of Practice will ensure that customers, and in particular vulnerable customers, are protected in their relationship and dealings with electricity and natural gas suppliers. The paper provides final decisions on the minimum standards on the following Codes of Practice:

- Code of Practice on Payment of Bills
- Code of Practice on Provision of Services for persons who are of Pensionable Age or Disabled or Chronically Sick
- Code of Practice on Complaints Handling Procedure
- Code of Practice on Services for Prepayment Meter Customers*.

Audience

This document is most likely to be of interest to regulated companies in the energy industry, consumer organisations, community and voluntary organisations, natural gas and electricity consumers, government and other statutory bodies.

Consumer impact

On implementation these minimum standards will help:

- Reduce customer confusion.
- Maintain a level of freedom for suppliers to compete with each other by offering a superior service.
- Empower customers by providing more information on what all suppliers must do.
- Ensure that Codes are monitored and enforced to increase customer confidence that there are protections in place.

*This is called Code of Practice for Prepayment Consumers in the Gas Supply Licence. While some licences may refer to consumers rather than customers, for the purposes of this paper, consumers will be taken to have the same meaning as customers.

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Glossary and Acronyms

| | |
|----------------|--|
| | |
| CCNI | Consumer Council for Northern Ireland |
| CER | Commission for Energy Regulation |
| CPS | Consumer Protection Strategy |
| DD | Direct Debit |
| DETI | Department of Enterprise, Trade and Investment |
| DRD | Department for Regional Development |
| DSD | Department for Social Development |
| EED | The Energy Efficiency Directive |
| Energy Order | Energy (NI) Order 2003 |
| Enterprise Act | Enterprise Act 2002 |
| ERGEG | European Regulator's Group for Electricity and Gas |
| FWP | Forward Work Programme |
| GSS | Guaranteed Service Standards |
| HMRC | Her Majesty's Revenue and Customs |
| I&C | Industrial and Commercial (customers) |
| IME3 | Internal Market on Energy – (Third Energy Package) EU Directive on market liberalisation in the energy sector. |
| NIE | Northern Ireland Electricity |
| NIHE | Northern Ireland Housing Executive |
| NISEP | Northern Ireland Sustainable Energy Programme |
| Ofgem | Office of Gas and Electricity Markets |
| PNGL | Phoenix Natural Gas Limited |
| PPM | Prepayment meter |
| PSL | Phoenix Supply Limited |
| REMM | Retail Energy Market Monitoring |
| T&D | Transmission and Distribution |
| TSS | Trading Standards Service |
| UR | Utility Regulator |

1 Introduction

1.1 Purpose of the Paper

1.1.1 In April 2014 the Utility Regulator published a consultation paper¹ on the implementation of energy supplier Codes of Practice. These will replace the “interim” Codes currently in place. The purpose of this paper is to:

- Discuss responses to the consultation;
- Provide the final decisions following the consultation;
- Provide final versions of the minimum standards for the Codes of Practice; and
- Provide suppliers with details on next steps and timeframe for implementation.

1.2 Background and context

1.2.1 Legislative requirements under IME3 (Third Energy Package EU Directive on market liberalisation) placed a new and enhanced focus on a “high level of consumer protection” by regulators, together with effective market monitoring regimes. The licence modifications resulting from the IME3 provided high levels of consumer protection by improving consumer information, improving provisions in relation to debt and ensuring that all supplier Codes of Practice can be monitored, reviewed and enforced.

1.2.2 At the time of the Utility Regulator’s interim approval of existing supplier Codes of Practice, we said that we would subsequently produce guidance on the Codes of Practice minimum standards.

1.2.3 In the Utility Regulator’s Social Action Plan 2009 we set out our intention to develop minimum standards to provide high levels of consumer protection with relation to Codes of Practice, in particular to help deal with

¹ http://www.uregni.gov.uk/uploads/publications/Codes_of_Practice_Consultation_paper_-_April_2014.pdf

customers in debt or in danger of falling into debt. As part of our work in this area we conducted consumer research to contribute to development of the Codes of Practice and provision of help for consumers in debt².

1.2.4 In this research, suppliers indicated that the ability to offer superior customer service was essential to promote competition. Bearing this in mind we decided not to mandate specific universal Codes which would be identical for all suppliers but decided and consulted on the “middle way”, i.e. a guide to the minimum standards that will be acceptable for Codes of Practice, whilst encouraging suppliers to put even higher levels of service/protection in place if they wish to.

1.2.5 We consulted on the proposed minimum standards for:

- Code of Practice on Payment of Bills.
- Code of Practice on Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick.
- Code of Practice on Complaints Handling Procedure.
- Code of Practice on Services for Prepayment Meter Customers.

1.2.6 Annexes 1 - 4 are the final versions of the minimum standards for suppliers on each of the aforementioned Codes of Practice.

1.2.7 This decision paper on the outcome of the consultation process will also provide licence holders with information on what we will expect in terms of monitoring and compliance for the relevant licence conditions. This includes detail of what information will need to be collected, how often the information will need to be submitted and the objective of collecting the information.

1.2.8 This information will form part of the Retail Energy Market Monitoring framework (REMM) for Northern Ireland, one of our three Retail Flagship

² http://www.uregni.gov.uk/uploads/publications/SMR_Debt_Publication_June_2010.pdf

Projects as detailed in our Forward Work Programme for 2014/2015³.

REMM will provide improved data flows between the regulated companies and the UR. The objective of REMM is to implement a coherent and fit-for-purpose market monitoring framework for all electricity and gas supply sectors in Northern Ireland (NI). The companies will benefit from clarity around information requirements and associated timelines for return. Consumers will benefit from better regulation capabilities within the UR based on consistent and high quality data returns, and from increased transparency of retail energy market information.

- 1.2.9 The REMM consultation paper was published in January 2015 and the consultation period closed on 2 April 2015. We intend to publish a decision paper on REMM at the end of June 2015.

1.3 Supplier Codes of Practice Consultation Process

- 1.3.1 The consultation paper on the Codes of Practice was published in April 2014.

- 1.3.2 As part of the consultation process we held a workshop on 22nd May 2014 at the Park Avenue Hotel. We had 41 attendees at the workshop representing 27 organisations. We had representatives from the energy industry, the community and voluntary sector, government bodies and consumer organisations. Notes from the facilitated workshop were circulated to all attendees. A list of the organisations represented is available in Annex 5.

- 1.3.3 The consultation period closed on 28th July 2014. We received 14 responses. A list of the organisations who responded is available in Annex 6. The responses submitted are available on our website.

³ http://www.uregni.gov.uk/uploads/publications/FWP_201415_final.pdf

1.3.4 We thank all our stakeholders for their engagement throughout the Codes of Practice process. The written responses, the bilateral meetings and discussions that took place at the workshop, have provided us with a large amount of feedback. This paper aims to summarise and respond to the majority of our stakeholders' comments and concerns. However, it is not possible to detail every comment and respond to each one individually. As a result we have included those comments that are most relevant or those opinions that have been shared by a number of respondents. The written responses to the consultation will be published alongside this decision paper.

1.3.5 For each of the Codes of Practice minimum standards that we consulted on we have presented the following:

- Policy position,
- Utility Regulator proposal,
- Consultation responses/workshop contribution, and
- Final decision.

1.3.6 The final decisions section of the paper will only cover areas that have been queried as part of the consultation. Where there were no comments from stakeholders on specific areas the Code of Practice concerned was left unchanged.

1.3.7 We have included a redline version of the new Codes of Practice as part of the annexes showing the differences from the original version that we consulted on. A final "clean" copy is also included (Annexes 1a – 4a are redline versions, annexes 1b – 4b are final "clean" versions).

2 UR Approach to Codes of Practice

Policy Background

- 2.1. While it is clear from the interim Codes exercise that suppliers are generally committed to providing good customer service, they are confused about some elements of the licence conditions and have expressed concern regarding the consistency of the interpretation of the relevant licence conditions. It was also clear from the process of providing interim approval that licence holders have very different approaches to, and interpretations of, the licence conditions. This is not good practice and has the potential to leave customers confused as well as leading to licence compliance issues. Research we conducted in 2010 identified that inconsistency in implementation of licence conditions leads to confusion and varying levels of consumer protection for energy consumers.

UR Proposal in April 2014 Consultation

- 2.2. Our proposal stated that we decided not to mandate specific universal Codes which would be identical for all suppliers but have decided on the “middle way”, i.e. a guide to the minimum standards that will be acceptable for Codes of Practice. Importantly, suppliers will be free to offer customers higher levels of protection than those outlined in the Codes minimum standards, but we will not approve any Code that falls short of those minimum standards. In the consultation we stated that we will not approve Codes which do not meet the minimum standard for the relevant Code of Practice.
- 2.3. Suppliers may go further in their own Codes of Practice offering further consumer protection if desired. Each supplier's compliance with their Codes of Practice will be monitored (on an ongoing basis) when the final Codes have been approved. Suppliers should be aware that, if their Codes exceed the minimum standards set out by the UR, they must comply with the raised standard they have set out. Failure to comply with their own Codes of

Practice standard will be investigated as a breach of licence.

Responses to April 2014 Consultation

- 2.4. There was overall support for the proposed approach to the Codes of Practice with stakeholders agreeing that “minimum standards” is the optimum approach. Suppliers supported this approach stating that it allows for consumer protection while providing flexibility to innovate and thus differentiate themselves from other companies. Suppliers did, however, raise concerns that mandating minimum standards which goes beyond the licence conditions may be a burden for companies which will eventually be borne by consumers.
- 2.5. One supplier was concerned that the Codes of Practice can be modified without going through the same process as modifications to licences and sought assurances that the process for future changes to any Codes would be suitably rigorous.
- 2.6. Other respondents were also supportive of the approach. They stated that the minimum standards approach to Codes of Practice will benefit consumers by providing clarity, transparency, equity and protection for all consumers whilst promoting competition among suppliers which will ultimately benefit consumers. These respondents did highlight the importance of monitoring the Codes of Practice to ensure adherence by suppliers. They agreed that the Codes should be reviewed and consulted on, on an ongoing basis.
- 2.7. One respondent suggested that there should be a common template for the Codes of Practice using clear language to ensure that the information is accessible for all consumers.

UR Final Decision

- 2.8. We are satisfied that requiring adherence to minimum standards is the appropriate approach to implementing the Supplier Codes of Practice. It will

provide a suitable level of consumer protection while allowing suppliers to differentiate themselves by providing superior customer service should they so wish.

2.9. As regards to process on future modifications to the Codes, it is intended that any amendments to these Codes of Practice will follow an appropriate Utility Regulator-led consultation process.

2.10. As noted in the consultation document, these Codes of Practice will be monitored in line with the Retail Energy Market Monitoring (REMM) programme. There is further information on monitoring in section 9.

2.11. With regard to setting a template for the Codes of Practice, presentation is an area where companies can differentiate themselves therefore we will not be mandating a language or presentational template for the Codes. However, we note that each Code of Practice has a set of subheadings which should allow for some consistency to help consumers.

3 Costs and Benefits of Codes of Practice

Policy Background

3.1. The potential costs of implementing the proposed Codes of Practice must be considered and be in proportion to the benefits to be gained in implementing them. In the main, the Codes will contain activities that should be already carried out by suppliers in order to be compliant with existing licence conditions. In the consultation paper we identified the following benefits:

- high levels of customer protection through reduced customer and supplier confusion;
- increased transparency;
- greater consistency across suppliers; and
- improved customer empowerment and confidence in the operation of the energy supply market.

UR Proposal in April 2014 Consultation

3.2. In developing the consultation paper we considered the implications of the proposed minimum standards of the Codes and whether or not they are likely to impose significant costs on suppliers. It is also worth noting that any cost implications were considered during the development of the licence modifications and during the extensive consultation conducted on the implementation of IME3.

3.3. Our opinion was that there should not be any significant additional costs to suppliers but we stated that if stakeholders produce robust evidence for any additional costs this would be considered as part of the consultation process.

Responses to April 2014 Consultation

3.4. Suppliers stated that they believe there will be changes to practices and systems as a result of the implementation of the Codes of Practice and the

resulting increase in cost will be proportionate to the changes required. One supplier identified such issues as; increased costs for administration, staff training, new processes for payment appeals and increased customer engagement relating to the minimum standards in the Codes.

3.5. Suppliers suggested that changes to the complaints definition and categories would require an update to the complaints handling system and may result in a higher volume of work requiring more staff. Suppliers were of the opinion that as eventual costs will be passed on to the customer, it is imperative that there is a balance between cost and service improvement.

3.6. Other respondents stated that the balance of cost and benefits had been adequately addressed during the IME3 consultation process and that the onus is on suppliers to provide robust evidence on the additional costs they believe will be incurred as a consequence of implementation of the Codes.

3.7. At the workshop event in May, some stakeholders asked if the costs of training staff in new Codes would be passed on to the customer in bills. While some suppliers suggested that there would be an increased burden on call centre staff to provide more information, they also said that they are already doing a lot of the delivery of service. However, they reiterated that costs must be recovered.

3.8. Other stakeholders at the workshop noted that good practice should always lead to long term savings and with advice agencies also providing advice, the burden will not be wholly on suppliers. Stakeholders said that the guidelines are mostly service related rather than system related so if suppliers get things right in the first instance complaints and other problems can be reduced.

UR Final Decision

3.9. In the consultation paper, stakeholders were asked to provide details on changes of practice required and any costs incurred because of these changes. Although suppliers said that changes would be needed and that

costs would be incurred no detail of these was included in responses.

Without any solid evidence to the contrary, the Utility Regulator remains of the opinion that no significant costs will be incurred in the implementation of the Codes of Practice and therefore cost should not be a barrier to implementation.

4 Code of Practice on Payment of Bills

The purpose of the Code of Practice on Payment of Bills is to inform suppliers what actions they need to take to help all domestic energy customers cope with energy bills and avoid and/or manage debt. Furthermore, if the Code is applied correctly this should help to prevent suppliers from accruing bad debt thus reducing costs overall. In the long term, suppliers should endeavour to focus on debt prevention and providing sustainable solutions to customers.

For the Code of Practice on Payment of Bills it was proposed that the Code should be structured under the following headings:

- a) Identifying customers in difficulty
- b) Providing information on Energy Efficiency
- c) Payment arrangements and monitoring
- d) Prepayment meters
- e) Methods and procedures to avoid disconnection
- f) Providing accurate and timely bills
- g) Special provisions for customers

4.1 Identifying customers in difficulty

Policy Background

- 4.1.1 In the research conducted by the Utility Regulator⁴, some stakeholders suggested that identifying risk factors in relation to debt can aid in the early detection of those customers in difficulty or at a risk of having difficulty paying their bills. The research also indicated that seeking to identify the most suitable payment method for customers, potential debt problems and possible self-disconnection issues required a clear understanding of the customers' circumstances. In addition, the research suggested that suppliers' ability to identify customers in debt might be increased by closer

⁴ http://www.uregni.gov.uk/uploads/publications/SMR_Debt_Publication_June_2010.pdf

collaboration with other organisations who are working with the customer; enhanced training of energy supply staff (particularly those working with customers); and further enhancement of customer-focused ethos. Enhanced training of energy company staff will enable them to identify customers who may be having difficulty in paying bills. Furthermore, a company culture that supports an empathetic approach to customers will enable customers in difficulty to be identified and allow the customer to approach the company before any debt gets out of hand.

UR Proposal in April 2014 Consultation

4.1.2 The key proposals in the April 2014 consultation included minimums standards for the supplier on:

- Forming relationships with advice giving organisations and charitable organisations which seek to help customers who are, or may be at risk of, having difficulty paying bills. In particular, suppliers should form relationships with organisations representing those groups covered by section 75 of the Northern Ireland Act;⁵
- Seeking permission from the relevant advice giving organisations to share their contact details and publish the up to date list of said contact details on their website;
- Proactively seeking to identify and communicate with customers having difficulty or at risk of having difficulty paying their bills. This should be done at an early stage in order to prevent the build up of debt;
- Using interactions with customers to improve customer insight data to help identify customers having difficulty, or at risk of having difficulty paying their bills;
- Using customer records to identify those who have experienced difficulty in the past and offer early intervention to prevent debt building up;

⁵ <http://www.legislation.gov.uk/ukpga/1998/47/section/75>

- Increasing customer awareness of debt advice services and provide proactive sign posting to advice services where they may receive assistance such as benefits entitlement checks;
- Ensuring appropriate training is given to all staff who come in contact with customers so they may identify customers at risk of having difficulty paying bills;
- Encouraging customers having or at risk of having difficulty with payments to self-identify to utility companies;
- Ensuring language in correspondence should be non-threatening and supportive and all customer contact should be friendly and non-aggressive;
- Ensuring all records for those customers identified as having difficulty, or at risk of being in difficulty paying bills are fully updated and flagged appropriately in the supplier's information systems;
- Encouraging contact from customers in the event of a change of circumstances. e.g. redundancy or incapacitating illness or injury; and
- If a consumer is identified having difficulty paying bills or at risk of having difficulty paying bills, a supplier may, where appropriate, with the customer's consent and in line with Data Protection provisions, refer the customer to an appropriate agency or organisation.

Responses to April 2014 Consultation

- 4.1.3 In general, stakeholders were supportive of the requirements to identify consumers having difficulty paying their bills with one stakeholder stating that it has the potential to deliver immediate benefits for consumers. Stakeholders recognised that this may provide challenges for suppliers but felt that relationships with consumer organisations will enable this to work. It was suggested that a working group or forum to help develop appropriate protocols for the delivery of the new minimum standards would be useful.

- 4.1.4 Other stakeholders requested more detail on what is meant by “form a relationship” i.e. is it signposting or is it a referral. It was suggested that all customers identified as being in debt should firstly be offered direct referral to a money and debt service which will provide immediate help for the customer. This respondent also highlighted the importance of training all front line staff on how to identify vulnerable consumers and how to assess their financial situation properly. Furthermore, they requested that contact lists for organisations are reviewed on an annual basis.
- 4.1.5 Other respondents from charities and advice giving organisations supported the Code and stated that they would work with suppliers to help engagement with customers in debt. They suggested that a referral system, whereby a customer is referred to an independent advice agency, be put in place and energy efficiency advice also be provided to customers. One respondent from an advice agency also stated that the costs for helping a consumer who had been referred to them should be covered by the supplier.
- 4.1.6 Another respondent was supportive of the requirements for identifying consumers having difficulty but also felt that these changes highlighted the lack of protection for prepayment meter customers.
- 4.1.7 Some suppliers were supportive of some of the requirements for identifying customers having difficulty paying their bills. One supplier fully supported the formation of relationships with third party agencies but stated that the list of minimum standards places unnecessary levels of oversight on agents dealing with customers. It was suggested that customers who do not self-identify as having difficulty paying bills can be difficult to engage.
- 4.1.8 Suppliers were concerned about any changes required to enable billing systems to record customers who are having difficulty paying bills and suggested that there may be problems with regard to data protection

issues.

4.1.9 One supplier stated that customers must take some responsibility for their own actions and be aware of what they can reasonably afford. This supplier did however support the development of relationships with advice agencies and said they would continue to work with customers and agencies to reduce debt.

4.1.10 Another supplier also raised the issue that it is up to customers to self-identify and contact their supplier if they are having difficulties as the supplier's knowledge of the customer's financial situation is limited to their energy consumption and payment history. This supplier did, however, state that effective communication and an empathetic approach should encourage customers to engage with their supplier.

4.1.11 Another supplier stated that it supports and adheres to the requirement to work with people having difficulty paying their bills but that they were unaware of methods that would allow suppliers to identify customers who might get into financial difficulty. This supplier stated their support for working in partnership with advice organisations but wanted clarification on which organisations would be able to provide the advice outlined in the Codes and also on what is meant by "forming a relationship". The supplier stated that while they retained the right to set debt recovery payback amounts, they would listen to opinions given by the appropriate agencies but not be bound by them. This supplier also stated that in their opinion the requirement went beyond the scope of the licence.

4.1.12 At the workshop in May, some suppliers noted that it is important to draw a line between those who are in need of early intervention and habitual late payers. It was also raised that there are sensitivities around debt in Northern Ireland and while suppliers can signpost customers to places where help is available, it can be difficult to get these customers to engage.

4.1.13 It was suggested that the Code of Practice should state that there is a responsibility for customers to provide all relevant information to suppliers regarding their difficulties as suppliers cannot make customers come forward and self-identify as having difficulty paying their bill.

4.1.14 Some attendees also noted that the wording of any correspondence is important and the language needs to be non-threatening.

UR Final Decision

4.1.15 With regard to minimum standards on “forming relationships” with advice giving organisations, we would expect suppliers to have an appropriate contact in each of a range of relevant advice-giving organisations. The supplier is expected to work with these organisations to improve their understanding of how clients manage their debt. We expect suppliers to have relevant information so they can accurately signpost any customers who are having difficulty paying their bills to the correct person in an advice-giving organisation. Correspondingly, the supplier should give the advice-giving organisations a contact name in case they need to discuss a particular issue raised by a client.

4.1.16 We do not intend to set a minimum number of organisations for suppliers to establish relationships with or provide an approved list. However, suppliers should note that if called upon, they should be able to demonstrate that the range of organisations they work with will enable them to signpost any customer to an appropriate advice agency, including those on low incomes and this should be available across a suitable geographic spread. They must also be able to demonstrate having due regard for customers who are of pensionable age or who are chronically sick or disabled to access help.

4.1.17 As training of agents is already included in the proposed Code we have made no further changes with regard to training.

- 4.1.18 One respondent has requested that any cost for advice given to clients signposted by the supplier should be covered by that supplier. We will not be mandating this arrangement as it is for the organisation and supplier to negotiate and agree.
- 4.1.19 With regard to concerns on data protection, we will not be asking companies to pass their customers' details on but will be requiring them to signpost customers to the appropriate advice agency, therefore, we do not believe there is an issue for data protection.
- 4.1.20 With regard to the concerns raised that there may be additional costs for systems to handle flagging customers having difficulty paying their bills there has not been any detail on potential costs submitted therefore we will be making no changes.
- 4.1.21 We agree that it is important for customers who are having difficulty paying their bills to self-identify to their supplier. We also believe that early intervention and self-identification will help reduce the number of customers in debt and the overall level of domestic debt. To this end, we have identified a potential area of work to be progressed in the Consumer Protection Strategy where we will work with suppliers to ensure all communications to customers use appropriate language and tone to encourage customers to initiate early contact when having difficulty paying bills.
- 4.1.22 We agree that customers need to provide all relevant information to enable suppliers to assess their situation. However, the Codes are for suppliers to adhere to, not customers. Therefore, we will continue to work with advice agencies and consumer representatives to encourage customers to engage with their suppliers.

4.2 Providing information on Energy Efficiency

4.2.1 All suppliers currently have in place an interim Code of Practice on the Efficient Use of Electricity and/or Gas. Minimum standards for the Code of Practice on the Efficient Use of Electricity and/or Gas will be developed and consulted on but this consultation has been postponed until the outcome of the DETI Energy Bill Policy Consultation and the Energy Efficiency Directive.

4.3 Payment arrangements and monitoring

Policy Background

4.3.1 Research conducted by the Utility Regulator suggested that it is important that customers across all segments are aware of all payment methods available. Furthermore, there was concern about the high levels of debt repayment experienced by some customers, the time allowed for customers to repay any debt and how ability to repay was assessed. Additionally, the lack of consistency across suppliers regarding debt repayment was cited as a problem for domestic customers. While licence modifications have helped to clarify maximum permitted debt repayment levels, further information on what is required has been provided to ensure full supplier compliance in this area.

UR Proposals in April 2014 consultation

4.3.2 The key proposals in the April 2014 consultation included minimum standards on:

- Making arrangements for payments in instalments ensuring that repayments are appropriate for the customers individual circumstances;
- Establishing procedures for setting repayment levels based on ability to pay to include – staff training, tools to assess ability to pay, working with advice-giving agencies, and working with the customer to set the appropriate levels;

- Establishing a reasonable repayment period, as a minimum allowing customers to repay the debt over the same length of time it has taken the debt to accrue.
- Monitoring debt repayments and reassessing level of repayment if required;
- Contacting customers during the repayment period to ensure they can cope with repayments;
- Where customers are unhappy with the level of repayment, make them aware of the Consumer Council's role in dispute settlement;
- Offering to provide a prepayment meter where Direct Debit or standard credit customers paying by instalments fail to comply with an agreed payment arrangements;
- Adhering to an upper limit - suppliers shall not force customers to accept repayment levels which exceed 40% of the customer's energy spend in a single transaction; and
- Not automatically setting repayment rates of 40% per vend.

Responses to April 2014 Consultation

4.3.3 Suppliers have stated that they aim to ensure that repayment plans for customers in debt are in line with their ability to pay and that effort is made to avoid disconnection of customers.

4.3.4 One supplier stated that they disagreed with the assertion in the Code of Practice that the customers should be allowed to repay debt as a minimum over the same length of time it has taken to accrue. The supplier stated that while this may be appropriate when the debt has accrued due to DD figures being set too low, it does not take account of customers' ability to pay and may prompt suppliers to act more swiftly "rather than adopt an empathetic approach". This supplier also opposed contacting consumers to check if they can cope with the agreed repayment plan stating that it may be considered offensive by the customer and is an ineffective use of

resources.

- 4.3.5 Concern was raised by one supplier with regard to the validity of the financial statement provided by the advice agencies and which advice agencies they would be expected to work with. They also had concerns regarding repayment appeals procedure and unjustified complaints.
- 4.3.6 One supplier stressed that there should be a difference between ability to pay and willingness to pay. There were concerns that increased monitoring of customers would require increased resources and customers may also find it intrusive. This supplier also stated that it does not support the provision to contact a customer to gauge their ability to repay debt but states that PPMs should be installed if a customer runs into some difficulty and supports the possibility for a higher debt recovery than 40% if requested, in writing, by the customer.
- 4.3.7 Other stakeholders commented on payment arrangements and monitoring and one respondent suggested mandatory training for staff dealing with customers such as Energy Awareness training and Fuel Debt Advice in the Community training.
- 4.3.8 Another respondent supported the provisions in this area especially setting repayment levels on consumer's ability to pay, formalising the role of advice-giving organisations and clarification of the 40% debt recovery rate.
- 4.3.9 One respondent supported the requirement for suppliers to take into account the customer's ability to pay when establishing payment arrangements but were concerned about the 40% recovery cap saying that it is too high. They also suggested more robust minimum standards for debt repayment arrangements where customers would be offered independent budgeting and money advice with the costs being met by the supplier.

4.3.10 One respondent stated that every customer in difficulty should be treated as an individual case and repayment levels based on their particular circumstances. This respondent recommended the use of the Common Financial Statement to assess a customer's financial situation. It was also recommended that each case should be regularly reviewed and in certain circumstances the creditor should consider writing off debts. While this respondent agreed that repayment should be based on a customer's ability to pay, they stated that there should not be any set time lines for recovering debt. This respondent stated that the current 40% cap is extremely high and should be set to the lower amount of 10%. They also stated that repayment agreements should never be imposed upon a customer but it should be a negotiation between both parties, the only exception being where a customer refuses to engage, either directly themselves or through a third party.

4.3.11 At the stakeholder workshop in May, it was stressed that in assessing a customer's ability to pay there needs to be balance to ensure that suppliers are paid for energy used. Suppliers also commented that they are concerned about rented properties during change of tenancy as there is a risk of customers walking away from debt and it is essential that suppliers have the means to recover monies owed.

4.3.12 Some stakeholders at the workshop also noted that some customers might be offended if they are paying back a debt and the supplier rings them again. It was suggested that a better approach would be to invite the customer to contact the supplier again if they experience any further difficulties. It was also suggested that any statement of debt repayment could include a section on how to contact the supplier if the customer's situation changes.

Third Party Deductions

4.3.13. As part of the consultation we provided information on Third Party Deductions (Fuel Direct) as a payment option. We asked stakeholders if they had any further information or comment to make on Third Party

Deductions.

- 4.3.14. Suppliers were supportive of the principle of this payment option but were concerned about operational issues for running this scheme.
- 4.3.15. Most suppliers stated they would provide the service if it is of benefit to the customer or as a last resort to recoup monies owed. One supplier stated that the customer's lack of awareness of usage does not encourage them to manage their energy usage and can prevent engagement with the supply company. One supplier suggested that the industry should have a universally agreed process for dealing with Fuel Direct.
- 4.3.16. Other respondents stated that Fuel Direct has very specific uses for certain customers and that when it is used as a payment method, the amount deducted from benefits needs to be appropriately assessed.
- 4.3.17. Another respondent felt there was an opportunity for all suppliers to use Fuel Direct payment method for the most vulnerable customers.

UR Final Decision

- 4.3.18. We have decided not to set a minimum or maximum time over which debt can be repaid. However, we reiterate that individual circumstances must be considered when setting repayment rates. As part of the monitoring regime, we will be expecting to see evidence that suppliers are taking individual circumstances into account. For example, if all debt is being recovered at the maximum rate of 40% that may indicate that personal circumstances are not being considered for setting repayment rates.
- 4.3.19. Concerns were raised about the financial statement provided by the advice agencies. Advice agencies use the Common Financial Statement to assess customers' ability to pay. The Common Financial Statement

was published by the British Bankers' Association (BBA) and Money Advice Trust (MAT) in November 2002. In April 2004, the Finance & Leasing Association (FLA) became the third sponsor. The Money Advice Trust which is authorised and regulated by the Financial Conduct Authority. We are satisfied that this is a valid tool to assess ability to pay but are not minded to mandate that suppliers use this methodology at this time. However, as part of the monitoring regime, we will monitor the proportion of repayments set to the maximum value and how many requests are made for adjustment. If the number appears excessive, it may trigger an investigation into a breach of the Code of Practice and a breach of Condition 30, 3 (electricity), Condition 2.12.3 (gas). If there is evidence that suppliers are not assessing customers' ability to pay when setting repaying levels we may in future mandate the use of the Common Financial Statement for setting debt repayment levels.

4.3.20. As the 40% maximum repayment level was widely consulted on during the IME consultation, we will not be reviewing the repayment level during this time. If a customer wishes to repay more than 40% per payment of their outstanding debt they can do so providing that they state their willingness to do this in writing. If it is brought to our attention that any customer has been pressured into making repayments higher than 40%, an investigation into the supplier processes may be initiated along with a referral to Trading Standards Service.

4.3.21. Although the upper debt repayment level of 40% per vend has been set, suppliers stated that they retain the right to set repayment levels and while they will listen to opinions given by debt advice agencies, they will not be bound by them. As already stated, the Code makes it clear that each supplier should have procedures in place for setting the appropriate debt repayment level based on ability to pay and this will be checked as part of the monitoring regime.

- 4.3.22. At this time, we will not be mandating training on energy awareness or Fuel Debt Advice for staff dealing with customers.
- 4.3.23. With regard to concerns about debt that may build up with customers in rental properties, we acknowledge that domestic consumers in this sector may have specific needs and issues and as such have identified this as a potential area of work in our Consumer Protection Strategy. We have proposed working with stakeholders to educate landlords, tenants, and their representatives on their rights and responsibilities in the energy market.
- 4.3.24. We agree that we would not wish to cause undue anxiety to customers who are already paying back debt by requiring suppliers to contact them to ask if they find the payment level manageable. We will remove the requirement to contact the customer during the first three months of the repayment schedule but will add a requirement to include a section on any statement of debt repayment advising the customer to contact the supplier if they are finding it difficult to meet the set level of repayments.
- 4.3.25. With regard to Third Party Deductions there was general support for Fuel Direct in specific circumstances but we will not be mandating any further interaction for suppliers on Fuel Direct as part of the Codes of Practice. However, we would encourage suppliers to participate in the scheme to help those customers identified by the Social Security Agency as requiring this service.

4.4 Prepayment Meters

- 4.4.1 Practices relating to prepayment meters are covered under the Code of Practice on Services for Prepayment meter customers. (Section 7)

4.5 Methods and procedures to avoid disconnection

Policy Background

- 4.5.1 Currently, disconnection for debt in the domestic electricity market does not happen, however, gas suppliers may disconnect for debt.

Disconnection for reasons of debt should only be used as a last resort for suppliers, and the Code identifies the methods and procedures which should be followed to ensure that customers are given the opportunity to avoid disconnection and enter into an appropriate repayment agreement.

UR Proposals in April 2014 consultation

- 4.5.2 The key proposals in the April 2014 consultation included minimum standards for suppliers to comply with before they disconnect customers for reasons of debt. The consultation included the following minimum standards:

- Having trained staff make “reasonable endeavours” to contact the customer before disconnection;
- Offering customers a way to avoid disconnection by repaying the debt at reasonable instalments or by installing a prepayment meter;
- Making reasonable attempts during the disconnection process and at the disconnection visit to identify customers who are of pensionable age, who are disabled or chronically sick or on low incomes;
- Making reasonable endeavours to reconnect the customer within 24 hours (on working days) where a disconnection is made in error. In this instance the supplier must not apply disconnection or reconnection charges to the customer;
- Taking steps to ensure that disconnection and reconnection charges are not onerous and do not exceed the actual costs of disconnection and/or reconnection;
- Taking steps to ensure that disconnection/reconnection charges can be paid in line with other repayments over an appropriate period of time and not exceed the 40% repayment ceiling per payment;

- Not disconnecting any customer for non-payment of bill when there is an ongoing complaint or dispute in process with the Consumer Council;
- Monitoring all customers who have been disconnected and contacting them to see if they wish to be reconnected; and
- Keeping a record of all contact with the customer and attempts to contact the customer and all actions taken in relation to disconnections and reconnections.

Responses to April 2014 Consultation

Disconnection and reconnection

- 4.5.3 With regard to the proposals for disconnection fees, one supplier stated that these fees are set by the network companies and are agreed by the Utility Regulator and therefore not the responsibility of the suppliers.
- 4.5.4 One supplier agreed that consumers should not be exposed to prohibitive disconnection or reconnection charges but also stated that the fees should be reflective of the costs incurred which may include administration, legal and other costs.
- 4.5.5 One supplier did not support the proposal on these fees stating there must be clarity of responsibility as network companies carry out the disconnection while the suppliers bill the consumer for the charges and it is the network companies which request payment in full from the supplier prior to reconnection. Allowing repayment terms on this cost would be considered an unnecessary burden on suppliers.
- 4.5.6 One gas supplier stated that disconnection is only considered as a last resort and as such had concerns over the obligation in the Code to monitor those customers who have been disconnected and to ask them if they wish to be reconnected.
- 4.5.7 Other respondents were of the opinion that the minimum standards on disconnection and reconnection fees were necessary for consumers

experiencing debt as those already in debt are unlikely to be able to afford these upfront fees. One respondent stated that given the role of network companies in disconnection and reconnection the requirement needs to be extended to them.

4.5.8 Another respondent stated that disconnection and reconnection fees should be waived for those customers experiencing serious financial hardship.

4.5.9 One respondent wanted clarification on what “reasonable endeavours” would mean for customers.

Procedures to avoid disconnection

4.5.10. With regards to the procedures to avoid disconnection, one supplier was firmly opposed to contacting disconnected customers to see if they wish to be reconnected stating that is it unreasonable. They also noted that post-disconnection (immediately for empty properties and after six months for debt) the supplier ceases to be that household’s supplier and as such should have no obligation.

4.5.11. This supplier also had concerns with the requirement for suppliers to be present at disconnection visits stating that it would be operationally difficult and would add little value.

4.5.12. One supplier stated their commitment to recovering debt owed and as such would exchange credit meters for prepayment meters if necessary.

4.5.13. Other respondents stated that there should be no disconnection of gas customers as is the case for electricity customers and there should be consistency of practice here. Some respondents stated that there is a role for network companies in this issue and that more work needs to be done with them with regard to clarifying their role in identifying and interacting with vulnerable customers. This respondent stated that, while supportive of the Code, they required clarification on issues such as “what

does appropriately trained staff look like?”, “how can reasonable endeavours be demonstrated?” and “what does customer wellbeing look like?”

4.5.14. One respondent suggested that suppliers should provide evidence on the steps taken to engage with customers prior to disconnection which would detail the number of attempted contacts and methods used to engage customers. Furthermore, it was suggested that any customer facing disconnection should be offered referral to an independent debt advice agency.

4.5.15. During the workshop, some stakeholders were concerned about disconnection and reconnection fees which exacerbate the situation for consumers in debt. Again stakeholders commented that the approach in gas disconnection should be aligned with electricity and a prepayment meter should be installed.

UR Final Decision

4.5.16. Regarding contacting customers who have previously been disconnected due to debt to ask if they wish to be reconnected, we acknowledge that disconnection for debt is an action of last resort by suppliers or as a result of health and safety concerns. We believe that the minimum standards in the Codes should continue to reduce the overall number of domestic disconnections.

4.5.17. We have considered contributions from stakeholders and believe that due to logistical and licence considerations it is not appropriate for suppliers to monitor and contact disconnected consumers for reconnection. Instead, suppliers will be required to ensure that consumers who are being disconnected have all relevant information to allow them to reconnect should they wish to at a later date. We will amend the Code of Practice to reflect this.

4.5.18. With regard to allowing customers to repay the reconnection/disconnection fees over a period of time, suppliers were concerned about having to wait to recoup disconnection/reconnection costs. Suppliers felt that it was unfair to require them to wait to recoup this cost over a period of time given that they need to pay the network company for the work done up front. We understand the impact of reconnection costs which will occur as a one-off cost and have considered that disconnection/reconnection costs are paid upfront to networks and are unusual and discrete. We have examined the options:

1. Customer must pay all fees before reconnection
2. Supplier pays fees and recoups cost over time from customer
3. Network company must recoup cost over time from the supplier.

4.5.19. We consider that, given the other measures in the Codes, disconnection due to debt should be a last resort and should occur infrequently. We appreciate that suppliers should not be obliged to carry the burden of reconnection costs when customers have been given the opportunity to move to a prepayment meter to avoid disconnection. Therefore, companies can recoup from the customer the costs of disconnection and reconnection that are charged to them by the network company. On balance, we accept that for other costs such as the supplier administration costs, we expect these to be recovered through normal debt recovery arrangements. We will be amending the Code of Practice to reflect this.

4.5.20. We understand that there are different processes between electricity and gas. We acknowledge the difference between the two industries. It is currently not our intention to impose licence conditions or codes in gas to ban disconnection. Rather we will work with suppliers to minimise disconnections and ensure full use of the alternatives such as prepayment meters. In electricity current industry processes do not permit domestic disconnection for debt reasons.

4.5.21. With regard to suppliers providing evidence on the steps taken to engage with customers prior to disconnection, we believe that this requirement is already covered in the Code where suppliers are required to keep a record of all contact with the customer, attempts to contact the customer and all actions taken in relation to disconnections and reconnections.

4.5.22. The term “reasonable endeavours” is used across a number of licence conditions and throughout this paper. The use of the term “reasonable” indicates that we will take into consideration all of the circumstances of the case before deciding if the supplier’s actions are reasonable as would be viewed by a fair-minded person in the given circumstances. The term “endeavours” refers to efforts made by the supplier to comply, it acknowledges that under some circumstances the supplier will be unable to achieve the desired outcome despite having made sincere efforts to do so.

4.5.23. Again, with regard to offering any customer facing disconnection a referral to a debt advice agency, we believe that the obligation for suppliers to signpost any customers who are having difficulty paying their bills are adequate to cover this need.

4.5.24. In the consultation we stated that suppliers should make reasonable attempts at the disconnection visit to identify customers who are of pensionable age, disabled or chronically sick. Suppliers were concerned at the additional resources required for them to attend a disconnection. While suppliers do not carry out the physical disconnection they still have a responsibility, in practice, the network company will carry out disconnections following a request from a supplier. On reflection, given the role of network companies in disconnections, we believe that this is an obligation that should be on the network company and propose to take this forward under the network licence conditions as part of our Consumer Protection Strategy for 2015 – 2020.

4.6 Providing accurate and timely bills

Policy Background

- 4.6.1 Research has suggested that inaccurate bills or a lack of meter reading can contribute to the build-up of debt for domestic consumers.

Furthermore insufficient information on customer bills and prolonged use of estimated consumption for bills also contribute to customers falling into arrears. The Code aims to address issues relating to meter reading and accuracy, and complements existing licence conditions and other conditions introduced under IME3 which deal with supplier obligations in relation to meter readings. In addition, the issue of back billing had been addressed in the Code where it was proposed that limitations would be set on the circumstances where customers can be billed for previously unbilled energy consumption.

UR Proposals in April 2014 consultation

- 4.6.2 The key proposals in the April 2014 consultation included the following minimum standards:

- Providing accurate and easy to understand bills to all credit customers;
- Using reasonable endeavours to make an actual meter read on at least an annual basis and ensuring that DDs accurately reflect actual consumption;
- If unable to read the meter, meter readers will leave clear instructions on when they will return and how customers may provide suppliers with self reads;
- Clearly marking where a bill has been based on an estimated read and consequences of estimated reads; and
- Obligations with regard to back-billing of arrears under specific circumstances.

Responses to April 2014 Consultation

- 4.6.3 With regard to the introduction of action on back-billing, one supplier requested clarification on the list of situations where the supply company

would be at fault.

- 4.6.4 Suppliers supported the intention for the Code to ensure accurate bills which are easy to understand but commented that the network companies also have a role in this area and suggested that the Utility Regulator introduce obligations on network companies to improve their consumer protection.
- 4.6.5 One supplier suggested that network companies should take responsibility when they are at fault and any resulting compensation recovered from them. Another respondent noted that sometimes the network company finds that a meter is recording usage not recorded on the supplier's systems and in this instance it must be decided if suppliers who take on these customers should back-bill the actual consumption.
- 4.6.6 One supplier stated that it does not support the 12 month back-billing rule stating that the operational impact has not been. This respondent also noted that the suppliers are reliant on the network company to appropriately install and maintain meters and therefore the network companies should be included in this obligation.
- 4.6.7 One supplier suggested that better billing was a tool for competition and as such the UR should not be overly prescriptive in this area.
- 4.6.8 There was a request for clarification on whether Revenue Protection issues should be exempt from this requirement.
- 4.6.9 Other respondents were supportive of the proposed minimum standards with one respondent strongly supporting the "proposed method for recalculating inaccurate bills".
- 4.6.10 Another respondent stated that no customer should have to pay for supplier errors. The respondent also stated that where a customer should have realised an error had been made the onus should be on the supplier

to prove that the customer should have been aware the error was being made. The respondent also stated that investment should be made by energy companies so that meters could be read remotely.

4.6.11 One respondent stated that it is important that customers understand their bill and that suppliers present information in a clear and transparent fashion. They also stated that clarity of bills should not just be for online customers but be available to all customers. One respondent suggested there should be a standardised format for domestic bills.

4.6.12 At the workshop in May, the majority of attendees agreed that if the fault for arrears lies with the network company, then it is the network company who should be paying. Several suppliers stated that the supplier should not be out of pocket if the fault lies with the network company and that there should be something in the network/distribution Code to cover this.

4.6.13 It was also stated that there should be an obligation on the customer to contact the supplier if they know the bill is incorrect which other respondents also agreed with.

UR Final Decision

4.6.14 Having considered all comments on this issue and taken on board supplier concerns that there are many different situations that this obligation will cover, we have decided that further detailed work is required. We have identified that a Code of Practice on Back-billing (as exists in GB) may be required and will cover both retail and network issues. A separate piece of work will allow full consideration of all the complex issues which have been raised as part of this consultation. It will be commenced when resources allow.

4.6.15 With regard to revenue protection, both industry and consumer representatives have voiced concerns on how energy theft is dealt with. We have proposed to develop a Code of Practice on Theft as part of the Consumer Protection Strategy and there will be a new Billing Code of

Practice in order to comply with Energy Efficiency Directive (EED). This will be an area of work for both supply and network companies.

4.6.16 We have decided to remove the section “Providing Accurate and Timely Bills” from this Code of Practice, as under the EED there are new requirements on accuracy of billing which are more detailed and will require a separate Code of Practice (The Billing Code of Practice). This Billing Code of Practice will be consulted on and published separately following the publication of the EED decision paper and licence modifications. For further information please refer to the EED consultation paper⁶.

4.7 Definition of Debt

Policy Background

4.7.1 In order to correctly implement and monitor the Code on Payment of Bills it is essential to have an established and consistent definition of debt which applies to all suppliers across gas and electricity. In Northern Ireland, regulated energy suppliers will be required to work to the common definition of debt for the purposes of this Code of Practice.

UR Proposal in April 2014 Consultation

4.7.2. The Utility Regulator proposed the following definition of debt specifically for use in the Codes of Practice:

“any amount which remains unpaid outside the payment terms in the supplier’s terms and conditions. For example, if a customer’s payment for a bill is due within 14 days from the date of the bill, then this amount would be defined as debt if it remained unpaid from day 15.”

Responses to April 2014 Consultation

⁶ http://www.uregni.gov.uk/publications/energy_efficiency_directive_consultation_paper

4.7.3 Suppliers were supportive of a consistent definition of debt which may lead to better informed customers and promote clarity and equality across customers. It would also help in effectively monitoring the Northern Ireland energy market.

4.7.4 While most of the suppliers stated they were content to use the definition provided in the consultation paper, one supplier stated that they would not be happy with the definition being used for a customer who “ has bypassed/tampered” with their meter. Another supplier stated that the definition is correct with the assumption that the actual scope of the definition being used is in the context of any outstanding bill.

4.7.5 Other respondents also supported a consistent definition of debt across all suppliers for the purposes of the Codes of Practice and that this should trigger the supplier process of customer engagement, however, some respondents were concerned about the proposed definition with one respondent suggesting that a customer should be allowed a minimum of 30 days before being deemed in debt and proposing an alternative definition:

“A customer will be deemed in debt where any amount remains unpaid for 30 days after the supplier’s first bill is issued.”

4.7.6 There were also concerns that the definition proposed by the Utility Regulator may have implications for the customer’s credit rating.

4.7.7 At the workshop, most attendees stated that the definition of debt was very clear and may be useful to trigger correspondence with the customer or further investigation. Some stakeholders were concerned that consumers would be disadvantaged if applying for credit elsewhere if they are defined as being in debt to their energy supplier.

4.7.8 One stakeholder noted that as there are no discounts for early payment, some customers may delay payment but not be in difficulty.

UR Final Decision

- 4.7.9 Some respondents have been concerned about the proposed definition with one respondent proposing an alternative definition using 30 days. The reason for proposing 15 days is to provide consumers with more protection as suppliers would be required to act to provide assistance to the customer sooner and so preventing them accruing high levels of debt. The point of making the definition of debt wide was to give protection to as many customers as possible and as soon as possible.
- 4.7.10 There were also concerns that the definition proposed by the Utility Regulator may have implications for the customer's credit rating. The definition of debt here is solely for the purpose of complying with and reporting on the Code of Practice. We have decided to add this to the proposed definition for clarity.
- 4.7.11 Concerns were also raised about the definition of debt that has been accrued through meter tampering/energy theft. As stated in 4.6.15 the UR will be addressing the issue of energy theft via a Code of Practice on Theft as part of the Consumer Protection Strategy.
- 4.7.12 Therefore, the definition of debt for the Code of Practice will read:

“For the purposes of the Codes of Practice on the Payment of Bills, debt will be defined as any amount which remains unpaid outside the payment terms in the supplier's terms and conditions. For example, if a customer's payment for a bill is due within 14 days from the date of the bill, then this amount would be defined as debt if it remained unpaid from day 15.”

4.8 Other Issues

As part of the consultation we asked stakeholders if they had any further comments to make regarding the Code of Practice on Payment of Bills or

any further additions that should be included.

UR Proposals in April 2014 consultation

- 4.8.1 The key proposals in the April 2014 consultation on other issues included the following minimum standards:
- Encouraging early, supportive contact with customers in debt or having difficulty paying their bills;
 - Ensuring that the contractors or third party debt collectors adhere to the Code of Practice on Payment of Bills and to the CMA guidelines⁷; and
 - Taking all reasonable steps to prevent fraud and meter tampering.

Responses to April 2014 Consultation

- 4.8.2 Respondents raised a number of issues that they deem important for consumers with regard to payment of bills. It was suggested that language on bills should be simple and that bills should have a standardised format or be laid out in a clear format which allows the customer to understand their usage. It was also stated that access to paper bills must be retained.
- 4.8.3 One respondent requested that there should be an obligation placed on suppliers to negotiate directly with third party agencies where customers have indicated their permission to do so.
- 4.8.4 Another respondent suggested that the provisions from the EED on billing provision should be included in the Code of Practice on Payment of bills to avoid delays and duplication.

UR Final Decision

- 4.8.5 We acknowledge the comments made by stakeholders and advise that we will be addressing issues on billing clarity through development of a Billing

⁷ http://www.offt.gov.uk/shared_offt/business_leaflets/consumer_credit/OFT664Rev.pdf

Code of Practice during 2015/16 which will be developed to ensure compliance with the EED. One objective of the Billing Code of Practice will be to ensure consistency of compliance by suppliers and give suppliers more detailed information. This project is outlined in our draft Forward Work Programme (FWP)⁸.

- 4.8.6 With regard to obliging suppliers to negotiate directly with third party agencies on behalf of a customer in debt, we feel that the current obligations are adequate in this regard.

Self-Disconnection

Policy Background

- 4.8.7 Self-disconnection and self-rationing are recognised as problems for a small but significant group with low income identified as a major factor although there can be self-disconnection for a variety of reasons.

UR Proposal in April 2014 Consultation

- 4.8.8 In our Consultation we asked how suppliers could monitor self-disconnection and self-rationing in prepayment customers.

Responses to April 2014 Consultation

- 4.8.9 One supplier suggested that given the variety of reasons why customers may disconnect they do not consider monitoring self-disconnection to be an activity of particular benefit to customers.
- 4.8.10 Another supplier suggested that further research be conducted by the Utility Regulator to gain Northern Ireland specific information.

⁸ http://www.uregni.gov.uk/publications/forward_work_programme_2015-20161/

- 4.8.11 One supplier, while seeing the monitoring as a “laudable ambition” stated that it is not possible for suppliers to do this due to the variety of reasons for change in vend patterns and quarterly meter reading. It was suggested that SMART meters would provide an opportunity for better monitoring of self-disconnection and self-rationing.
- 4.8.12 Other respondents suggested that suppliers should be able to monitor when there is no supply or a drastic reduction in use by monitoring vend patterns although they also stated that the introduction of SMART meters would improve monitoring. One respondent suggested that the network companies should be included in a piece of work to explore where they can help to identify customers who self-disconnect.
- 4.8.13 One respondent suggested that to help those customers who are likely to self-disconnect or self-ration, suppliers should write to customers once a year to advise how to use their meter, on energy efficiency measures and how to access advice-giving organisations. This should be done quarterly for those customers already in debt. Furthermore, this respondent suggested that those customers in difficulty should be placed on the lowest tariff available until their circumstances improve. This respondent also suggested that the meters should have better technology to warn customers they are running low on credit.
- 4.8.14 Stakeholders at the workshop agreed that self disconnection and self rationing are important issues which have a huge impact on consumers and recommended stronger engagement and communications with consumer in order to monitor and deal with self-disconnection.
- 4.8.15 It was raised that systems are not currently capable of producing information in this area which would allow suppliers to monitor self-disconnection.

UR Final Decision

4.8.16 Clearly self-disconnection and self-rationing are facets of customer behaviour that we and stakeholders are concerned about. Our research in 2009⁹ showed that it is problematic for energy suppliers to obtain accurate information on levels of self-disconnection and self-rationing of any customer or customer group.

4.8.17 The consultation provided no new ideas on how to tackle self disconnection or self-rationing among PPM customers in Northern Ireland, however, we anticipate that SMART meters may provide an opportunity to monitor self-disconnection and self-rationing. The Department of Enterprise, Trade and Investment are currently conducting a cost-benefit analysis on the introduction of SMART meters in Northern Ireland.

⁹ http://www.uregni.gov.uk/news/view/helping_customers_avoid_manage_debt/

5 Code of Practice on Provision of Services for Persons of Pensionable Age, or Disabled or Chronically Sick

The purpose of this Code of Practice is to help domestic energy consumers who may have particular requirements with regard to their energy use and payment for their energy. Customers may find that their situation can exacerbate as well as cause vulnerability and may need additional support. Although all of the energy suppliers make efforts to identify customers who are of pensionable age, disabled or chronically sick and maintain customer care registers as required under their supply licences, some weaknesses were identified in the existing arrangements.

For the Code of Practice on Provision of Services for Persons of Pensionable Age, or Disabled or Chronically Sick it was proposed that the Code will be structured under the following headings:

- a) Type of Customers
- b) Services Provided
- c) Disconnecting customers who are of pensionable age, disabled or chronically sick
- d) Awareness-raising of services provided

5.1 Type of Customers

- 5.1.1 This Code of Practice covers customers who are of pensionable age or disabled, or chronically sick. This definition of customer type is in the licence.

5.2 Services Provided

Policy Background

- 5.2.1 Some customers may have specific needs with regard to their energy supply. The Code of Practice minimum standards details the minimum standard of

special provision required for customers who are of pensionable age or disabled or chronically sick which will meet both physical and communication needs.

UR Proposals in April 2014 consultation

5.2.2 The key proposals in the April 2014 consultation regarding services provided for persons of pensionable age, or disabled or chronically sick included the following minimum standards:

- Providing, where necessary and appropriate, special controls and adaptors for electrical and gas appliances and meters and repositioning meters;
- Providing special identification for employees authorised by the Licensee to visit households;
- Providing advice on the use of electricity and/or gas appliances and other gas fittings to any customer who requests it;
- Operating a nomination or bill redirection service;
- Arranging to read the meter at least once each quarter;
- Arranging for free annual gas safety inspection of the gas appliances and other gas fittings on the customer's side of the. The safety inspection must be undertaken by a person possessing appropriate expertise (Gas Only); and
- Providing alternative formats of communications for those domestic customers who require it including provision for customers who are blind or partially sighted or deaf or hearing impaired.

Responses to April 2014 Consultation

5.2.3 Suppliers have been vocal in their opposition to some of the minimum standards detailed in the section regarding services provided to this specific customer group.

5.2.4 One supplier stated that it is unclear what special controls and adaptors should be provided for customers and queried the reasonableness for a

supplier to source and pay for such equipment. It was also queried if these costs should be included in a price control. Another supplier requested clarity on the special adaptors that can be provided and requested that the Code take account of available technology.

- 5.2.5 There was also a statement that the requirement to reposition meters is unreasonable as this is a function of the network company and suppliers are not involved in this activity and requested that electricity supply licence condition 31, 3 (a) be modified to reflect market arrangements.
- 5.2.6 Further comments were made on services, requesting that the supplier be afforded flexibility to ensure practical implementation, for example in bill redirection.
- 5.2.7 Other respondents commended the work already done for vulnerable consumers, but identified that suppliers need to be more proactive in identifying customers who fall into this category. One respondent suggested the use of priority phones line such as the Needs Enhanced Service recently introduced by the HMRC.
- 5.2.8 Another respondent was concerned about the wording “reasonably practicable” within the Codes and that stating that suppliers may used this statement as a way of avoiding their obligations. This respondent requested that the provision in this area of the Code be strengthened to ensure high protection for vulnerable customers.
- 5.2.9 One respondent requested that energy efficiency measures should be included in the in the list for alternative communication formats as this customer group tend to use more energy and they can benefit from better tariff and energy efficiency information. They also requested that signposting to, and referral to other relevant voluntary and community organisations be included so as to support people where appropriate.

5.2.10 Other respondents also suggested other services that should be provided such as phoning a customer in advance of a visit. It was also suggested that suppliers should be more proactive in developing adaptors for customers with specific needs.

5.2.11 During the workshop some suppliers stated that it is not possible to provide adaptors as none are currently available on the market therefore this is not a reasonable requirement and should be removed from the licence.

5.2.12 One stakeholder noted that there is a lack of advice for blind or sight impaired people regarding how to switch timers etc to adapt for seasonal change in the weather.

UR Final Decision

5.2.13 With regard to concerns over special controls and adaptors and technological issues, we would note that the licence says
*“where reasonably practicable and appropriate and in each case free of charge:
provide special controls and adaptors for electrical appliances and meters and reposition meters (including in both cases prepayment meters);”*.

Given that this licence condition itself caveats provision based being reasonably practicable, we do not believe that any changes to the proposed minimum standards is required.

5.2.14 We appreciate that suppliers do not have responsibility for repositioning of meters however, as the first point of contact for most customers suppliers are likely to refer customers for meter repositioning to the network companies. We will look at reviewing the wording in the relevant conditions in the network company licences as part of the Customer Care Register project proposed in the Consumer Protection Strategy.

5.2.15 We appreciate that a priority phone line may be a good idea however, given the additional costs such a service would generate, we cannot mandate this at

this time.

5.2.16 Some stakeholders stated that they thought the term “reasonably practicable” would allow suppliers to avoid their obligations. We believe that in a licence condition this is a strong statement and we will work with suppliers to monitor their actions in this area to ensure there is no avoidance of consumer protection measures. The term “reasonably practicable” has a specific meaning in a regulatory context. It relates to what is reasonable in all circumstances on the case as judged by a fair-minded person. We cannot mandate that suppliers achieve the minimum standards where they are reliant on consumers to facilitate that action however this is a strong statement to prevent avoidance of actions.

5.2.17 With regard to including provision of information on energy efficiency measures in alternative formats, this is something that can be considered in the development of the Code of Practice on the Efficient Use of Electricity and/or Gas.

5.2.18 With regard to phoning a customer before a visit, it is usually network companies who will be visiting a customer. This idea may be explored as part of our proposed work with network companies.

5.3 Disconnecting customers who are of pensionable age, disabled or chronically sick

Policy Background

5.3.1 In electricity currently no customers are disconnected for debt and it is clear in gas supplier policy statements that efforts are made to avoid disconnecting customers. The intent is to clarify disconnection policy for customers who are of pensionable age, disabled or chronically sick.

UR Proposals in April 2014 consultation

5.3.2 The key proposals in the April 2014 consultation on disconnecting customers who are of pensionable age, or disabled or chronically sick included the following minimum standards:

- Not disconnecting a customer who has not paid their bill and is of pensionable age, disabled or chronically sick and lives alone or only with other persons who are of pensionable age, disabled, chronically sick or under the age of 18 during any winter period, that is to say, a period beginning with 1 October in any year and ending with 31 March in the following year;
- Taking reasonable steps to avoid disconnecting the supply to premises where a bill has not been paid and includes an occupant who is of pensionable age or disabled or chronically sick during any winter period, that is to say, a period beginning with 1 October in any year and ending with 31 March in the following year;
- Taking all reasonable steps to check if a property comes under the two previous points before disconnecting; and
- In the case of disconnection of a domestic property maintain for at least six months or where a complaint has been made, six months after the complaint has been resolved, a record and evidence of the steps taken to ascertain whether the occupants include persons who are of pensionable age or disabled or chronically sick or minors. This evidence must be provided to the UR on request.

Responses to April 2014 Consultation

5.3.3 One supplier requested clarification on the definition of “pensionable age” for the Code and other suppliers stated that they are fully compliant with the minimum standards to ensure that vulnerable customers remain connected.

Another supplier welcomed clarity on the time periods for permitted disconnections.

- 5.3.4 Other respondents were keen to suggest that no customer should be disconnected and that effective implementation of the Codes of Practice should ensure that there is no disconnection. Furthermore, it was suggested that low-income customers should be targeted with energy efficiency and money-management advice.
- 5.3.5 One respondent stated that financial vulnerability should be included as a reason for non-disconnection. They also stated that where a vulnerable customer has been disconnected, they should be reconnected as soon as possible with no charge. This respondent also suggested including particular scenarios alongside the time-frame such as during unexpected cold weather and flooding.
- 5.3.6 One respondent stated that there should be a similar policy for gas consumers as that in place for electricity consumers so that there would be no disconnection of gas consumers.

UR Final Decision

- 5.3.7 With regard to the definition of “pensionable age” the definition of “pensionable age” will be consistent with the definition of State Pension Age.
- 5.3.8 With regard to the suggestion that financial vulnerability and other scenarios be included as a reason for non-disconnection, we are not minded to place this obligation on suppliers but would expect that compliance with the Code of Practice on Payment of Bills, the minimum standards and improved engagement with customers strengthens consumer protection and will reduce the number of disconnections
- 5.3.9 With regard to consistency of policy for gas and electricity disconnections we refer to paragraph 4.5.20 where we stated that it is currently not our intention

to impose licence conditions or codes in gas to ban disconnection. Rather we will work with suppliers to minimise disconnections and find alternatives such as prepayment meters. In electricity current industry processes do not permit domestic disconnection for debt reasons.

5.3.10 We would also remind suppliers of their obligations under the Code of Practice on Payment of Bills with regards to disconnections (Section 4.5).

5.4 Awareness-raising of services provided

Policy Background

5.4.1 Although much work has been done by suppliers, it remains important that the information reaches those customers who are most in need of these services. The Code will encourage promotion and hopefully uptake of these services.

UR Proposals in April 2014 consultation

5.4.2 The key proposals in the April 2014 consultation on awareness-raising of services provided for customers who are of pensionable age, or disabled or chronically sick included the following minimum standards:

- Establishing and maintaining a register of domestic customers who are of pensionable age, disabled or chronically sick and who wish to be included on the list;
- Ensuring that the register holds sufficient information of the age, disability or chronic illness of domestic customers to allow their special needs or requirements to be identified;
- Informing domestic customers at least annually of the existence of the register and how to sign up to it;
- Providing (free of charge) advice and information to customers on the services available from their supplier because of their age, disability or chronic illness;
- Promoting customer care registers to encourage greater identification and sign up of eligible customers;

- Encouraging appropriate organisations to raise awareness of the existence of customer care registers amongst members and clients;
- Ensuring that relevant staff are adequately trained in the identification of customers who may be eligible and in treating customers in an empathetic manner, encouraging customers to self-identify; and
- Where appropriate and in line with data protection provisions, providing information in the customer care register to any relevant party licenced to convey gas or distribute electricity to the domestic customer's premises.

Responses to April 2014 Consultation

- 5.4.3 One supplier suggested promotion of customer care registers via government agencies such as health care, social services or benefits offices. Another supplier suggested that a paragraph about the customer care register on the back of bills or statements would fulfil the requirements.
- 5.4.4 Other respondents stated that although they were aware that suppliers promote the customer care registers at the point of sign up, more should be done after this initial contact to make customers aware of schemes, for example annual promotion of the schemes. It was suggested that promotion of these registers on supplier websites could be done more effectively.
- 5.4.5 It was suggested that in the promotion of these schemes, it is important to explain to customers what happens with their information once they have been included on the register. Some vulnerable customers, especially those with mental health issues, would be concerned that such information would negatively impact their future relationship with creditors. It is essential that these customers are reassured that the information is confidential and will not be held against them in future dealings.
- 5.4.6 It was also suggested that the register should be centralised to ensure that any customers who are switching supplier are automatically transferred to the

new supplier's register. It was also raised that network companies play a role in this area as well.

5.4.7 Stakeholders at the workshop stated that it is vital that people get signed up for these registers and that companies need to be proactive in letting customers know about them.

5.4.8 One supplier stated that it is onerous for suppliers to get the confirmation letter from the nominated person for bill redirection.

5.4.9 Stakeholders at the workshop also suggested that when customers switch, the old suppliers should be able to tell the new suppliers that the customer is on the register although concerns were raised about data protection.

5.4.10 At the workshop other problems were raised with regard to identifying customers for the registers such as the sensitivity required when dealing with customers, the fact that customers do not want to discuss personal issues on the doorstep or on an incoming call and the fact that those of pensionable age may not deem themselves vulnerable or requiring any additional help.

UR Final Decision

5.4.11 There is a willingness among suppliers to promote the customer care registers and other stakeholder organisations have stated that they are keen to work with suppliers to do this.

5.4.12 We have considered the comments made by stakeholders about the services and products available for customers with disabilities and raising awareness of these services and products. As part of the Consumer Protection Strategy, we have proposed a separate piece of work to review the customer care registers to ensure they are fit for purpose and being adequately promoted.

Other Comments

5.4.13 When asked for other suggestions for this Codes of Practice, it was suggested that customers should be offered holistic advice and that vulnerable customers should have a priority phone line answered by specially trained staff rather than an automated service. One supplier reiterated the need for customers to avail of the services available and to self-identify to suppliers.

5.4.14 We believe that these issues have already been addressed in the decision paper.

6 Code of Practice on Complaints Handling Procedure

The purpose of the Code of Practice on Complaint Handling Procedure is to ensure that **all customers, domestic and non-domestic**, are aware of their rights with regard to dispute settlement with their energy supplier. In addition, the minimum standards will ensure that suppliers have clarity with regards to their obligations to complainants during the complaints handling process.

Complainants should benefit from suppliers' transparent, simple and inexpensive procedures for dealing with complaints. In particular, all consumers shall have a right to a good standard of service and complaint handling by their energy service provider.

For the Code of Practice on Complaints Handling Procedure it was proposed that the Code will be structured under the following headings:

- a) Definition of complaint
- b) Accessibility of Complaints Handling Procedure
- c) Transparency
- d) Effectiveness
- e) Dispute Resolution

6.1 Definition of complaint

Policy Background

- 6.1.1 It is important for monitoring and also the complaints handling procedures that a complaint has a common definition which all suppliers work to. We are proposing that a consistent definition of a complaint should be used across suppliers to allow transparency for consumers and ability to compare performance in dealing with complaints.

UR Proposal in April 2014 Consultation

- 6.1.2 In the Consultation paper we proposed the following definition of a complaint to be used for the Code of Practice on Complaints Handling Procedure:

“Any expression (through various possible channels: letter, email, phone, physical claim or other method) of dissatisfaction for any person.”

- 6.1.3 This definition will include both explicit statements where the customer states they are seeking action to address the concern, and implicit statements where no request for action has been made but where dissatisfaction has been stated.

Responses to April 2014 Consultation

- 6.1.4 While the suppliers supported the principle of a consistent definition for a complaint, they expressed serious concerns about the definition proposed in the consultation paper.
- 6.1.5 One supplier was concerned that the definition proposed would be too vague and not allow the agent to help the customer enough, such as a customer saying that their payment card is not working. The supplier stated that a complaint should only be recorded as such when the customer explicitly states that they wish to make a formal complaint and the customer is very dissatisfied.
- 6.1.6 One supplier suggested that a complaint should only be made by the contracted person with carers and family members being permitted to complain on behalf of vulnerable people.
- 6.1.7 The suppliers also noted that the definition went beyond the definitions used by CER, Ofgem or CCNI and suggested that the definition should be revised to remove the obligation for “any person” and to clarify specific scenarios that should not be considered as complaints e.g. tariff announcements and colour

schemes.

- 6.1.8 Another supplier did not support the proposed definition stating it would not be practical to implement and would not lead to a higher service level or understanding of the issues for consumers and suggested using the CER definition. They also stated that if all expressions of dissatisfaction are recorded as complaints, it would be difficult to identify and report on trends in serious issues as they will be overwhelmed by lesser expressions of dissatisfaction.
- 6.1.9 A supplier stated that the UR should monitor areas covered by the regulatory remit and stated that the proposed definition is impractical as any expression of dissatisfaction requires the same level of response identified in the Code of Practice as the more serious complaints. It was suggested that suppliers should be allowed to spend time addressing the needs of customers who are facing real service issues and resources should not be diverted to cases where there may be dissatisfaction for other reasons.
- 6.1.10 One supplier suggested that the wording was ambiguous and suggested changing the “for any person” to “from any person”.
- 6.1.11 There were also concerns that no distinction is made for vexatious or frivolous complaints which would then be reported in the same manner as serious complaints.
- 6.1.12 Other respondents were also supportive of the principle of adopting a consistent definition of a complaint for suppliers suggesting it will improve transparency, monitoring and reporting and provide consistency for consumers.
- 6.1.13 One respondent stated that the definition may be too broad and may result in an over-reporting of complaints and the focus should be on quick resolution for the consumer who contacts the supplier. The respondent said that in the case of expressing dissatisfaction, the person may not think of themselves as

making a complaint and will only escalate it to complaint status if the issue is not resolved. This respondent did however suggest that a record be kept of how many phone calls and email are resolved on first contact and that this information should be available to customers to provide information in the switching process.

6.1.14 Other respondents supported the definition stating that it will ensure the voices of customers are heard and will contribute to improving the quality of service offered by suppliers. One respondent suggested that any definition should recognise third parties making a complaint on a customer's behalf.

6.1.15 At the workshop in May, the important role of complaints was noted by stakeholders as providing an overall insight into the customer perception of the supplier.

6.1.16 There were differing views on the proposed definition with some stakeholders concerned that any expression of dissatisfaction should be recorded as a complaint.

6.1.17 One supplier suggested that the definition of a complaint should be linked to the service provided by the supplier and the customer's expectation of action to be taken.

6.1.18 Some stated that the definition of complaint was very vague and some suppliers were concerned about the use of the phrase "any person" as opposed to customer.

6.1.19 Other stakeholders were very supportive of the definition describing it as clear and simple and saying that if a customer is dissatisfied then it is a complaint and needs treated as such.

6.1.20 It was suggested at the workshop that the Ofgem or CER definitions should be considered.

6.1.21 There were concerns over including complaints received via social media in the monitoring returns as they can be vexatious.

6.1.22 It was also suggested that there should be a Complaints Code of Practice for network companies.

UR Final Decision

6.1.23 We are pleased that there is strong support among suppliers and other stakeholders for a consistent definition of complaint.

6.1.24 We do not consider that a complaint should only be recorded as such where the person explicitly states that they wish to make a formal complaint. We consider that this could result in significant underreporting of complaints. We consider that there could be circumstances where people are clearly unhappy with a supplier's conduct or where any reasonable person would consider that their expression of dissatisfaction was a complaint, but the person was unaware that they needed to explicitly state that it was a formal complaint.

6.1.25 We consider that a full picture can only be given where complaints are monitored regardless of whether the supplier feels they are serious or not serious. We consider that the seriousness or not of an issue should be for the person making the complaint to decide, rather than the supplier. This is because the person making the complaint is the one who understands the full impact on their own particular circumstances. However we accept that some complaints will be more serious than others. This is why we have decided that when monitoring we will differentiate between those complaints which are resolved at the first stage of customer contact, and those resolved at a second stage (or further) and less than 10 working days from the date the complaint was received. We consider that complaints that are resolved in the first stage may be a sign of good practice in relation to complaint handling procedures.

6.1.26 With regard to the resolution categories, during our review of the indicator as a whole and responses received from the REMM consultation, we decided that we could reduce the reporting burden on suppliers by reducing the number of resolution categories. We have decided to collect information on:

- Category 1 – the total number of complaints received during the relevant quarter;
- Category 2 – of the category 1 complaints, the number of complaints resolved by the supplier at the first stage of customer contact (i.e. the customer does not need to contact the supplier a second time); and
- Category 3 – of the category 1 complaints, the number of complaints resolved by the supplier at a second (or further) stage of customer contact, and less than ten working days from the complaint being received.

In addition, within the supplier information requested as part of the licence compliance element of REMM, we will collect information on any complaints that took more than three months to resolve (pursuant to the relevant licence condition).

6.1.27 We do not consider that it is appropriate to include within the definition the requirement for a response to be provided or expected. This is because it could lead to underreporting of issues. At our workshop on Codes of Practice some suppliers used the example of customers being “unhappy with the font and colours in bills and letters” as an example of something that should not be considered a complaint as no response or action is taken. In this particular example we consider that significant numbers of customers complaining about such issues could be an indication of real underlying problems. For example font type and colour can cause problems for those who are sight impaired and certain fonts are unsuitable for those with dyslexia. We consider that suppliers should wish to know about these things if they wish to improve their performance. Simply dismissing such concerns as spurious or unimportant could risk masking real problems.

6.1.28 We accept that it is impractical to monitor expressions of dissatisfaction received via or contained within social media. Therefore we will not use the words “or other method” within the UR definition. However we consider that it is appropriate for the suppliers to ensure that, where they use social media, their social media accounts provide information on alternative ways to contact the supplier.

6.1.29 As requested by respondents we have further considered the CER and Ofgem definitions of complaint. In addition we have given further consideration to the ERGEG definition of complaint, which CER has also now adopted for monitoring purposes¹⁰. We consider that a single definition of complaint should be used for all purposes as more than one definition could cause confusion and would be unhelpful for all concerned. We consider that the ERGEG definition is the most appropriate definition as it is considered European good practice. We note that the ERGEG definition refers to “customers” rather than “persons” as those making complaints and that some suppliers wished to restrict the definition to so that it applies only to “customers”. As stated the UR intends to use a single definition of complaint for all purposes including to help with market monitoring and to help with licence compliance monitoring. This includes helping to monitor the implementation of the UR’s Marketing Code of Practice, as complaints regarding marketing techniques or the conduct of marketing personnel are likely to come from those who are not currently “customers”. The UR considers that an appropriate definition should refer to a “person” rather than a “customer”. The use of the word “person” rather than “customer” also provides the opportunity for a customer’s representative or agent to make a complaint on their behalf. We consider that it is particularly important to allow vulnerable customers to use agents and representatives to act on their behalf.

¹⁰

<http://www.cer.ie/docs/000885/CER14344%20Market%20Monitoring%20Framework%202014%20Decision%20Paper.pdf>

6.1.30 Therefore we consider that the definition of complaint should be as per the ERGEG definition, but with the word “customer” replaced with the word “person” as follows;

“The expression (through various possible channels: letter, email, phone call, physical claim) of a ~~customer’s~~ person’s dissatisfaction”

6.1.31 The definition used by UR for the purposes of the Code of Practice on Complaints Handling Procedure and for the purposes of monitoring and reporting in the REMM monitoring regime shall be as follows;

“The expression (through various possible channels: letter, email, phone call or physical claim) of a person’s dissatisfaction”

6.2 Accessibility of Complaints Handling Procedure

Policy Background

6.2.1 In order to complain effectively, any person must be able to access the energy company’s complaints procedure and engage with the energy company. There must be no barriers that would discourage a person from making a complaint. Furthermore, there must be equal access to all persons, so a variety of access options must be available.

UR Proposals in April 2014 consultation

6.2.2 The key proposals in the April 2014 consultation on accessibility of a Complaints Handling Procedure included the following minimum standards:

- Ensuring that customer facing staff are able to inform any person about the energy company’s complaints handling procedure and the role and contact details of the Consumer Council;
- Ensuring that applicable literature refers to the existence of the Code of Practice on Complaints Handling and signposting people to how they can get a copy;

- Providing, free of charge on request a copy of the Code of Practice on Complaints Handling Procedure in hard copy or where appropriate in another format as agreed with the person;
- Placing a link to up to date details of the Complaints Handling Procedure in a prominent position on the home page of their website;
- Ensuring that the complaints handling procedure is sufficiently accessible to enable any person and in particular those persons with disabilities or those without internet access to lodge and progress a complaint;
- Ensuring that complaints procedures are transparent and simple so that they do not deter any person from making a complaint;
- Having in place low cost options for any person to make a complaint;
- Allowing for complaints to be made and progressed orally (by telephone or in person) or in writing (including email);
- Where a person who is of pensionable age, disabled or chronically sick or has other specific needs or someone representing such a person makes a complaint, the energy company must take additional steps as deemed necessary or appropriate to help the person resolve the complaint in an appropriate and prompt manner; and
- Have due regard to the Gas (Individual Standard of Performance) Regulations (Northern Ireland) 2014¹¹. This applies to gas suppliers only.

Responses to April 2014 Consultation

6.2.3 Most suppliers stated that the proposals covered all relevant aspects of a complaints handling procedure.

6.2.4 One supplier expressed concern with regard to the information that is already required to be on the customer bill and that additional information would only confuse customers. Furthermore this supplier did not support the requirement to accept oral complaints from customers stating that the written channel is

¹¹ <http://www.legislation.gov.uk/nisr/2014/60/contents/made>

more appropriate allowing a supplier to clearly identify the issue.

6.2.5 It was suggested that for legacy complaints (where a customer makes a complaint against a previous supplier) there should be a limit on the period of time within which a customer can complain, similar to a statute of limitations and could be aligned with the statutory requirement on a supplier to retain a customer's information. A query was also raised about progressing complaints orally.

6.2.6 Other respondents stated the importance of staff training with regard to complaint handling and complainants should be given the information on the process of how the complaint will be managed. It was also suggested that complaints procedures should be available in different formats if requested such as Braille, large fonts and alternative languages.

6.2.7 One respondent was particularly supportive of the requirement to place a link to the complaints procedure in a prominent position on the supplier website.

UR Final Decision

6.2.8 With regard to concerns about the ability to progress complaints orally, it is essential that there are no barriers for consumers wishing to make a complaint. Preventing consumers from making a complaint orally would discriminate against those consumers who have literacy problems. We will, therefore, be retaining the requirement to progress complaints orally.

6.2.9 With regard to suppliers' comments about wanting a time limit for complaints that are made by previous customers who have moved to a new supplier, we understand the difficulties as regards keeping records to allow proper investigation and resolution of the complaint. However, we consider that the customer should still be able to register their dissatisfaction and have their complaint noted. Therefore, we do not at this time intend to introduce a time limit on complaints. In the event that we need to investigate complaints that cannot be resolved, we will take the length of time since the customer

switched away and the impact that this has on the investigation into account. In addition, if evidence can be produced to show that legacy complaints that cannot be resolved or take a long time to resolve are imposing an undue burden we will re-examine the question.

6.2.10 With regard to providing consumers with information on the how the complaint process will be managed, we believe this is covered in the Transparency section of the Code where suppliers are required to have a clearly written code for handling complaints made by any person.

6.2.11 We ask suppliers to use reasonable endeavours to provide information on how complaints in alternative formats may be handled. We would expect suppliers to respond to reasonable requests but not require them to provide instructions in all languages.

6.3 Transparency of Complaints Handling Procedure

Policy Background

6.3.1 The Code will ensure that the processes and procedures in place are clearly visible, easy to understand, relevant and up-to-date without placing excessive burden on the suppliers. This will ensure that everyone will have all the relevant information on how to make and escalate a complaint.

UR Proposals in April 2014 consultation

6.3.2 The key proposals in the April 2014 consultation on transparency of a Complaints Handling Procedure included the following minimum standards:

- Having a clearly written Code for handling complaints made by any person (including Domestic and Industrial and Commercial customers);
- Ensuring that the Code is concise, easy to understand and written in plain English;
- Providing specific information about contact details for making a complaint, the process, the steps the supplier will take to investigate

and resolve the complaint, the timeframe, the Consumer Council's contact details and arrangements for compensation (if applicable);

- Setting out the different remedies that may be available to a person under the complaints handling process;
- Recording information as detailed in the minimum standards and retaining written records collected through the complaints handling procedure for a period of two years;
- Recording all complaints in keeping with agreed classification; and
- Allowing for compensation if applicable under Condition 29 in the electricity supply licence and Condition 2.20 in the gas supply licence (if applicable). Gas Suppliers must provide compensation in accordance with the Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014¹².

Responses to April 2014 Consultation

6.3.3 In general, suppliers did not express any concerns over the proposals presented in the consultation paper. However, it was raised that in some instances complaints may take longer than three months to resolve due to extenuating circumstances and a provision for exception should be included in the Code.

6.3.4 One respondent proposed a mandatory compensation measure to the Code of Practice and requested further consultation on the complaints categories prior to finalisation.

UR Final Decision

6.3.5 With regard to the time taken to resolve a complaint, the requirement is to endeavour to resolve a complaint within three months. Where a complaint takes longer than three months to resolve, suppliers should retain evidence of what endeavours they have undertaken to resolve the issue. As this is already

¹² <http://www.legislation.gov.uk/nisr/2014/60/contents/made>

a licence condition we consider this does not require any change to the Code.

6.3.6 With regards to mandatory compensation, we do not believe it is appropriate for the UR to require suppliers to provide this under the Codes of Practice. Compensation arrangements stated in Condition 29 in the electricity supply licence and Condition 2.20 in the gas supply licence will apply to suppliers. In addition, compensation arrangements which are applicable under the Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014 will apply for gas suppliers.

6.3.7 The REMM consultation paper consulted with stakeholders on the categorisation of complaints. These will be set out in the REMM decision paper.

6.4 Prompt and Effective Complaints Handling Procedure

Policy Background

6.4.1 As the Directive specifically states that consumers should be guaranteed greater consumer protection via prompt and effective complaints handling procedures, the Code provides for a minimum standard ensuring that complaints are handled promptly and appropriately.

UR Proposals in April 2014 consultation

6.4.2 The key proposals in the April 2014 consultation for a prompt and effective Complaints Handling Procedure included the following minimum standards:

- Establishing clear timeframes, and a clear and reasonable escalation process;
- Ensuring timely and fair investigation and resolution of complaints and showing how complaints will be processed and resolved within three months; and
- Allocating and maintaining resources to enable companies to process consumer complaints in an efficient and timely manner.

Responses to April 2014 Consultation

- 6.4.3 Suppliers expressed no concerns regarding this aspect of the Code of Practice on Complaints Handling Procedure.
- 6.4.4 One other respondent proposed that suppliers be required to write to complainants at the end of the three month period if the complaint remains unresolved to advise that they may contact the Consumer Council for further help.
- 6.4.5 Another respondent stated that three months was too long a period for some complaints and that an alternative timeline for common complaints should be developed.

UR Final Decision

- 6.4.6 With regards to advising complainants at the end of the three month period that if a complaints remains unresolved that they can contact the Consumer Council we believe that this would be an unnecessary addition to the Code as suppliers are already required to advise consumers of details for dispute resolution as part of the Code of Practice.
- 6.4.7 With regard to requiring an alternative time frame for common complaints, we do not believe this is necessary to mandate specific time frames as it is in the supplier's best interests to resolve complaints as soon as possible. Furthermore, the current time frame of three months is compliant with IME3 and current licence conditions. This will be monitored as part of REMM.

6.5 Dispute Resolution

Policy Background

- 6.5.1 Consumers must be informed of their right to seek help from CCNI in the event that the complainant does not feel that their complaint has been

resolved by the supplier. It is important that customers are made aware of this service on their bills, statements and other relevant customer literature. It is also important that the availability of this service is publicised on the company website and through frontline staff.

UR Proposals in April 2014 consultation

6.5.2 The key proposals in the April 2014 consultation included the following minimum standards:

- Ensuring appropriate training is so that staff may make any person aware of the company's complaints handling procedure;
- Ensuring that front-line staff are fully informed and trained on the right of consumers to use the Consumer Council if they are unhappy with how their complaint is being handled;
- Ensuring appropriate customer correspondence (such as bills, statements etc) provided to customers includes information on the right of consumers to take unresolved complaints to the Consumer Council; and
- Including this information in their Complaint Handling Procedure so that it is available to any person making a complaint.

Responses to April 2014 Consultation

6.5.3 One supplier stated that it supported the requirement to reference the CCNI service on bills and relevant literature.

6.5.4 One supplier requested that the requirement to notify customers of their right to go to court if not satisfied with the complaint outcome be removed as it is inappropriate to direct people to this process when alternatives are available.

6.5.5 No other suppliers expressed any concerns with regard to the proposals on dispute resolution.

6.5.6 One other respondent welcomed the proposal to continue the CCNI role.

UR Final Decision

6.5.7 With regard to dispute resolution we are pleased that there is general support. We believe it would not be appropriate to remove the information about a person's right to go to court if they deem the solution unsatisfactory as this is a statutory right and consumers should be aware that using CCNI does not affect this right.

Other Comments

6.5.8 One supplier raised the issue that NI network companies are not covered by this Code of Practice and suggested that similar obligations be placed on network companies to ensure that consumers receive the same level of service from all energy utilities.

6.5.9 One respondent suggested that if a customer feels that their complaint is not progressing with the supplier, the supplier should ask if they wish to be referred to CCNI.

6.5.10 One respondent proposed publishing high level information about the type of complaint received and the outcome of the complaint. Another respondent stated that the proposal did not go far enough with regard to the reporting of complaints and that suppliers should be required to publish complaints figures on their website on an annual basis which would include the outcome of complaints.

UR Final Decision

6.5.11 Network companies are also obligated to have a Complaints Handling Procedure in place (Condition 38 NIE Distribution Licence, Condition 2.8A PNGL & firmus Distribution Licence). However, we will consider reviewing the complaints procedures as part of the Consumer Protection Strategy.

6.5.12 As suppliers have an obligation to advise consumers of the Consumer Council's role as part of their licence we believe no further requirement should be included here.

6.5.13 We will clarify our intentions with regard to the publication of complaints information in our REMM decision paper. Please note that we do not plan to publish any information on complaints until we are satisfied that the information received is accurate and comparable across suppliers.

7 Code of Practice on Services for Prepayment Meter Customers

The purpose of the Code of Practice on Services for Prepayment Meter Customers is to ensure that those customers who pay by prepayment meters (PPMs) are adequately protected and therefore not unduly disadvantaged compared to those who pay by standard credit or by Direct Debit.

For the Code of Practice on Services for Prepayment Meter Customers it was proposed that the Code will be structured under the following headings:

- a) Information Provision for Prepayment Customers
- b) Suitability of Prepayment Meters
- c) Payments for Prepayment Customers

7.1 Information Provision for Prepayment Customers

Policy Background

- 7.1.1 Generally PPM customers have less contact with suppliers than customers who use other methods of payment. It was identified that there are some gaps in knowledge for PPM customers with regard to how their meters work, about outstanding debt repayments and how to top up their meter or access emergency credit facilities. Therefore, it is important that information on essential areas such as operating instructions, debt repayments, tariffs, and additional services are provided at least once a year, or on request, in a clear, simple and easy to understand format.

UR Proposals in April 2014 consultation

- 7.1.2 The key proposals in the April 2014 consultation for Information Provision for Prepayment Customers included the following minimum standards:

- Providing an explanation of what a prepayment meter is and instructions on the use and operation of the prepayment meter before it is installed or at installation;
- Using best endeavours to ensure that customers understand the tariffs and charges for using a prepayment meter;
- Providing details on the amount of emergency credit associated with the meter and an explanation of how emergency credit works;
- Providing details of how to access information on vending facilities in the customer's area, including the location and hours available;
- Insuring that where a prepayment meter is installed in order to collect outstanding debt, the supplier makes reasonable endeavours to ensure that the customer fully understands the terms and conditions of the repayment arrangement before the installation;
- Providing customers with information about how debt will be recovered;
- Providing instructions on how to operate the meter which are expressed in clear, simple and concise language. These instructions must also be available on the supplier's website;
- Providing instructions on how and where payments to the account can be made;
- Ensuring that customers understand when to expect their change of tariff number sequence and how to use it;
- If requested, using best endeavours to provide the operating instructions in a language other than English or another format such as Braille;
- Where applicable, providing details on how the customer can access up to date information on the amount of their debt, the likely length of time to repay the debt and how their tariff for debt recovery has been calculated;
- Ensuring that the customer can reasonably access facilities to top up the prepayment meter; and
- Providing the telephone number(s) for advice on use of meter, complaints and emergency service.

Responses to April 2014 Consultation

- 7.1.3 With regard to the proposed industry standard for electricity suppliers to update prepayment meters for a change in tariff, one supplier stated that it did not support the proposal to make the change code available on and not before the 7 day period before the change in rate actually takes place and stated that PPM customers are fully aware of the existing process and how it works and that the suggested change will create an ineffective tariff change process. They did, however, support the requirement to issue letters in advance of the 21 day licence requirement and would welcome the UR extending the period over which the change code is issued.
- 7.1.4 Other respondents stated that there have been concerns about how the calibration of the meter works such as, if a customer has built up money on their meter how is this impacted if there is a tariff increase i.e. does the increase apply to the money already on meter as this is not clear to the consumer. Respondents stated that this would not be fair and that consumers who purchased fuel at a lower tariff should be allowed to use it at the lower rate and the new tariff should only be introduced when the customer tops up again.
- 7.1.5 It was also noted by these respondents that the PPM customers should be notified one month before the change in tariff.
- 7.1.6 One respondent stated that previously, suppliers have had poor and ineffective communications with PPM consumers and the new procedures proposed should be consistent and transparent for consumers. It was suggested that the procedure should detail the timeframe for rolling out tariff changing codes and issuing notification to consumers.
- 7.1.7 With regard to the other proposals for information provision to PPM customers, one supplier expressed concern over the requirement to use best endeavours to provide operating instructions in a language other than English. It was explained that the logistics and cost of doing this would be very difficult.

- 7.1.8 Another supplier expressed concern with regard to ensuring that customers can reasonably access top-up facilities stating that while they can inform customers of the location of the closest vending outlets they cannot dictate where the vending outlets should be as this is a PayPoint decision.
- 7.1.9 Other respondents supported the proposed minimum standards and suggested further additions such as assurances for the consumer that debt recovery will be appropriate to their particular circumstances and offer a referral to a money and debt advice giving agency.
- 7.1.10 One respondent supported the proposals but did highlight that information on some PPM tariffs is not consistently available on suppliers' websites which should be covered in the Code of Practice. Furthermore, suppliers need to ensure that when a PPM is installed as an alternative to disconnection that the relevant information on operation and top-up locations be supplied prior to meter replacement.
- 7.1.11 It was also proposed that clear information on emergency and friendly credit be provided to all PPM customers and that this could be harmonised across gas and electricity suppliers
- 7.1.12 One supplier sought clarification on the requirement to provide telephone number for advice on use of meters, complaints and emergency services stating that they felt the proposed wording meant they would need a number specifically for PPM related enquiries.
- 7.1.13 At the workshop it was suggested that there should be more work with the private rented sector to inform customers about what they should do on change of tenancy to prevent taking on the previous tenant's debt.
- 7.1.14 There were concerns that information on PPMs was only available on the internet as 24% of NI consumers do not have internet access there could be a problem for some customer groups accessing information.

7.1.15 It was noted that it is essential for customers to be able to change from a prepayment meter to a credit meter if their circumstances change for example if they become sick or disabled.

7.1.16 Respondents also noted that customers should be made aware of any other costs for example any costs for switching from a prepayment to a credit meter.

UR Final Decision

7.1.17 Electricity suppliers will be required to use best endeavours to ensure that customers understand the process of how their meter is updated when there is a tariff change, including the actions that the customer is required to take to update their meter with the change of rate code (40 digit code). We have removed the requirement for suppliers to communicate the process to customers annually and include the process on their website. However we will now require suppliers to notify customers of the process at least 21 days in advance of the tariff change. This is in line with the existing licence obligation for suppliers to notify customers of any change in tariff price at least 21 days in advance.

7.1.18 Electricity suppliers will also be required to ensure that the prepayment infrastructure (Liberty system) is programmed to dispense the change of rate code (the 40 digit code), via the vending process, between 7 and 20 days period before the change in rate actually takes effect (tariff effective date). The consultation proposed that the change of rate code must be dispensed on and not before the seventh day period before the tariff effective date and due to feedback received during the consultation we have changed this requirement to between 7 and 20 days. Each electricity supplier must adopt a consistent change of rate process and timeframe for every tariff change (regardless whether the tariff change is an increase or decrease). This means, for example, that if a supplier chooses to dispense the change of rate code 15 days before a tariff increase, they must also dispense the change of rate code 15 days before a tariff decrease. This does not apply to gas suppliers as gas customers are not required to complete any specific

actions at the time of a tariff change as they have a different prepayment infrastructure.

7.1.19 We have asked suppliers, when requested to do so, to use best endeavours to provide operating instructions in a language other than English; however we would expect suppliers to respond to reasonable requests and not require them to provide instructions in all languages or where it would be unreasonable to do so.

7.1.20 With regard to ensuring customers can reasonably access top-up facilities, we propose that access to payment facilities would be part of the process when assessing whether or not a PPM meter is suitable for a customer. We will amend the wording of this requirement to reflect this and place it in the “Suitability of Prepayment Meters” section.

7.1.21 We agree that where a PPM meter is installed as an alternative to disconnection information should be provided prior to installation however, where customers have not engaged with suppliers this information will be provided on the day of installation, therefore we believe that this is already covered in the Code as it is presented.

7.1.22 The requirement to provide information on emergency credit is also already covered in the Code.

7.1.23 With regard to issues for consumers in the rented sector, we are proposing to conduct work in this area as part of the Consumer Protection Strategy.

7.1.24 With regard to a telephone number for advice on use of meter, complaints and emergency service we will clarify the Code to detail that there does not need to be numbers specifically for PPM customers as long as there is a number they can contact to get the information detailed above.

7.2 Suitability of Prepayment Meters

Policy Background

- 7.2.1 It is essential that suppliers ensure that they identify those customers for whom a PPM may not be suitable and offer them alternative payment arrangements, such as direct debit or savings cards, which may help them budget effectively.

UR Proposals in April 2014 consultation

- 7.2.2 The key proposals in the April 2014 consultation for Suitability of Prepayment Meters included the following minimum standards:

- Listing in the code of practice the advantages and disadvantages of a prepayment meter taking different customer groups into consideration;
- Proactively seeking to identify any customer for whom a prepayment meter may not be suitable especially customers who are of pensionable age, disabled or chronically sick;
- Proactively seeking to ensure that customers are aware of alternative payment methods;
- For customers that are in debt, pointing out the benefits of prepayment meters in debt repayment. Forced installation of prepayment meters should be used as a last resort in the debt recovery process in order to avoid disconnection;
- Assessing the suitability of prepayment meters for a given customer (especially customers who may be of pensionable age, disabled or chronically sick);
- Ensuring that for customers with a disability or older customers, that the meter is located in a position which is accessible to the customer and that the customer is able to operate the meter;
- Not installing a prepayment meter in a household where a life support system or critical care medical equipment is required¹³ (electricity only);
- Where the supplier becomes aware that an existing prepayment customer is experiencing difficulties in physically using the meter or

¹³ <http://www.nie.co.uk/Customer-information/Critical-care-register>

accessing top up facilities, the supplier should work with the customer to make an alternative arrangement for payment; and

- Ensuring that customers are aware that if they do choose to change supplier their options for vending may change.

Responses to April 2014 Consultation

- 7.2.3 One supplier expressed concern about the use of the word “proactive” identification of a customer for whom a PPM is not suitable stating that this denotes discrimination between customers and that judgement as to the attributes of different customer groups is being practiced.
- 7.2.4 One supplier noted that the positioning of a meter is an interaction between the network company and customer and beyond the role of the supplier.
- 7.2.5 Other respondents were supportive of the proposals for suitability of prepayment meters and noted the importance of assessing suitability for sick or vulnerable customers who may not be able to access top-up facilities.
- 7.2.6 One respondent stated that where there is a telephone only service that the numbers should be freephone or local rate numbers.
- 7.2.7 Another respondent suggested that when ensuring suitability, other payment options, including Fuel Direct, should be considered and that the installation of suitable meters should be monitored to ensure compliance.
- 7.2.8 At the workshop suppliers stated that the positioning for the meter is a network rather than a supplier issue and proposed that the Network Code be updated to reflect this.

UR Final Decision

- 7.2.9 We appreciate the concern that suppliers have about the word “proactively” in this instance and will replace with “reasonable endeavours” for the relevant

minimum standard.

7.2.10 With regard to the network companies' roles in positioning the meter and providing a freephone number, as discussed earlier, we propose to work with network companies as part of the Consumer Protection Strategy on these issues.

7.3 Payments for Prepayment Customers

Policy Background

7.3.1 Ensuring that PPM customers can adequately access payment facilities is an essential part of the Code minimum standard. Self-disconnection and self-rationing are a problem for a small but significant group of consumers with higher incidences among older, disabled or chronically sick and low income customers.

UR Proposals in April 2014 consultation

7.3.2 The key proposals in the April 2014 consultation for Payments for Prepayment Meter Customers included the following minimum standards:

- Making customers aware of any additional charges payable for the use of a prepayment meter and how these additional charges are calculated;
- Advising customers of any charges which will be made for replacement of lost cards and the amount of the charges;
- Providing customers with information on procedures, timescales and any other conditions for resetting or removing a prepayment meter;
- Where appropriate, providing instructions on how to obtain a refund of remaining credit when the prepayment meter contract is terminated; and
- Consider providing a greater level of emergency credit for those customers on a customer care register who may have periods of incapacitating illness.

Responses to April 2014 Consultation

- 7.3.3 There was a comment that the proposal to extend emergency credit for customers in unfortunate circumstances has not been appropriately outlined or consulted on and needs further discussion before any specific minimum standards are put in place. It was also suggested that current technology would not permit this. Other suppliers also stated that current technologies would not permit extended emergency credit and that vulnerable customers should not be on a PPM in order to ensure they have a continuous energy supply.
- 7.3.4 Other respondents sought more information on the likely costs of moving from PPMs to credit meters for both gas and electricity customers and what charges will apply and proposed making this information available to consumers.
- 7.3.5 One respondent suggested the extended emergency credit be extended to those deemed financially vulnerable and have a history of self-disconnection.

UR Final Decision

- 7.3.6 We accept that there needs to be further investigation into how to extend emergency credit for customers in extenuating circumstances and propose to include some work in this area in the Consumer Protection Strategy. This item will be removed from the Code until further work has been completed.
- 7.3.7 We agree that consumers should be aware of any costs in moving from PPMs to credit meters or vice versa and will include this requirement in the Code of Practice.

Other

- 7.3.8 One respondent stated that the Code of Practice on Services for Prepayment Meter Customers should make reference to debt repayment terms or should reference the Code of Practice on Payment of Bills or provide a summary of

the relevant points.

- 7.3.9 It was also suggested by one respondent that all suppliers should desist from accruing standing charges on vacant dwellings as the charges will eat into top-ups made by new tenants.

UR Final Decision

- 7.3.10 We understand that consumers need appropriate information on debt repayment terms and while it may be good practice for suppliers to refer to this information we would not mandate that it is part of the minimum standards. This may be an example of where suppliers can differentiate themselves by providing more complete information to consumers.
- 7.3.11 In vacant properties, where any electricity is used, the owner/landlord of the property is responsible for both the electricity consumed and the standing charge (if applicable). Each supplier is responsible for ensuring that its processes only allow for standing charges to be applied where electricity has been taken.

8 Further Issues

8.1 Other Comments

- 8.1.1 Respondents made some general comments about the consultation paper as well.
- 8.1.2 Some respondents noted that domestic consumers are unclear about the difference between energy suppliers and energy distributors and further information on this would be useful. They also recommended more transparent tariff information but noted that it is not good to overload consumers with too much information. Another respondent stated those customers who pay by prepayment meter should not have to pay more than those who use a different payment method.
- 8.1.3 One respondent noted that many consumers who are sick or elderly do not have internet access and are too often referred to online support mechanisms that are unsuitable for their needs. This issue should also be taken into account when communicating with customers about issues such as price increases and other changes.
- 8.1.4 This respondent also suggested a Code of Practice that would encourage competitive market conditions. They also noted that several communities host renewable energy developments which contribute to European renewable energy targets but have not resulted in any reduction in energy prices.
- 8.1.5 One respondent suggested further work towards informing customers about switching from one supplier to another. This respondent also called for a standardised format for bills.
- 8.1.6 One respondent was concerned that, despite the supply licence stating that Codes of Practice must be readily accessible from a supplier's website, there are still problems with accessing the Codes of Practice.

- 8.1.7 There were concerns about customers having to use premium phone numbers to contact suppliers to get help with their bill or ask advice. There were also concerns about how quickly frontline staff answer the phone and deal with the queries and that there should be more training for staff.

UR Response and Final Decisions

- 8.1.8 We understand that there can be difficulties in navigating websites. It is important that customers can easily find the information they need. The supply licence currently states that suppliers must “publish on and make readily accessible from its website a copy of the Codes”. We have, therefore, decided to clarify “readily accessible” and mandate that Codes of Practice should be no more than two clicks away from the home page of the supplier’s website.
- 8.1.9 In relation to the format of bills, the UR’s Forward Work Plans already contains a proposal to develop a Billing Code of Practice which will address format of bills among other issues.
- 8.1.10 With regard to premium phone numbers, The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 came into force on Friday, 13 June 2014. As a result suppliers had to ensure that their contact telephone number complied with the Regulations meaning that customers should not be obliged to pay more than the basic rate to contact them. This is currently in place. Furthermore, we believe that the existing training obligations in the Codes of Practice should cover the training minimum standards.
- 8.1.11 Some respondents raised general comments regarding protection for non-regulated energy suppliers (coal, oil, Liquid Petroleum Gas (LPG) e.g. bottled gas). In addition, there was some confusion around which energy suppliers are covered by the UR. For clarity, the UR’s legislative remit covers only network based electricity and gas companies. We do not regulate coal, oil or

LPG companies.

8.1.12 We welcome engagement from stakeholders on all matters and are considering the remainder of the above comments and suggestions in the context of the development of the UR Consumer Protection Strategy.

9 Monitoring and Enforcement of Codes of Practice

9.1 Background and proposals for Monitoring and Enforcement

Policy Background

9.1.1. As previously mentioned we published a consultation paper on the proposed REMM framework which will integrate our current market monitoring programme with new marketing indicators in January 2015. We intend to publish a decision paper on REMM at the end of June 2015. In addition to licence compliance monitoring the REMM framework will include monitoring of those indicators which we consider important in order to:

- fulfil our legislative and regulatory requirements to monitor retail markets effectively; and
- understand the impact of retail markets on consumers.

9.1.2. Fundamentally, regulators need to monitor markets in order to have the necessary information to regulate effectively. With regard to compliance with Codes of Practice, the electricity and gas supply licences require suppliers to provide us with information and assistance as is reasonably required to monitor the implementation of the codes (conditions 35(10) and 2.13(10) of the electricity and gas licences respectively). Suppliers are also obliged, under conditions 36 and 2.23 of the electricity and gas licences respectively, to keep records of the operation of arrangements set out in the Codes of Practice.

9.1.3. The indicators we have chosen to monitor, in addition to those for licence compliance, are indicators which will provide information to help us paint a meaningful picture of supplier performance in particular areas. This approach to monitoring will provide a high level of consumer protection by:

- ensuring suppliers are compliant with their Codes of Practice

- enabling trends within suppliers and between suppliers to be monitored over time;
- revealing any areas of concern for the energy markets and individual suppliers; and
- highlighting suppliers that are performing well in terms of customer related activities.

UR Proposal in April 2014 Consultation

9.1.4. The April 2014 Consultation paper proposed a number of indicators for the purposes of monitoring the Codes of Practice. The indicators were presented in a table including the following information:

- Indicator name;
- Unit – how the indicator should be recorded;
- Period – how often the indicator should be monitored;
- Description – further details on the indicator; and
- Objective of collection – details of why this indicator should be monitored (some of these are already licence requirements).

9.1.5. In developing this monitoring table we considered the core principles of proportionality and accountability and proposed that suppliers would submit data which will help us achieve our statutory duties with respect to the Codes. In the consultation paper we outlined how the information provided for the purposes of monitoring the suppliers' Codes of Practice would be incorporated into the REMM framework. These indicators will be included in the second phase of the REMM project which we will begin to scope towards the end of 2015. This will allow suppliers time to update and implement their Codes of Practice in line with the minimum standards before we begin to monitor them. However, there are a number of areas where the REMM indicators overlap with the Codes of Practice monitoring indicators. We propose that those indicators which have implications beyond the Codes of Practice will be agreed under the wider REMM framework. Further detail on this is given

below (sections 9.1.15 and 9.1.16)

9.1.6. The consultation invited stakeholders to present their views on our plans to monitor the Codes of Practice, particularly with regard to:

- The requirement to monitor Codes of Practice effectively, including: thoughts on any further areas that should be covered in relation to monitoring, reporting and compliance; and proposals related to the amount and age of debt (and whether or not it is appropriate for non-price controlled suppliers to provide information on debt); and
- The publication of monitoring information, bearing in mind the need for customer transparency.

9.1.7. As mentioned above, the April 2014 consultation invited stakeholders to present their views on three areas with regard to the monitoring of Codes of Practice. We have summarised the responses from our stakeholders in each of the three areas and presented our reasons for the decisions we have made about monitoring Codes of Practice.

Responses to April 2014 Consultation

9.1.8. There was widespread support for the proposals to monitor the Codes of Practice. Eight respondents agreed that it is essential to monitor the Codes of Practice in order to ensure that they are implemented effectively. In addition, respondents commented that monitoring the Codes of Practice will increase market transparency and enable early identification of issues that might negatively impact the market. Some respondents suggested that monitoring information should be published regularly to ensure that appropriate information is available to consumers to help them make informed decisions when choosing an energy supplier. One respondent also proposed that the monitoring system should be reviewed so that any useful additional market indicators can be identified and added to the framework.

9.1.9. One respondent suggested that asking for all the information at one time may place excessive pressure on suppliers and that information requests should be managed effectively. Other suppliers supported the principle of proportionality requesting that the minimum quantity of information be submitted in order to gauge compliance, and suggested that further detail may be required on some indicators to ensure the appropriate data was returned. One supplier stated the importance of consistency across all suppliers and of ensuring that any monitoring system is not overly burdensome. It was further suggested that engagement between the UR and suppliers on the Codes of Practice monitoring indicators may be useful.

9.1.10. Table 1 below presents suggestions and comments made by stakeholders with regard to specific monitoring indicators. It also includes stakeholders' specific views with regard to monitoring customer debt.

Table1

| Indicator | Comments/Suggestions | UR response |
|---|--|-------------------------------|
| Indicators relating to compliance with Codes of Practice | Further clarification should be provided on the evidence required by the UR to determine compliance. | See indicators 1-4 in Table 2 |
| Indicators relating to debt and repayment of debt | Additional information should be provided alongside these indicators with regard to the steps taken by suppliers to support the customers. | See indicator 19 in Table 7 |
| Number of requests for an adjustment to a repayment rate and the number of requests granted | This indicator should include information on the number of payment adjustment rates turned down and the reasons for doing so in each case. | See indicator 16 in Table 6 |
| Number of prepayment meters installed to recover debt | Information on customers that self-disconnect should be included. | See indicator 18 in Table 7 |
| Number of customers that have been referred to an advice giving agency | This indicator should include information on the agency that the consumer has been referred to. | See indicator 19 in Table 7 |

| | | |
|---|--|--|
| Number of complaints received | Monitoring of this indicator should include a UR review of a certain percentage of each supplier's complaints to ensure the correct procedure is being followed. The data should also include the final outcomes of complaints. One of the suggested categories (requests for information) is not aligned with the definition of complaint (as proposed in the consultation paper). | See indicator 21 in Table 8 |
| Issues relating to debt indicators | Comments/suggestions | |
| Banding for amount of debt accrued (<£100; £100-£299; £300-£600; and >£600) and age of debt (<30 days; 30-89 days; 90-182 days; 183-365 days; and >365 days) | There was overall support for the proposed banding for these indicators. One stakeholder suggested alternative banding for the amount of debt with the aim of helping suppliers to identify serious debt issues more quickly. Two respondents commented that monitoring these indicators will provide information on the effectiveness of suppliers' processes with regard to helping customers in debt. Another respondent also proposed that these indicators will provide information and data on energy debt which is currently limited. | See indicators 11 & 12 in Tables 4 and 5 |
| Appropriateness of non-price controlled suppliers providing this level of information | Most suppliers that responded already collect information on these indicators. Most respondents stated that all suppliers should collect and submit this information in order to provide consistency across suppliers, with one respondent suggesting that business consumers should be monitored in addition to domestic consumers. One supplier that does not currently collect this information has stated that it would be an administrative burden to start collecting it, and also expressed a concern with regard to publication of this data which may be considered commercially sensitive. | See indicators 11 & 12 in Tables 4 and 5 |

9.1.11. Other monitoring indicators were suggested such as:

- The number of court actions against customers.
- The number and amount of fines issued.
- The number of forced recovery rates in operation.
- The amount of disputed debt.
- Average response rates and resolution time for complaints.
- Number of investigations by CCNI and the UR.
- Accessibility of Codes of Practice on suppliers' websites.

9.1.12. In addition to the proposed monitoring indicators, one respondent suggested that the UR could take further action to monitor suppliers, including on-site visits and checks, mystery shopping and listening in to phone calls with customers.

UR Final Decision

9.1.13. Having considered the responses to the consultation we continue to hold the view that effective monitoring is essential to ensure successful implementation of the Codes of Practice, and publication of monitoring indicators will enable increased consumer engagement. However we are mindful that any monitoring and publication of indicators should be proportional, in keeping with good regulatory practice.

9.1.14. In considering the responses made we aim to reach a balance of the usefulness of the proposed data requirements with the burden on suppliers to collect the data. We are of the opinion that grouping information requests will actually reduce rather than increase pressure on suppliers. We will also consider the proposal of one stakeholder to undertake onsite visits, mystery shopping exercises etc. in order to monitor suppliers' interactions with consumers.

9.1.15. Since the April 2014 Codes of Practice consultation closed we have spent a lot of time developing our proposals with regard to our REMM framework, as discussed above. The REMM consultation paper was published in January 2015 and we have now made final decisions. The indicators that we proposed as part of this framework extend over many aspects of the retail energy markets, and as such there are a number of areas where the REMM indicators overlap with the Codes of Practice monitoring indicators.

9.1.16. We propose that those indicators which have implications beyond the Codes of Practice will be agreed under the wider REMM framework. This will ensure that we are taking a proportionate and global approach to REMM and how Codes of Practice monitoring fits within it. The Code of Practice monitoring indicators that this applies to are:

- disconnections (as this is an area that has implications beyond Codes of Practice);
- prepayment meters installed for non-payment of debt; and
- complaints (as the types and resolution categories of complaints were not consulted on in the April 2014 Codes of Practice consultation).

These are discussed below.

9.1.17. In addition, indicators relating to suppliers' compliance with their Codes of Practice (indicators 1-4) have been included in the REMM framework. These indicators will be brought into the annual Statement of Licence Compliance under REMM. Suppliers will be required to confirm that they are compliant with all aspects of their licence conditions which relate to Codes of Practice, and where their codes have exceeded the minimum standards they must be compliant with all aspects of their codes.

9.1.18. Tables 2 to 8 detail the decisions we have made on each of the indicators. Where there were no comments from stakeholders on specific indicators, we have left these unchanged. Our reasoning behind any changes is detailed below the table.

9.2 Indicator Summary Tables
Table 2 - Monitoring of Codes of Practice

| Indicator | Code of Practice | Unit | Period | Description | Objective of collection | UR decision |
|--|---|------|-------------------|---|---|---|
| 1 Code of Practice on Payment of Bills | Payment of Bills | Text | Annual Submission | Have you complied with all aspects of your Code of Practice on Payment of Bills? | To monitor compliance with the Supplier's Code of Practice as a breach of the Code of Practice would be considered a breach of licence condition. | This will be included in the annual Statement of Licence Compliance which will form part of the annual REMM submission. Further information is provided below on <u>Indicators 1 – 4: compliance with Codes of Practice.</u> |
| 2 CoP on Provision of Services for persons who are of Pensionable Age or Disabled or Chronically Sick | Services for Persons who are of Pensionable Age or Disabled or Chronically Sick | Text | Annual Submission | Have you complied with all aspects of your Code of Practice for persons who are of Pensionable Age or Disabled or Chronically Sick? | To monitor compliance with the Supplier's Code of Practice as a breach of the Code of Practice would be considered a breach of licence condition. | This will be included in the annual Statement of Licence Compliance which will form part of the annual REMM submission. Further information is provided below on <u>Indicators 1 – 4: compliance with Codes of Practice.</u> |
| 3 CoP on Complaints Handling Procedure | Complaints Handling Procedure | Text | Annual Submission | Have you complied with all aspects of your Code of Practice on Complaints Handling Procedure? | To monitor compliance with the Supplier's Code of Practice as a breach of the Code of Practice would be considered a breach of licence condition. | This will be included in the annual Statement of Licence Compliance which will form part of the annual REMM submission. Further information is provided below on <u>Indicators 1 – 4: compliance with Codes of Practice.</u> |
| 4 CoP on Services for Prepayment Meter Consumers | Services for Prepayment Meter Consumers | Text | Annual Submission | Have you complied with all aspects of your Code of Practice on Services for Prepayment Meter Consumers? | To monitor compliance with the Supplier's Code of Practice as a breach of the Code of Practice would be considered a breach of licence condition. | This will be included in the annual Statement of Licence Compliance which will form part of the annual REMM submission. Further information is provided below on <u>Indicators 1 – 4: compliance with Codes of Practice.</u> |

Table 3

| Indicator | Code of Practice | Unit | Period | Description | Objective of collection | UR decision |
|---|---|--------------|--|---|---|--|
| 5 Customers on register* | Services for Persons who are of Pensionable Age or Disabled or Chronically Sick | Number | Annual submission (recorded quarterly) | Number of customers listed on customer care registers | To know how many customers ¹⁴ are identified by suppliers who may have specific needs with regards to their energy supply. This will allow us to assess trends. | This indicator will remain as proposed as no specific views were submitted |
| 6 Services offered* | Services for Persons who are of Pensionable Age or Disabled or Chronically Sick | Number /Text | Annual submission (recorded quarterly) | Number of different (and description of) services offered to customers on customer care registers | To help identify to what extent suppliers are providing the appropriate support to customers ¹⁴ , and aligning to their customers' specific needs. | This indicator will remain as proposed as no specific views were submitted |
| 7 Steps to publicise register | Services for Persons who are of Pensionable Age or Disabled or Chronically Sick | Text | Annual submission | Steps taken to publicise customer care registers | To ensure that all customers are informed of the existence of the customer care register and that the range of services offered to customers on these registers are accessible. | This indicator will remain as proposed as no specific views were submitted |
| 8 Annual Safety Inspections (Gas Only) | Services for Persons who are of Pensionable Age or Disabled or Chronically Sick | Number | Annual submission | How many safety inspections of the gas appliances and other gas fittings have been completed in accordance with licence condition 2.11.3(f) | To monitor compliance with obligation to complete safety inspections and monitor trends in the numbers of inspections required. | This indicator will remain as proposed as no specific views were submitted |

* Indicator currently collected under Condition 36 in the electricity supply licence and Condition 2.23 in the gas supply licence

¹⁴ As defined in Condition 31 in the electricity supply licence and Condition 2.11 in the gas supply licence

Table 4

| Indicator | Code of Practice | Unit | Period | Description | Objective of collection | UR decision |
|--|------------------|--------|--|---|--|--|
| 9 Non-keypad Smart meters | Payment of Bills | Number | Annual submission | Number of non-Keypad smart meter customers | To keep track of development of Smart Metering deployment. | This indicator will remain as proposed as no specific views were submitted. <u>We will however not start collecting this data until Smart Meter rollout has commenced.</u> |
| 10 Customers per payment method* | Payment of Bills | Number | Annual submission (recorded quarterly) | Number of domestic customers using each payment method (budget DD, variable DD, cash/cheque, prepayment towards credit bill, prepayment, or any other payment methods offered), and total number of domestic customers. | To monitor the percentage of customers using the different methods of payment offered by the suppliers. | This indicator will remain as proposed as no specific views were submitted. |
| 11 Customers in debt ¹⁵ | Payment of Bills | Number | Annual submission | Number of domestic customers in debt, split by amount of debt: Less than £100 £100 - £299 £300- £600 Greater than £600 | <p>To monitor trends in the levels of supplier debt in order to assist in identifying if the CoP on Payment of Bills is helping to reduce the number of customers falling into debt.</p> <p>This information will also be used to determine if suppliers' processes are allowing them to identify customers in difficulty paying bills early enough.</p> <p>Also, it will highlight potential system failure in preventing high debt build up.</p> | <p>This indicator will remain as proposed. There was general support for the bands proposed for the amount of customer debt. We will collect this information from all suppliers (price-controlled and other suppliers) in order to gather industry-wide evidence on debt and to provide consistency of information collection across suppliers.</p> <p>Further information is provided below on <u>Indicators 11 – 12: levels of consumer debt.</u></p> |

¹⁵ As defined in section 4 pg 41

* Indicator currently collected under Condition 36 in the electricity supply licence and Condition 2.23 in the gas supply licence

Table 5

| Indicator | Code of Practice | Unit | Period | Description | Objective of collection | UR decision |
|--|------------------|--------|-------------------|--|--|--|
| 12 Customers in debt¹⁶ | Payment of Bills | Number | Annual submission | Number of domestic customer in debt, split by the age of the debt as follows: Less than 30 days 30-89 days 90-182 days 183-365 days Greater than 365 days | To monitor trends in the levels of supplier debt in order to assist in identifying if the CoP on Payment of Bills is helping to reduce the number of customers falling into debt. This information will also be used to determine if suppliers' processes are allowing them to identify customers in difficulty paying bills early enough. Also, to highlight potential system failure in preventing high debt build up. | This indicator will remain as proposed. Stakeholders were largely supportive of the bands proposed for the age of debt. As with indicator 11 above, we will collect this information from all suppliers (price-controlled and other suppliers) in order to gather industry-wide evidence on debt and to provide consistency of information collection across suppliers. Further information is provided below on <u>Indicators 11 – 12: levels of consumer debt</u> . |
| 13 Customers in debt | Payment of Bills | Number | Annual submission | Average amount of debt per customer in debt. | As above | There were no objections to providing the information on this indicator, so it will remain as proposed. |
| 14 Customers in debt | Payment of Bills | Number | Annual submission | Number of domestic customers in debt, split by current payment method (budget direct debit, variable direct debit, cash/cheque, prepayment towards credit bill, prepayment meter, or any other payment methods offered). | As above | There were no objections to providing the information on this indicator, so it will remain as proposed. |

¹⁶ As defined in section 4 pg 41

Table 6

| Indicator | Code of Practice | Unit | Period | Description | Objective of collection | UR decision |
|---|------------------|----------------------|--|---|--|---|
| 15 Repayment of debt via instalments | Payment of Bills | Number | Annual submission | Number of domestic customers repaying debt via instalments, split by: cash instalments, direct debit instalments, prepayment meters, or third party deductions (e.g. fuel direct) | To follow how management of debt is being handled, and if suppliers are arranging debt repayment facilities which give customer repayment options. | This indicator will remain as proposed as no specific views were submitted |
| 16 Requests for repayment adjustment | Payment of Bills | Number | Annual submission | Numbers of requests for an adjustment to prepayment rates, and number of cases where the supplier has agreed to it following a request from a customer | To indicate how suppliers are taking into account customers experience in debt repayment, and if they are engaging properly with customers and taking account of their circumstances | This indicator will remain as proposed as no specific views were submitted. However, we will also collect information on the reasons for declining repayment adjustment requests as per the suggestion by one stakeholder. Further information is provided below on <u>Indicator 16: repayment adjustment requests</u> . |
| 17 Disconnections for debt and number of disconnections for tampering | Payment of Bills | Number Number | Annual submission Annual submission | Number of domestic properties disconnected for debt ¹⁷ Number of domestic properties disconnected due to tampering. | Debt disconnections applicable to gas customers only, to track disconnections in NI and compare to other regions (RoI and GB) Numbers for disconnection due to tampering is applicable to both electricity and natural gas suppliers. | Disconnections, reconnections and prepayment meters fitted for the collection of debt will all be monitored under the REMM framework. These indicators have been decided on following the REMM consultation. Further information is provided below on <u>Indicator 17: disconnections</u> . |

¹⁷ Note for Electricity customers there is currently a policy of non disconnection for domestic customers, therefore for electricity this number should be zero. However for gas the figures will need to be collected.

Table 7

| Indicator | Code of Practice | Unit | Period | Description | Objective of collection | UR decision |
|---|------------------|--------|-------------------|---|---|--|
| 18 PPMs¹⁸ for non payment of debt | Payment of Bills | Number | Annual submission | Number of prepayment meters installed to recover outstanding debt, split by: PPMs set to recover maximum repayment (40%), and PPMs set to recover amounts below the maximum level | <p>A large number of prepayment meters installed to recover outstanding debt may flag that there are issues with the supplier's adherence to their CoP on Payment of Bills.</p> <p>The split will identify if suppliers are considering individual customers' circumstances and arranging repayment levels below the maximum amount when appropriate.</p> | <p>This indicator will be monitored under the REMM framework.</p> <p>Self disconnection will not be included under this indicator.</p> <p>Further information is provided below on <u>Indicator 18: prepayment meters installed for non-payment of debt</u>.</p> |
| 19 Customers signposted to advice agencies | Payment of Bills | Text | Annual submission | Confirmation that suppliers have formed relationships with appropriate advice agencies. | To help identify that suppliers are complying with the Code and signposting customers to advice agencies for support. | <p>We have decided to amend the monitoring of this indicator. This will decrease the reporting requirements on suppliers in this area.</p> <p>Further information is provided below on <u>Indicator 19: relationships with advice giving agencies</u>.</p> |

¹⁸ PPMs: prepayment meters

Table 8

| Indicator | Code of Practice | Unit | Period | Description | Objective of collection | UR decision |
|---------------------------------------|-------------------------------|--------|--|---|--|--|
| 20 Complaints* | Complaints Handling Procedure | Number | Annual submission (recorded quarterly) | Number of complaints ¹⁹ received, whether made in writing, in person or by telephone received by the Licensee, and number of complaints resolved by the Licensee | Complaints are an important indicator of the health of the market. The level of complaints will help us to understand how satisfied energy customers are. Also, they could help us to identify where action is needed. | Complaints will be monitored under the REMM framework. The types of resolution categories of complaints have been decided upon as part of the REMM consultation. However the definition of complaint to be used in the REMM framework will be the definition which has been decided on and detailed in section 6.1.30 Further information is provided below on <u>Indicators 20 – 21: complaints</u> . |
| 21 Complaints Compensation | Complaints Handling Procedure | Number | Annual submission | Number and total amount of compensation payments made to customers in relation to complaints (if applicable) | To monitor the effectiveness of the Supplier's complaints handling procedure and the company's compliance with their compensation arrangements as required under the Code of Practice on Complaints Handling. | Complaints compensation is monitored through the Standards of Performance Regulation and Overall Standards in the gas market. In the electricity market we are reviewing standards and complaints compensation as part of our FWP. Further information is provided below on <u>Indicators 20 – 21: complaints</u> . |
| 22 Enquiries | Complaints Handling Procedure | Number | Annual submission | Number of enquiries and number of responses made to enquiries | To help us assess the level of customer engagement with the retail market. Note that in REMM we will consult on splitting this indicator into several categories | This indicator will be removed. See below for further information. Further information is provided below on <u>Indicator 22: enquiries</u> . |

¹⁹ For the definition of a complaint see chapter 7

* Indicator currently collected under Condition 36 in the electricity supply licence and Condition 2.23 in the gas supply licence

9.3 Decisions on Monitoring Indicators Following Consultation

- 9.3.1 The reasoning behind our decisions, and any further information required with regard to the monitoring indicators is included below.

Indicators 1 – 4: compliance with Codes of Practice

- 9.3.2 We will include these indicators in the annual Statement of Licence Compliance which will form part of the annual REMM submission. Suppliers will be required to indicate if they are compliant with every clause of each part of the relevant licence conditions and any associated documents such as Codes of Practice. Please note that if any suppliers' Codes of Practice go further than the licence conditions or minimum standards, suppliers must be compliant with all aspects of their codes, and indicate that they are compliant with them in their entirety in the annual Statement of Licence Compliance. If a supplier is non-compliant with any part of the licence conditions or the Codes of Practice (even if we have already been made aware of this non-compliance) the Statement of Licence Compliance must include the reasons for non-compliance and details of plans to become compliant. We will investigate any areas of non-compliance and take appropriate enforcement action in line with our enforcement procedure. Please note that if any areas of non-compliance are discovered at any time during the regulatory year, we expect to be notified immediately as is currently the case. Suppliers must not wait until the annual compliance review to inform us of non-compliance.

Indicators 11 – 12: levels of consumer debt

- 9.3.3 We will retain the proposed banding for indicators 11 and 12 as there was general support for this. We will also collect this information from all suppliers (price controlled and other suppliers) in order to gather industry-wide evidence on the levels of debt, and to provide consistency of information collection across suppliers. It is also important that we are able to gain an awareness of levels of debt across all domestic customers, and not just those that are supplied by a price-controlled supplier. One supplier indicated that there will be an administrative burden to begin to collect this information. However, we consider the increased understanding of consumer debt and the operation of

the minimum standards will help to reduce levels of debt and offset any potential administrative burden.

Indicator 16: repayment adjustment requests

- 9.3.4 The consultation paper proposed that we will collect information on the number of requests for adjustments to repayment rates, and the number of these requests which were granted. It was suggested by one stakeholder that suppliers should submit reasons for declining repayment readjustment requests as part of their monitoring return. We have decided not to ask for this information in a regulatory return as this would be onerous. However, suppliers should retain this information in case we ask for such information for investigative purposes.

Indicator 17: disconnections

- 9.3.5 As mentioned above, there are a few indicators that we propose to include in our REMM framework that also overlap with the monitoring of Codes of Practice. Our proposals for monitoring disconnections under the REMM framework go beyond the scope of what is included in the Codes of Practice (e.g. include non-domestic disconnections and additional categories for disconnection, other than debt and meter tampering).
- 9.3.6 We also propose to collect information from both suppliers and network companies. In order to ensure clarity and consistency across all suppliers of information provided with regard to disconnections, we have removed it as an indicator of Codes of Practice and will decide on the collection of this information solely under the REMM framework. In response to the comment from one stakeholder about collecting information on both debt related and tampering related disconnections, these categories were included in the Codes of Practice consultation and have also been proposed as part of the REMM framework.

Indicator 18: prepayment meters installed for non-payment of debt

- 9.3.7 We propose to monitor the number of prepayment meters installed for non-payment of debt under our REMM framework. However, the REMM

consultation did not consult on the split between those meters calibrated to apply the maximum 40% recovery rate and those calibrated to apply a lower recovery rate. As none of the suppliers responded negatively to the monitoring of this proposed split we have included this split in the information requested as part of the REMM framework²⁰.

9.3.8 We are aware that payment rates for individual customers may change over time for a number of reasons, e.g. customer request. In order to provide consistency in the reporting of this indicator, suppliers must provide data of the split between meters calibrated to collect the maximum recovery rate and those calibrated to apply a lower recovery rate as recorded on the last day of the reporting year.

9.3.9 In addition, suppliers do not currently have the capacity to monitor self-disconnection so we will not request this information from suppliers.

Indicator 19: relationships with advice giving agencies

9.3.10 We have reconsidered our proposal with regard to this indicator. We have concluded that it is sufficient for suppliers to be confirm that they have formed relationships with advice giving agencies which are able to provide help to customers having difficulty paying their bills. We expect that suppliers will form relationships with advice giving agencies that have a geographical spread which matches the geographical spread of the suppliers' customer bases. In order to reduce the reporting requirements for this indicator we have decided not to ask suppliers for the specific organisations they have formed relationships with, or the numbers of customers signposted in a regulatory return as this would be onerous. However, suppliers should retain this information in case we ask for such information for investigative purposes during a complaint or dispute.

²⁰ Please see the section titled "Indicator group – disconnections, reconnections and debt recovery prepayment meters of the REMM decision paper.

Indicators 20 – 21: complaints

9.3.11 The definition of complaint is discussed earlier in section 6.1 so this will not be covered again here. The area of complaints is complex as complaints may arise for various reasons. It is important for us to understand if there are underlying issues in certain areas of the markets, or with certain suppliers, that are causing large proportions of complaints. In order to collect more meaningful data we have decided to consult on a number of disaggregated complaint types as part of the REMM consultation.

9.3.12 In addition, we have consulted on classifying complaints with regard to the length of time it took to resolve them. Therefore we have used the definition of complaint, as decided upon through this consultation to inform our categorisation of complaints when we make our final decisions on the REMM framework.

9.3.13 We have ensured that the categories of complaints are aligned with the definition of complaint as detailed in section 7. Where complaints compensation is applicable for suppliers we will collect the information as detailed in Table 8.

Indicator 22: enquiries

9.3.14 As part of the development of our REMM consultation we undertook a series of bilateral meetings with suppliers and network companies. We discussed a number of issues relating to difficulties in categorising complaints and enquiries. As a result of these meetings we have decided to remove the enquiries indicator. We consider that the elimination of enquires from the indicators will allow a greater focus to be placed on ensuring the accuracy and completeness of the complaints information. This will enable us to be confident that the complaints indicator provides us with all the information we require to ensure adequate consumer protection.

9.4 Publication of monitoring information

Responses to April 2014 consultation

- 9.4.1 With regard to publishing the information collected, respondents were generally supportive of publishing information that will help consumers make informed choices, for example the services offered by suppliers, particularly for vulnerable consumers.
- 9.4.2 It was stated by some respondents (non-suppliers) that all information collected with regard to codes of practice should be published, so long as the publication does not contravene data protection legislation. One respondent suggested that the results of the monitoring process should be published in clear language on the UR's website and be easily accessible for consumers. It was proposed that if the UR conducts an investigation into any supplier, all detailed findings should be published along with the actions taken by the supplier to rectify any problems.
- 9.4.3 Suppliers noted specific concerns with regard to publication of monitoring information which contains potentially commercially sensitive information; one supplier felt that publication of debt levels and recovery rates may be inappropriate whilst another supplier was concerned that commercially sensitive data around debt should not be published. In addition, it was suggested by one supplier that the information collected on indicators 11 to 16 and indicator 18 which predominantly deal with debt, repayment arrangements and prepayment meters should not be in the public domain due to commercial sensitivity. One supplier also highlighted the need to make consumers aware of those suppliers that have been proven to be involved in a sustained or systematic breach of any of the Codes.

UR final decision

- 9.4.4 As previously mentioned, transparency in retail energy markets will increase consumer confidence and trust, and enable consumers to make more informed choices about their energy suppliers. Publication of information about our energy suppliers in NI will help to ensure that consumers have

transparency on how suppliers are performing and increase their awareness of our energy suppliers. In addition, consumers have a right to be able to compare the performance of suppliers, easily and with confidence, and be aware of any areas where suppliers are performing poorly, for example in areas such as billing or complaints. This style of reputational approach to regulation benefits both consumers and suppliers alike.

- 9.4.5 In the April 2014 consultation we asked stakeholders their opinions on what Codes of Practice monitoring information should be published. Since then we have published our REMM consultation, in which we have provided additional information on our publication plans for certain indicators. During our bilateral meetings with suppliers and network companies we discussed the matters of interpretation and publication of monitoring information. We understand that some of the information submitted under REMM (and Codes of Practice monitoring) will require careful and balanced interpretation by us, particularly if any of the information is deemed to be sensitive e.g. numbers of complaints.
- 9.4.6 It is also important that any information we present to the public is helpful and not likely to be misinterpreted. For this reason we do not intend to simply publish information exactly as it has been submitted by suppliers and network companies. We will publish information that we consider to be in the in the best interests of the public to know, in a format which is easy to understand.
- 9.4.7 With the exception of the indicators listed in section 9.1.16 (disconnections, prepayment meters installed for non-payment of debt and complaints), we have decided that we will not publish any of the Codes of Practice monitoring indicators until we undertake phase two of the REMM programme. This will enable suppliers to update and implement new Codes of Practice. In phase two of REMM we will consult on exactly what we propose to publish with regard to customer group disaggregation and whether or not we will publish each indicator on a supplier or whole market basis. The decisions on the publication of information on disconnections, prepayment meters installed for non-payment of debt and complaints have been detailed in the REMM

decision paper.

9.5 Monitoring process

- 9.5.1 As mentioned above, the indicators we have decided on for the purposes of monitoring the suppliers' Codes of Practice will be included in the second phase of our REMM project.
- 9.5.2 REMM will formalise the process through which information is requested by us and received from suppliers and network companies. It will ensure consistency and regularity and enable suppliers, network companies and the UR to have adequate resources in place to deliver the required information prior to the deadline for submission.
- 9.5.3 The Codes of Practice monitoring will be added to the annual REMM submission. Our current monitoring information is collected via Microsoft Excel templates and we intend to continue to use this format to collect information under the REMM framework. We will develop an Excel template for the collection of Code of Practice monitoring information. This template will be published and tested during the second phase of our REMM project (in 2016). However, we encourage suppliers to consider the monitoring requirements and potential systems changes when they are developing their Codes of Practice.

10 Equality Considerations and Next Steps

10.1 Equality Considerations

10.1.1 Section 75 of the Northern Ireland Act places a duty on public authorities to have due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations between different categories.

10.1.2 We aim to promote equality of opportunity between nine categories of persons, namely between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation; between men and women generally; between persons with a disability and persons without; and between persons with dependents and persons without.

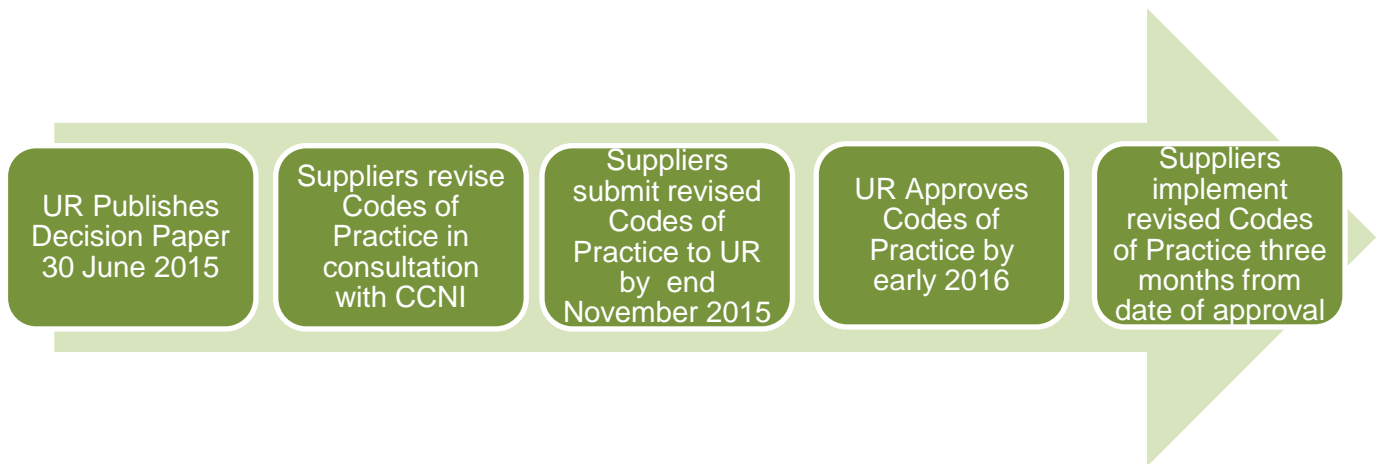
10.1.3 As part of the consultation exercise we asked whether any of the nine groups defined above are significantly affected, either positively or negatively, or did the policy under consideration create differential impacts between groups within each Section 75 category and was this impact adverse or beneficial.

10.1.4 None of the consultation responses raised any issues with the proposals for the Codes of Practice, however, one respondent did raise concerns for possible issues for consumers who need to change from a PPM meter to a credit meter for accessibility issues. This respondent was concerned about fees that may be incurred by customers of pensionable age, those with a disability or a chronic illness changing their meter for a second time in a 12 month period due to problems with access to, or use of a prepayment meter. With regard to gas customers who are of pensionable age, disabled or have a chronic illness, changes from a prepayment meter to a credit meter are free of charge. With regard to electricity customers, NIE may currently charge the supplier for all meter replacements. We intend to do further work with NIE and electricity suppliers to resolve the issue of the exceptional circumstances where a customer needs a meter replaced due to accessibility requirements

that come under the pensionable age, disability or chronic illness criteria.

10.1.5 Given that no negative impacts on equality were identified, we consider that the proposals have the potential to have a positive impact on equality. We have carried out equality screening and consider there is no need for a full equality impact assessment.

10.2 Next Steps



10.2.1 The process for implementation of the final decisions on the minimum standards for the Supplier Codes of Practice is outlined above.

10.2.2 Pursuant to the relevant licence condition (electricity 35(2) and gas 2.13.2), we expect suppliers to have consulted with CCNI before the Codes are submitted to the UR for approval. Given that CCNI have a statutory role in this process and the limited resources that the organisation has, we have decided to allow 5 months for this process.

10.2.3 This means that suppliers will submit their updated Codes of Practice to us by 30th of November 2015. On receipt of these we will aim to approve them as soon as is practically possible.

10.2.4 We understand that there may be system changes following the new Codes, and as a result we will allow a further three months from the date of approval

before we expect the Codes to be fully implemented by suppliers.

10.2.5 In terms of the monitoring of the Codes, as discussed earlier the process for monitoring will be developed during the second stage of REMM in 2016. At this stage the UR will work with suppliers on the monitoring process, that is, the monitoring templates the testing phase of these and how and what indicators might be published. However, we encourage suppliers to consider the monitoring requirements and potential system changes when they develop and implement their Codes of Practice. Although monitoring submissions will not be requested immediately, we will expect suppliers to be fully compliant with their Codes once they have been implemented.

Annex 1a: Code of Practice minimum standards on Payment of Bills

This Code of Practice minimum standards outlines the minimum actions required to fulfil the obligations detailed in the Condition 30 of the Electricity Supply Licence and Condition 2.12 of the Gas Supply Licence **and other relevant licence conditions**. This Code of Practice should be no more than two clicks from the homepage on the supplier's website.

Definition of Debt

“For the purposes of the Code of Practice on Payment of Bills only, debt will be defined as any amount which remains unpaid outside the payment terms in the supplier's terms and conditions. For example, if a customer's payment for a bill is due within 14 days from the date of the bill, then this amount would be defined as debt if it remained unpaid from day 15.”

Identifying customers in difficulty

- a) Distinguish, so far as is reasonably practicable, those Customers who may have difficulty in paying bills through misfortune or inability to cope with credit terms (“**Customers in difficulties**”) from other Customers in default; (Condition 30, 3 (a) Electricity, Condition 2.12.3 (a) Gas).

In order to fulfil this requirement suppliers must:

- form relationships with advice giving organisations and charitable organisations which seek to help customers who are, or may be at risk of, having difficulty paying bills. In particular, suppliers should form relationships with organisations representing those groups covered by section 75 of the Northern Ireland Act.²¹

²¹ <http://www.legislation.gov.uk/ukpga/1998/47/section/75>

- seek permission from the relevant advice giving organisations to share their contact details and publish the up to date list of said contact details on their website.
- proactively seek to identify and communicate with customers having difficulty or at risk of having difficulty paying their bills. This should be done at an early stage in order to prevent the build up of debt.
- use interactions with customers to improve customer insight data to help identify customers having difficulty, or at risk of having difficulty paying their bills.
- use customer records to identify those who have experienced difficulty in the past and offer early intervention to prevent debt building up.
- increase customer awareness of debt advice services and provide proactive sign posting to advice services where they may receive assistance such as benefits entitlement checks.
- ensure appropriate training is given to all staff who come in contact with customers so they may identify customers at risk of having difficulty paying bills. They will ensure all staff who have contact with consumers, including sales, billing, credit control, customer service and field staff etc are aware of the need to identify customers having or at risk of having difficulty paying bills and ensure all relevant services are offered.
- encourage customers having or at risk of having difficulty with payments to self-identify to utility companies.

- use language in correspondence ~~that is should be~~ non-threatening and supportive and all customer contact should be friendly and non-aggressive.
- ensure all records for those customers identified as having difficulty, or at risk of being in difficulty paying bills are fully updated and flagged appropriately in the supplier's information systems.
- encourage contact from customers in the event of a change of circumstances. e.g. redundancy or incapacitating illness or injury.
- ~~If a consumer is identified having difficulty paying bills or at risk of having difficulty paying bills, a supplier may, where appropriate, with the customer's consent and in line with Data Protection provisions, refer the customer to an appropriate agency or organisation.~~

Providing information on Energy Efficiency

- b) Provide relevant information as to how Customers in difficulties might be able to reduce their bills in the future by the more efficient use of electricity (gas). (Condition 30, 3 (b) Electricity, Condition 2.12.3 (b) Gas).

In order to fulfil this requirement suppliers must:

- adhere to and make customers aware of the Code of Practice on the Efficient use of Electricity (Gas) and proactively provide customers with advice and services as detailed in the Code.

Payment arrangements and monitoring

- c) Make arrangements, taking into account Customers' ability to comply with such arrangements, which enable Customers in difficulties to pay in instalments the charges accrued for the supply of electricity (gas) ("instalment arrangements"). (Condition 30, 3 (c) Electricity, Condition 2.12.3 (c) Gas).

In order to fulfil this requirement suppliers must:

- make arrangements for the payment of arrears in instalments which may include instalments paid via direct debit, cash or prepayment meter or, as a last resort, third party deductions from benefits. Suppliers must make reasonable endeavours to ensure that repayments are appropriate for the customer's individual circumstances.
- establish procedures for setting repayments levels based on ability to pay. These procedures will include:
 - Staff training and appropriate instruments designed to assess ability to pay.
 - Where appropriate, agreements with independent advice giving agencies to carry out financial assessments.
 - Setting appropriate repayment levels (to include customer involvement in setting appropriate repayment levels and customer appeals procedures where they are unable to cope with repayment levels).
 - Methods of identifying those at risk of having difficulty paying their bills. Furthermore, suppliers will take into account factors which may exacerbate difficulty in paying bills such as poor literacy, numeracy or IT skills, lack of bank account or rurality.

- for standard credit and Direct Debit customers, establish a reasonable repayment period.; ~~as a minimum allowing customers to repay the debt over the same length of time it has taken the debt to accrue.~~

d) Detect failures by Customers in difficulties to comply with the instalment arrangements. (Condition 30, 3 (d) Electricity, Condition 2.12.3 (d) Gas).

In order to fulfil this requirement suppliers must:

- monitor debt repayments and reassess level of repayment if it is apparent that the customer is having difficulty in keeping up with the repayments.
- invite any customers who are repaying debt to contact the supplier again if they experience any difficulties with their repayment plan.
- ~~contact customers at least once during the repayment period, usually within 3 months of the beginning of the repayment period, to request information on ability to cope with repayments and where appropriate shall consider adjustments to the repayment level. It is advised that suppliers continue to monitor the account for signs that customers are struggling e.g. a typical vend purchase patterns.~~

e) Ascertain, with the assistance of any information provided by other persons or organisations, the ability of Customers in difficulties to comply with the instalment arrangements. (Condition 30, 3 (e) Electricity, Condition 2.12.3 (e) Gas).

In order to fulfil this requirement suppliers must:

- consider each individual's situation and ability to pay arrears. Where appropriate and with the customer's consent, suppliers shall use

information provided by other persons or organisations to ascertain the ability of customers in difficulty to comply with payment arrangements.

- where customers are unhappy with the level of repayment, make them aware of the Consumer Council's role in dispute settlement. If requested during a complaints investigation by the Consumer Council, suppliers will provide to the Council evidence on the procedures used for assessing ability to pay.

f) Provide for Customers who have failed to comply with the instalment arrangements, or procure for them the provision of, a prepayment meter (where safe and practicable to do so. (Condition 30, 3 (f) Electricity, Condition 2.12.3 (f) Gas).

In order to fulfil this requirement suppliers must:

- where Direct Debit or standard credit customers paying by instalments fail to comply with an agreed payment arrangement, offer to provide a prepayment meter where it is appropriate to do so and in compliance with relevant licence conditions and the Code of Practice on Services for Prepayment Meter Customers.
- make such customers aware of the Code of Practice on Services for Prepayment Customers and proactively provide customer services as detailed in the Code.

g) Calibrate any prepayment meter provided, whether in accordance with paragraph (f) above or otherwise, so as to take into account Customers' ability to pay any outstanding charges due from them to the Licensee in addition to the other charges lawfully being recovered through the prepayment meter. (Condition 30, 3 (g) Electricity, Condition 2.12.3 (g) Gas).

In order to fulfil this requirement suppliers must:

- act in accordance with section C above.

h) Ensure that any calibration of the prepayment meter to recover outstanding charges due from any Customer does not operate so as to recover more than 40 per cent (except where the consumer has in writing requested for a higher percentage to apply) from each amount that is purchased by the Customer in any single transaction (and thereby transferred to the token, key or card by which the prepayment meter is operated), as payment of or towards the outstanding charges. (Condition 30, 3 (h) Electricity, Condition 2.12.3 (h) Gas).

- For the avoidance of doubt the licence details an upper limit which states that suppliers shall not force customers to accept repayment levels which exceed 40% of the customer's energy spend in a single transaction. Suppliers must not automatically set repayment rates of 40% per vend, they must first demonstrate, that they have taken steps to contact the customers and used all reasonable endeavours to take into consideration ability to pay.

Methods and Procedures to avoid disconnections

i) in so far as is reasonable and practicable to do so, take all reasonable steps to avoid cutting off the supply of electricity(gas) to Domestic Premises occupied by Customers in difficulties unless it has first taken all reasonable steps to recover the charges accrued for the supply of electricity(gas) to the premises by means of a prepayment meter. (Condition 30, 3 (i) Electricity, Condition 2.12.3 (i) Gas).

Before gas suppliers disconnect for reasons of debt, in order to fulfil the above licence condition suppliers must:

- have appropriately trained staff make reasonable endeavours to contact the customer by phone or by personal visit prior to disconnection. Additionally, suppliers must inform the customer of their intent to disconnect with a reasonable estimation of date of disconnection.
- at every stage of the process, offer the customer a means to avoid disconnection by repaying the debt at reasonable instalments or by installing a prepayment meter appropriately calibrated to repay existing debt.
- make reasonable attempts during this process to identify customers who are of pensionable age, who are disabled or chronically sick or on low incomes.
- work with the network company or agent to ensure that in so far as is reasonably practical during the disconnection visit, the supplier or the supplier's agent will make final attempts are made during the disconnection process to identify customers who are of pensionable age, who are disabled or chronically sick or on low incomes. ~~This will entail a personal visit to the property at risk of being disconnected and doing a visual check for signs customers who fit the criteria. This visit needs to be made by appropriately trained personnel. If a customer's wellbeing is assessed to be at risk, disconnection should be halted and, with the customer's consent, be referred for assistance to the appropriate organisation.~~
- in the event of disconnection in error, for example where a customer has been disconnected during October to March but identified as being vulnerable (in accordance with Condition 31 (4) (c) in the electricity

supply licence and Condition 2.11.4(c) in the gas supply licence) after the disconnection, suppliers must make reasonable endeavours to reconnect the customer within 24 hours (on working days). Where such a disconnection is made in error the supplier must not apply disconnection or reconnection charges to the customer.

- ~~where a customer has been disconnected due to debt, take steps to ensure that disconnection and reconnection charges are not onerous and do not exceed the actual costs of disconnection and/or reconnection. They will take steps to ensure that disconnection and reconnection charges can be paid in line with other repayments over an appropriate period of time and total repayments (whether the debt was accrued for energy costs or disconnection and/or reconnection costs) should not exceed the 40% repayment ceiling detailed in section h.~~
- where a customer wishes to be reconnected, suppliers will be permitted to recoup the costs of disconnection and reconnection that are charged to them by the network company from the customer prior to reconnection. Other supplier costs will be recovered through normal debt recovery arrangements.
- where a domestic customer takes their electricity or gas through a non-domestic supply for example a flat above commercial premises, make best endeavours, where aware, that domestic customers are not disconnected inappropriately if the commercial premise no longer receives supply.
- not disconnect any customer for non-payment of bill when there is an ongoing complaint or dispute in process (i.e. still classed as an unresolved stage 1 or stage 2 billing complaint with the Consumer Council).

- ~~monitor all customers who have been disconnected and contact them to see if they wish to be reconnected~~
- ~~provide consumers who are being disconnected with all the relevant information to allow them to reconnect at a later date should they so wish. This information will include all relevant reconnection fees.-~~
- ~~must~~ keep a record of all contact with the customer and attempts to contact the customer and all actions taken in relation to disconnections and reconnections. Suppliers may be asked to supply these records to the Consumer Council and or the Utility Regulator during a dispute or investigation.

~~Providing accurate and timely bills²²~~

~~j) Provision of information to customers. Condition 38 Electricity Supply Licence, Condition 2.19 Gas Supply Licence.~~

~~The gas and electricity supply licences state specific information requirements for customers, some of which will have an impact on payment of bills.~~

~~Suppliers will make customers aware of the information they are entitled to as detailed in Condition 38 in the Electricity Supply Licence and Condition 2.19 in the Gas Supply Licence.~~

~~In order to fulfil the above licence condition suppliers must:~~

- ~~provide accurate and easy to understand bills to all credit customers.~~

²² ~~This is in keeping with the ERA Code of Practice on Back Billing for Domestic Customers <http://www.energy-uk.org.uk/publication/finish/43-code-of-practice-for-accurate-bills/412-the-code-of-practice-for-accurate-bills-back-billing-for-domestic-customers.html>~~

- ~~use all reasonable endeavours to make an actual meter read on at least an annual basis and ensure that Direct Debits accurately reflect actual consumption. In gas suppliers can do this on their own behalf, however, electricity suppliers have an arrangement with the network company to make sure meters are read at least once a year.~~
- ~~when unable to read the meter, meter readers shall leave clear instructions on when they will return and how customers may provide suppliers with self reads (telephone number or website address).~~
- ~~suppliers shall clearly mark where a bill has been based on an estimated read and inform customers of the possibility of debt accrual with continued estimated meter reads.~~

~~In the event that a customer has been incorrectly under-billed as a result of errors by the supplier, suppliers will not bill the customer for the difference in what has been billed and what has been consumed for more than 12 months prior to the most current bill. This will occur where the supplier has:~~

- ~~Failed to set up an account or issue bills to an account despite instructions from the customer or the Network Operator~~
- ~~Based bills on estimated meter readings where no valid meter reading attempts have been made, or where customer self-reads have not been used or no opportunity has been provided for self reads.~~
- ~~Based bills on inaccurate meter reading data.~~
- ~~Based bills on the wrong tariff.~~
- ~~Billed incorrectly based on mistakes in bill calculation i.e. where the system makes an error.~~
- ~~Failed to reassess a payment arrangement (eg. Direct Debit) within 15 months or~~
- ~~Failed to do anything about a query or fault raised by the customer regarding the account or meter and subsequently allowed a large debt to build up on the account.~~

~~In all instances, if there has been an error in billing in the company's favour, they must return the difference to the customer. This is not restricted to the 12 month time frame. Customers should pay for energy used and this provision is not intended as a way of avoiding payment.~~

Other Issues

Suppliers shall encourage collaborative working with customers in difficulty through early, supportive contact.

Where a third party Debt Collection Agency (DCA) or any third party contractor is used, suppliers shall ensure that the contractor adheres to the Code of Practice on Payment of Bills and adheres to OFT (Office of Fair Trading) guidelines²³. Suppliers shall be held fully responsible for the actions of any third party debt collection agency acting on their behalf. Any breach of this Code by a third party DCA will be considered to be a breach by the supplier the DCA is acting for.

Suppliers shall take all reasonable steps to prevent fraud and meter tampering.

²³ http://www.oft.gov.uk/shared_of/business_leaflets/consumer_credit/OFT664Rev.pdf

Annex 1b: Code of Practice minimum standards on Payment of Bills

This Code of Practice minimum standards outlines the minimum actions required to fulfil the obligations detailed in the Condition 30 of the Electricity Supply Licence and Condition 2.12 of the Gas Supply Licence and other relevant licence conditions. This Code of Practice should be no more than two clicks from the homepage on the supplier's website.

Definition of Debt

“For the purposes of the Code of Practice on Payment of Bills only, debt will be defined as any amount which remains unpaid outside the payment terms in the supplier's terms and conditions. For example, if a customer's payment for a bill is due within 14 days from the date of the bill, then this amount would be defined as debt if it remained unpaid from day 15.”

Identifying customers in difficulty

- a) Distinguish, so far as is reasonably practicable, those Customers who may have difficulty in paying bills through misfortune or inability to cope with credit terms (**“Customers in difficulties”**) from other Customers in default; (Condition 30, 3 (a) Electricity, Condition 2.12.3 (a) Gas).

In order to fulfil this requirement suppliers must:

- form relationships with advice giving organisations and charitable organisations which seek to help customers who are, or may be at risk of, having difficulty paying bills. In particular, suppliers should form relationships with organisations representing those groups covered by section 75 of the Northern Ireland Act.²⁴

²⁴ <http://www.legislation.gov.uk/ukpga/1998/47/section/75>

- seek permission from the relevant advice giving organisations to share their contact details and publish the up to date list of said contact details on their website.
- proactively seek to identify and communicate with customers having difficulty or at risk of having difficulty paying their bills. This should be done at an early stage in order to prevent the build up of debt.
- use interactions with customers to improve customer insight data to help identify customers having difficulty, or at risk of having difficulty paying their bills.
- use customer records to identify those who have experienced difficulty in the past and offer early intervention to prevent debt building up.
- increase customer awareness of debt advice services and provide proactive sign posting to advice services where they may receive assistance such as benefits entitlement checks.
- ensure appropriate training is given to all staff who come in contact with customers so they may identify customers at risk of having difficulty paying bills. They will ensure all staff who have contact with consumers, including sales, billing, credit control, customer service and field staff etc are aware of the need to identify customers having or at risk of having difficulty paying bills and ensure all relevant services are offered.
- encourage customers having or at risk of having difficulty with payments to self-identify to utility companies.
- use language in correspondence that is non-threatening and supportive and all customer contact should be friendly and non-aggressive.

- ensure all records for those customers identified as having difficulty, or at risk of being in difficulty paying bills are fully updated and flagged appropriately in the supplier's information systems.
- encourage contact from customers in the event of a change of circumstances. e.g. redundancy or incapacitating illness or injury.

Providing information on Energy Efficiency

b) Provide relevant information as to how Customers in difficulties might be able to reduce their bills in the future by the more efficient use of electricity (gas). (Condition 30, 3 (b) Electricity, Condition 2.12.3 (b) Gas).

In order to fulfil this requirement suppliers must:

- adhere to and make customers aware of the Code of Practice on the Efficient use of Electricity (Gas) and proactively provide customers with advice and services as detailed in the Code.

Payment arrangements and monitoring

c) Make arrangements, taking into account Customers' ability to comply with such arrangements, which enable Customers in difficulties to pay in instalments the charges accrued for the supply of electricity (gas) ("instalment arrangements"). (Condition 30, 3 (c) Electricity, Condition 2.12.3 (c) Gas).

In order to fulfil this requirement suppliers must:

- make arrangements for the payment of arrears in instalments which may include instalments paid via direct debit, cash or prepayment

meter or, as a last resort, third party deductions from benefits.

Suppliers must make reasonable endeavours to ensure that repayments are appropriate for the customer's individual circumstances.

- establish procedures for setting repayments levels based on ability to pay. These procedures will include:
 - Staff training and appropriate instruments designed to assess ability to pay.
 - Where appropriate, agreements with independent advice giving agencies to carry out financial assessments.
 - Setting appropriate repayment levels (to include customer involvement in setting appropriate repayment levels and customer appeals procedures where they are unable to cope with repayment levels).
 - Methods of identifying those at risk of having difficulty paying their bills. Furthermore, suppliers will take into account factors which may exacerbate difficulty in paying bills such as poor literacy, numeracy or IT skills, lack of bank account or rurality.
- for standard credit and Direct Debit customers, establish a reasonable repayment period.

d) Detect failures by Customers in difficulties to comply with the instalment arrangements. (Condition 30, 3 (d) Electricity, Condition 2.12.3 (d) Gas).

In order to fulfil this requirement suppliers must:

- monitor debt repayments and reassess level of repayment if it is apparent that the customer is having difficulty in keeping up with the repayments.

- invite any customers who are repaying debt to contact the supplier again if they experience any difficulties with their repayment plan.

e) Ascertain, with the assistance of any information provided by other persons or organisations, the ability of Customers in difficulties to comply with the instalment arrangements. (Condition 30, 3 (e) Electricity, Condition 2.12.3 (e) Gas).

In order to fulfil this requirement suppliers must:

- consider each individual's situation and ability to pay arrears. Where appropriate and with the customer's consent, suppliers shall use information provided by other persons or organisations to ascertain the ability of customers in difficulty to comply with payment arrangements.
- where customers are unhappy with the level of repayment, make them aware of the Consumer Council's role in dispute settlement. If requested during a complaints investigation by the Consumer Council, suppliers will provide to the Council evidence on the procedures used for assessing ability to pay.

f) Provide for Customers who have failed to comply with the instalment arrangements, or procure for them the provision of, a prepayment meter (where safe and practicable to do so. (Condition 30, 3 (f) Electricity, Condition 2.12.3 (f) Gas).

In order to fulfil this requirement suppliers must:

- where Direct Debit or standard credit customers paying by instalments fail to comply with an agreed payment arrangement, offer to provide a prepayment meter where it is appropriate to do so and in compliance with

relevant licence conditions and the Code of Practice on Services for Prepayment Meter Customers.

- make such customers aware of the Code of Practice on Services for Prepayment Customers and proactively provide customer services as detailed in the Code.

g) Calibrate any prepayment meter provided, whether in accordance with paragraph (f) above or otherwise, so as to take into account Customers' ability to pay any outstanding charges due from them to the Licensee in addition to the other charges lawfully being recovered through the prepayment meter. (Condition 30, 3 (g) Electricity, Condition 2.12.3 (g) Gas).

In order to fulfil this requirement suppliers must:

- act in accordance with section C above.

h) Ensure that any calibration of the prepayment meter to recover outstanding charges due from any Customer does not operate so as to recover more than 40 per cent (except where the consumer has in writing requested for a higher percentage to apply) from each amount that is purchased by the Customer in any single transaction (and thereby transferred to the token, key or card by which the prepayment meter is operated), as payment of or towards the outstanding charges. (Condition 30, 3 (h) Electricity, Condition 2.12.3 (h) Gas).

- For the avoidance of doubt the licence details an upper limit which states that suppliers shall not force customers to accept repayment levels which exceed 40% of the customer's energy spend in a single transaction. Suppliers must not automatically set repayment rates of 40% per vend, they must first demonstrate, that they have taken steps

to contact the customers and used all reasonable endeavours to take into consideration ability to pay.

Methods and Procedures to avoid disconnections

- i) in so far as is reasonable and practicable to do so, take all reasonable steps to avoid cutting off the supply of electricity(gas) to Domestic Premises occupied by Customers in difficulties unless it has first taken all reasonable steps to recover the charges accrued for the supply of electricity(gas) to the premises by means of a prepayment meter. (Condition 30, 3 (i) Electricity, Condition 2.12.3 (i) Gas).

Before gas suppliers disconnect for reasons of debt, in order to fulfil the above licence condition suppliers must:

- have appropriately trained staff make reasonable endeavours to contact the customer by phone or by personal visit prior to disconnection. Additionally, suppliers must inform the customer of their intent to disconnect with a reasonable estimation of date of disconnection.
- at every stage of the process, offer the customer a means to avoid disconnection by repaying the debt at reasonable instalments or by installing a prepayment meter appropriately calibrated to repay existing debt.
- make reasonable attempts during this process to identify customers who are of pensionable age, who are disabled or chronically sick or on low incomes.
- work with the network company or agent to ensure that in so far as is reasonably practical attempts are made during the disconnection

process to identify customers who are of pensionable age, who are disabled or chronically sick or on low incomes.

- in the event of disconnection in error, for example where a customer has been disconnected during October to March but identified as being vulnerable (in accordance with Condition 31 (4) (c) in the electricity supply licence and Condition 2.11.4(c) in the gas supply licence) after the disconnection, suppliers must make reasonable endeavours to reconnect the customer within 24 hours (on working days). Where such a disconnection is made in error the supplier must not apply disconnection or reconnection charges to the customer.
- where a customer has been disconnected due to debt, take steps to ensure that disconnection and reconnection do not exceed the actual costs of disconnection and/or reconnection.
- where a customer wishes to be reconnected, suppliers will be permitted to recoup the costs of disconnection and reconnection that are charged to them by the network company from the customer prior to reconnection. Other supplier costs will be recovered through normal debt recovery arrangements.
- where a domestic customer takes their electricity or gas through a non-domestic supply for example a flat above commercial premises, make best endeavours, where aware, that domestic customers are not disconnected inappropriately if the commercial premise no longer receives supply.
- not disconnect any customer for non-payment of bill when there is an ongoing complaint or dispute in process (i.e. still classed as an unresolved stage 1 or stage 2 billing complaint with the Consumer Council).

- provide consumers who are being disconnected with all the relevant information to allow them to reconnect at a later date should they so wish. This information will include all relevant reconnection fees.
- keep a record of all contact with the customer and attempts to contact the customer and all actions taken in relation to disconnections and reconnections. Suppliers may be asked to supply these records to the Consumer Council and or the Utility Regulator during a dispute or investigation.

Other Issues

Suppliers shall encourage collaborative working with customers in difficulty through early, supportive contact.

Where a third party Debt Collection Agency (DCA) or any third party contractor is used, suppliers shall ensure that the contractor adheres to the Code of Practice on Payment of Bills and adheres to OFT (Office of Fair Trading) guidelines²⁵. Suppliers shall be held fully responsible for the actions of any third party debt collection agency acting on their behalf. Any breach of this Code by a third party DCA will be considered to be a breach by the supplier the DCA is acting for.

Suppliers shall take all reasonable steps to prevent fraud and meter tampering.

²⁵ http://www.oft.gov.uk/shared_of/business_leaflets/consumer_credit/OFT664Rev.pdf

Annex 2a: Code of Practice minimum standards on Provision of Services for persons who are of Pensionable Age or Disabled or Chronically Sick

This Code of Practice minimum standards outlines the minimum actions required to fulfil the obligations detailed in Condition 31 of the Electricity Supply Licence and Condition 2.11 of the Gas Supply Licence **and other relevant licence conditions**. This Code of Practice should be no more than two clicks from the homepage on the supplier's website.

Type of Customer

This Code of Practice cover customers who are of pensionable age or disabled, including in particular domestic customers who are disabled by virtue of being blind, partially sighted, deaf or hearing impaired or chronically sick.

Services Provided

- a) Licensee will at the request of any such Domestic Customer, where reasonably practicable and appropriate, and in each case free of charge [details in licence]: (Condition 31, 3 (a-e) Electricity, Condition 2.11.3 (a-f) Gas).

In order to fulfil the above licence condition, at the request of any such domestic customer where reasonably practicable and appropriate, suppliers must, for no cost:

- provide ~~where necessary and appropriate~~ special controls and adaptors for electrical and gas appliances and meters and reposition meters (including prepayment meters).

- provide special identification for employees authorised by the Licensee to visit households. This will include operation of a password scheme.
- provide advice on the use of electricity and/or gas appliances and other gas fittings (where appropriate) to any such customer who requests it.
- operate a nomination or bill redirection service for those customers who wish to have their bills redirected to a nominated person in addition to a copy of the bill sent to the actual customer if requested. Suppliers must ensure that the nominated person has agreed to receive the bills.
- arrange to read the meter at least once each quarter and advise the customer of that reading where the customer or no one else in the household can read the meter.
- arrange for a free annual gas safety inspection of the gas appliances and other gas fittings on the customer's side of the meter for those customers who are of pensionable age, disabled or chronically ill. This only applies to households where all occupants are of pensionable age or disabled or chronically sick or minors. This does not apply where the landlord of the customer is responsible for the annual inspection in accordance with the Gas Safety (Installation and Use) Regulations (Northern Ireland) 2004. The safety inspection must be undertaken by a person possessing appropriate expertise (Gas Only).

b) The Code of Practice shall include arrangements by which the Licensee will on request and free of charge [details in licence]: (Condition 31, 4 (a) Electricity, Condition 2.11.4 (a) Gas).

In order to fulfil the above licence condition suppliers must on request and free of charge

- provide alternative formats of communications for those domestic customers who require it including provision for customers who are blind or partially sighted or deaf or hearing impaired. This will include as a minimum, terms and conditions, billing information, Codes of Practice, complaints procedures and will include having facilities available to assist blind or partially sighted, or deaf or partially deaf customers to enquire or complain about any bill, statement or service provided to them.

Disconnecting Customers who are of pensionable age, disabled or chronically sick

c) The Code of Practice shall include arrangements by which the Licensee will deal with disconnections [details in licence] : (Conditions 31, 4 (b-d) and 31.6 (a-b) for Electricity, Conditions 2.11.4 (b-d) and 2.11.6 (a-b) for Gas).

In order to fulfil the above licence conditions suppliers must

- not disconnect a customer who has not paid their bill and is of pensionable age, disabled or chronically sick and lives alone or only with other persons who are of pensionable age, disabled, chronically sick or under the age of 18 during any winter period, that is to say, a period beginning with 1 October in any year and ending with 31 March in the following year.
- take reasonable steps to avoid disconnecting the supply to premises where a bill has not been paid and includes an occupant who is of pensionable age or disabled or chronically sick during any winter period, that is to say, a period beginning with 1 October in any year and ending with 31 March in the following year.

- take all reasonable steps to ascertain whether a domestic property falls within the scope of the two previous points before exercising any right to disconnect the property.
- in the case of disconnection of a domestic property maintain for at least six months or where a complaint has been made, six months after the complaint has been resolved, a record and evidence of the steps taken to ascertain whether the occupants include persons who are of pensionable age or disabled or chronically sick or minors. This evidence must be provided to the Authority on request.

Awareness-raising of services provided

d) The Code of Practice shall include arrangements by which the Licensee will perform free of charge [details in licence] : (Condition 31, 5 (a-d) Electricity, Condition 2.11.5 (a-d) Gas).

In order to fulfil the above licence condition suppliers must

- establish and maintain a register of domestic customers who are of pensionable age, disabled or chronically sick and who wish to be included on the list.
- ensure that the register holds sufficient information of the age, disability or chronic illness of domestic customers to allow their specific needs or requirements to be identified.
- inform domestic customers at least annually of the existence of the register and how eligible customers can be included on it sign-up to it.
- provide (free of charge) advice and information to customers on the services available from their supplier because of their age, disability or

chronic illness.

- demonstrably promote customer care registers to encourage greater identification and sign up of eligible customers.
- encourage appropriate organisations (such as but not exclusive to advice giving agencies) to raise awareness of the existence of customer care registers amongst members and clients.
- ensure that relevant staff are adequately trained in the identification of customers who may be eligible for the customer care scheme and in treating customers in an empathetic manner to encourage customers to self-identify.
- where appropriate and in line with data protection provisions, provide information in the customer care register to any relevant party licenced to convey gas or distribute electricity to the domestic consumer's premises under the Gas Order or the Electricity Order in an appropriate form and at appropriate intervals.

Annex 2b: Code of Practice minimum standards on Provision of Services for persons who are of Pensionable Age or Disabled or Chronically Sick

This Code of Practice minimum standards outlines the minimum actions required to fulfil the obligations detailed in Condition 31 of the Electricity Supply Licence and Condition 2.11 of the Gas Supply Licence and other relevant licence conditions. This Code of Practice should be no more than two clicks from the homepage on the supplier's website.

Type of Customer

This Code of Practice cover customers who are of pensionable age or disabled, including in particular domestic customers who are disabled by virtue of being blind, partially sighted, deaf or hearing impaired or chronically sick.

Services Provided

- a) Licensee will at the request of any such Domestic Customer, where reasonably practicable and appropriate, and in each case free of charge [details in licence]: (Condition 31, 3 (a-e) Electricity, Condition 2.11.3 (a-f) Gas).

In order to fulfil the above licence condition, at the request of any such domestic customer where reasonably practicable and appropriate, suppliers must, for no cost:

- provide special controls and adaptors for electrical and gas appliances and meters and reposition meters (including prepayment meters).

- provide special identification for employees authorised by the Licensee to visit households. This will include operation of a password scheme.
- provide advice on the use of electricity and/or gas appliances and other gas fittings (where appropriate) to any such customer who requests it.
- operate a nomination or bill redirection service for those customers who wish to have their bills redirected to a nominated person in addition to a copy of the bill sent to the actual customer if requested. Suppliers must ensure that the nominated person has agreed to receive the bills.
- arrange to read the meter at least once each quarter and advise the customer of that reading where the customer or no one else in the household can read the meter.
- arrange for a free annual gas safety inspection of the gas appliances and other gas fittings on the customer's side of the meter for those customers who are of pensionable age, disabled or chronically ill. This only applies to households where all occupants are of pensionable age or disabled or chronically sick or minors. This does not apply where the landlord of the customer is responsible for the annual inspection in accordance with the Gas Safety (Installation and Use) Regulations (Northern Ireland) 2004. The safety inspection must be undertaken by a person possessing appropriate expertise (Gas Only).

b) The Code of Practice shall include arrangements by which the Licensee will on request and free of charge [details in licence]: (Condition 31, 4 (a) Electricity, Condition 2.11.4 (a) Gas).

In order to fulfil the above licence condition suppliers must on request and free of charge

- provide alternative formats of communications for those domestic customers who require it including provision for customers who are blind or partially sighted or deaf or hearing impaired. This will include as a minimum, terms and conditions, billing information, Codes of Practice, complaints procedures and will include having facilities available to assist blind or partially sighted, or deaf or partially deaf customers to enquire or complain about any bill, statement or service provided to them.

Disconnecting Customers who are of pensionable age, disabled or chronically sick

c) The Code of Practice shall include arrangements by which the Licensee will deal with disconnections [details in licence] : (Conditions 31, 4 (b-d) and 31.6 (a-b) for Electricity, Conditions 2.11.4 (b-d) and 2.11.6 (a-b) for Gas).

In order to fulfil the above licence conditions suppliers must

- not disconnect a customer who has not paid their bill and is of pensionable age, disabled or chronically sick and lives alone or only with other persons who are of pensionable age, disabled, chronically sick or under the age of 18 during any winter period, that is to say, a period beginning with 1 October in any year and ending with 31 March in the following year.
- take reasonable steps to avoid disconnecting the supply to premises where a bill has not been paid and includes an occupant who is of pensionable age or disabled or chronically sick during any winter period, that is to say, a period beginning with 1 October in any year and ending with 31 March in the following year.

- take all reasonable steps to ascertain whether a domestic property falls within the scope of the two previous points before exercising any right to disconnect the property.
- in the case of disconnection of a domestic property maintain for at least six months or where a complaint has been made, six months after the complaint has been resolved, a record and evidence of the steps taken to ascertain whether the occupants include persons who are of pensionable age or disabled or chronically sick or minors. This evidence must be provided to the Authority on request.

Awareness-raising of services provided

d) The Code of Practice shall include arrangements by which the Licensee will perform free of charge [details in licence] : (Condition 31, 5 (a-d) Electricity, Condition 2.11.5 (a-d) Gas).

In order to fulfil the above licence condition suppliers must

- establish and maintain a register of domestic customers who are of pensionable age, disabled or chronically sick and who wish to be included on the list.
- ensure that the register holds sufficient information of the age, disability or chronic illness of domestic customers to allow their specific needs or requirements to be identified.
- inform domestic customers at least annually of the existence of the register and how eligible customers can be included on it.
- provide (free of charge) advice and information to customers on the services available from their supplier because of their age, disability or

chronic illness.

- demonstrably promote customer care registers to encourage greater identification and sign up of eligible customers.
- encourage appropriate organisations (such as but not exclusive to advice giving agencies) to raise awareness of the existence of customer care registers amongst members and clients.
- ensure that relevant staff are adequately trained in the identification of customers who may be eligible for the customer care scheme and in treating customers in an empathetic manner to encourage customers to self-identify.
- where appropriate and in line with data protection provisions, provide information in the customer care register to any relevant party licenced to convey gas or distribute electricity to the domestic consumer's premises under the Gas Order or the Electricity Order in an appropriate form and at appropriate intervals.

Annex 3a: Code of Practice minimum standards on Complaints Handling Procedure

This Code of Practice minimum standards outlines the minimum actions required to fulfil the obligations detailed in the Condition 33 of the Electricity Supply Licence and Condition 2.8 of the Gas Supply Licence **and other relevant licence conditions**. This Code of Practice should be no more than two clicks from the homepage on the supplier's website.

Definition of complaint

~~"The~~Any expression (through various possible channels: letter, email, phone call or, physical claim ~~or other method~~) of a person's dissatisfaction ~~for any person~~."

Accessibility of Complaints Handling Procedure

- a) The Code of Practice shall include arrangements by which the Licensee will establish and operate **an accessible, equitable and transparent, simple and inexpensive** complaints procedure which shall enable any person who is being supplied with electricity or gas by the Licensee or has at any time received a supply of electricity or gas from the Licensee, to bring and have **promptly dealt** with any complaint he may have in respect of the Licensee's activities in providing such a supply.

The complaints procedure established and operated by the Licensee in accordance with the Code of Practice shall as a minimum:

- specify the period, which may differ for different types of complaint but which shall not be longer than three months, within which it is intended that complaints will be processed and resolved;
- be made available to any person without charge;
- facilitate the fair and prompt settlement of complaints and disputes; and
- provide for a system, where required by the Authority under Condition 29 of the electricity licence and under Condition 2.20 of the gas licence or otherwise warranted, of making a reimbursement and/or compensation payment to complainants. (Condition 33, 2 & 3, Electricity, Condition 2.8.2 and 2.8.3 Gas)

In order to fulfil the above licence condition suppliers must:

- ensure that customer facing staff are able to inform any person about the energy company's complaints handling procedure and the role and contact details of the Consumer Council.
- ensure that the relevant terms and conditions, customer statements and bills and any other applicable literature refer to the existence of the Code of Practice on Complaints Handling and should signpost people to how they can get a copy.
- provide, insofar as is reasonably practical, free of charge to any person who requests it, a copy of the Code of Practice on Complaints Handling Procedure in hard copy or where appropriate other format as agreed with the person.
- place a link to up to date details of the complaints handling procedure in a prominent position on the home page of their website
- ensure that the complaints handling procedure is sufficiently accessible to enable any person and in particular those persons with disabilities or those without internet access to lodge and progress a complaint.
- ensure that complaints procedures should be transparent and simple so that they do not deter any person from making a complaint.
- have in place low cost options for any person to make a complaint that must include but not be limited to:
 - a phone number charged at the equivalent of a local call rate
 - a Northern Ireland postal address
 - an email address or internet web page form.

- allow for complaints to be made and progressed orally (by telephone or in person) or in writing (including email).
- where a person who is of pensionable age, disabled or chronically sick or has other specific needs or someone representing such a person makes a complaint, the energy company must take additional steps as deemed necessary or appropriate to help the person resolve the complaint in an appropriate and prompt manner.
- have due regard to the Gas (Individual Standard of Performance) Regulations (Northern Ireland) 2014²⁶. This applies to gas suppliers only.

Transparency

In order to fulfil the above licence condition suppliers must:

- have a clearly written Code for handling complaints made by any person (including Domestic and Industrial and Commercial customers).
- ensure that the Code is concise, easy to understand and written in plain English.
- as part of the Code suppliers must include information about:
 1. The contact details for making a complaint
 2. The process for making a complaint
 3. The steps the supplier will take to investigate and resolve the complaint
 4. The timeframe in which the supplier will endeavour to resolve the complaint which shall not be longer than three months, including a prompt first answer or acknowledgement within 5 working days of

²⁶ <http://www.legislation.gov.uk/nisr/2014/60/contents/made>

the receipt of the complaint and the lead time to deal with a complaint. Gas Suppliers must take account of the Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014 when establishing timeframes for dealing with complaints.

5. The contact details for dispute resolution i.e. the Consumer Council.
 6. The arrangements for compensation arrangements (if applicable).
- set out, in the Code of Practice, the different remedies that may be available to a person under the complaints handling process such as:
 1. An apology
 2. An explanation
 3. The taking of appropriate remedial action by the supplier
 4. The award of compensation in appropriate circumstances
 - on receipt of a complaint, record:
 1. The date the complaint was received
 2. In what format the complaint was made (oral/written)
 3. The identity and contact details of the relevant person making the complaint or on whose behalf the complaint is made
 4. A summary of the complaint
 5. A summary of any advice given or action taken
 6. Whether the complaint was resolved and if so an explanation of why it is deemed resolved.
 7. The date the complaint was resolved.
 8. If the complaint remains unresolved, the supplier must record the date that the consumer was advised that they may pursue the complaint through the Consumer Council.
 - retain written records collected through the complaints handling procedure for a period of at 2 years.

- record all complaints and report in keeping with the UR's REMM complaint agreed classifications.
- allow for compensation if applicable under Condition 29 in the electricity supply licence and Condition 2.20 in the gas supply licence ~~(if applicable)~~. Gas Suppliers must provide compensation in accordance with the Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014²⁷.

Prompt and Effective

In order to fulfil the above licence condition suppliers must:

- establish clear timeframes, and a clear and reasonable escalation process for dealing with complaints with clear commitment to specified response times.
- ensure timely and fair investigation and resolution of complaints and show how it is intended that complaints will be processed and resolved within three months.
- allocate and maintain such level of resources as may reasonably be required to enable them to receive, handle and process consumer complaints in an efficient and timely manner.

²⁷ <http://www.legislation.gov.uk/nisr/2014/60/contents/made>

Dispute Resolution

b) The Licensee shall keep each of its Customers informed: (a) of the Customer's rights to initiate the Licensee's complaints handling procedure (as established in accordance with the requirements of Condition 33 for electricity and Condition 2.8 for gas); (b) that the General Consumer Council can assist in resolving complaints which the Licensee has not resolved to the Customer's satisfaction; (c) that the Customer has the right to refer complaints which relate to billing matters to the Authority where the General Consumer Council has not been able to resolve the complaint to the Customer's satisfaction; (Condition 38, 10 (a-c) Electricity, Condition 2.19.10 (a-c))

In order to fulfil the above licence condition suppliers must:

- ensure appropriate training is given to all staff who come in contact with customers or the general public so they may make any person aware of the company's complaints handling procedure.
- ensure that front-line staff are fully informed and trained on the right of consumers to go to the Consumer Council if they are unhappy with how their complaint is being handled.
- ensure appropriate correspondence (such as bills, statements etc) provided to customers includes information on the right of consumers to take unresolved complaints to the Consumer Council. The information will include:
 1. The contact details of the Consumer Council.
 2. Reference to the fact that any person can utilise the scheme at no cost to themselves.

3. The person's right to go to court if they deem the solution unsatisfactory is not affected by this procedure.
- include this information in their Complaint Handling Procedure so that it is available to any person making a complaint.

Reporting Requirements

Report on Performance. Condition 36, 2 (e) & 3 of the Electricity Supply Licence, Condition 2.23.2(e) & 2.23.3 of the Gas Supply Licence.

The gas and electricity supply licences state reporting requirements with regard to performance on complaints. In order to fulfil the above licence condition suppliers must:

- provide to the Authority and publish on an annual basis the number of complaints received by the Licensee, whether made in writing, in person or by telephone and the number resolved by the Licensee.
- provide a copy of their complaints report free of charge to any person who requests a copy.

Annex 3b: Code of Practice minimum standards on Complaints Handling Procedure

This Code of Practice minimum standards outlines the minimum actions required to fulfil the obligations detailed in the Condition 33 of the Electricity Supply Licence and Condition 2.8 of the Gas Supply Licence and other relevant licence conditions. This Code of Practice should be no more than two clicks from the homepage on the supplier's website.

Definition of complaint

“The expression (through various possible channels: letter, email, phone call or physical claim) of a person's dissatisfaction.”

Accessibility of Complaints Handling Procedure

- a) The Code of Practice shall include arrangements by which the Licensee will establish and operate **an accessible, equitable and transparent, simple and inexpensive** complaints procedure which shall enable any person who is being supplied with electricity or gas by the Licensee or has at any time received a supply of electricity or gas from the Licensee, to bring and have **promptly dealt** with any complaint he may have in respect of the Licensee's activities in providing such a supply.

The complaints procedure established and operated by the Licensee in accordance with the Code of Practice shall as a minimum:

- specify the period, which may differ for different types of complaint but which shall not be longer than three months, within which it is intended that complaints will be processed and resolved;
- be made available to any person without charge;
- facilitate the fair and prompt settlement of complaints and disputes; and
- provide for a system, where required by the Authority under Condition 29 of the electricity licence and under Condition 2.20 of the gas licence or otherwise warranted, of making a reimbursement and/or compensation payment to complainants. (Condition 33, 2 & 3, Electricity, Condition 2.8.2 and 2.8.3 Gas)

In order to fulfil the above licence condition suppliers must:

- ensure that customer facing staff are able to inform any person about the energy company's complaints handling procedure and the role and contact details of the Consumer Council.
- ensure that the relevant terms and conditions, customer statements and bills and any other applicable literature refer to the existence of the Code of Practice on Complaints Handling and should signpost people to how they can get a copy.
- provide, insofar as is reasonably practical, free of charge to any person who requests it, a copy of the Code of Practice on Complaints Handling Procedure in hard copy or where appropriate other format as agreed with the person.
- place a link to up to date details of the complaints handling procedure in a prominent position on the home page of their website
- ensure that the complaints handling procedure is sufficiently accessible to enable any person and in particular those persons with disabilities or those without internet access to lodge and progress a complaint.
- ensure that complaints procedures should be transparent and simple so that they do not deter any person from making a complaint.
- have in place low cost options for any person to make a complaint that must include but not be limited to:
 - a phone number charged at the equivalent of a local call rate
 - a Northern Ireland postal address
 - an email address or internet web page form.

- allow for complaints to be made and progressed orally (by telephone or in person) or in writing (including email).
- where a person who is of pensionable age, disabled or chronically sick or has other specific needs or someone representing such a person makes a complaint, the energy company must take additional steps as deemed necessary or appropriate to help the person resolve the complaint in an appropriate and prompt manner.
- have due regard to the Gas (Individual Standard of Performance) Regulations (Northern Ireland) 2014²⁸. This applies to gas suppliers only.

Transparency

In order to fulfil the above licence condition suppliers must:

- have a clearly written Code for handling complaints made by any person (including Domestic and Industrial and Commercial customers).
- ensure that the Code is concise, easy to understand and written in plain English.
- as part of the Code suppliers must include information about:
 1. The contact details for making a complaint
 2. The process for making a complaint
 3. The steps the supplier will take to investigate and resolve the complaint
 4. The timeframe in which the supplier will endeavour to resolve the complaint which shall not be longer than three months, including a prompt first answer or acknowledgement within 5 working days of the receipt of the complaint and the lead time to deal with a

²⁸ <http://www.legislation.gov.uk/nisr/2014/60/contents/made>

complaint. Gas Suppliers must take account of the Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014 when establishing timeframes for dealing with complaints.

5. The contact details for dispute resolution i.e. the Consumer Council.
 6. The arrangements for compensation arrangements (if applicable).
- set out, in the Code of Practice, the different remedies that may be available to a person under the complaints handling process such as:
 1. An apology
 2. An explanation
 3. The taking of appropriate remedial action by the supplier
 4. The award of compensation in appropriate circumstances
 - on receipt of a complaint, record:
 1. The date the complaint was received
 2. In what format the complaint was made (oral/written)
 3. The identity and contact details of the relevant person making the complaint or on whose behalf the complaint is made
 4. A summary of the complaint
 5. A summary of any advice given or action taken
 6. Whether the complaint was resolved and if so an explanation of why it is deemed resolved.
 7. The date the complaint was resolved.
 8. If the complaint remains unresolved, the supplier must record the date that the consumer was advised that they may pursue the complaint through the Consumer Council.
 - retain written records collected through the complaints handling procedure for a period of at 2 years.
 - record all complaints and report in keeping with the UR's REMM complaint classifications.

- allow for compensation if applicable under Condition 29 in the electricity supply licence and Condition 2.20 in the gas supply licence. Gas Suppliers must provide compensation in accordance with the Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014²⁹.

Prompt and Effective

In order to fulfil the above licence condition suppliers must:

- establish clear timeframes, and a clear and reasonable escalation process for dealing with complaints with clear commitment to specified response times.
- ensure timely and fair investigation and resolution of complaints and show how it is intended that complaints will be processed and resolved within three months.
- allocate and maintain such level of resources as may reasonably be required to enable them to receive, handle and process consumer complaints in an efficient and timely manner.

²⁹ <http://www.legislation.gov.uk/nisr/2014/60/contents/made>

Dispute Resolution

b) The Licensee shall keep each of its Customers informed: (a) of the Customer's rights to initiate the Licensee's complaints handling procedure (as established in accordance with the requirements of Condition 33 for electricity and Condition 2.8 for gas); (b) that the General Consumer Council can assist in resolving complaints which the Licensee has not resolved to the Customer's satisfaction; (c) that the Customer has the right to refer complaints which relate to billing matters to the Authority where the General Consumer Council has not been able to resolve the complaint to the Customer's satisfaction; (Condition 38, 10 (a-c) Electricity, Condition 2.19.10 (a-c))

In order to fulfil the above licence condition suppliers must:

- ensure appropriate training is given to all staff who come in contact with customers or the general public so they may make any person aware of the company's complaints handling procedure.
- ensure that front-line staff are fully informed and trained on the right of consumers to go to the Consumer Council if they are unhappy with how their complaint is being handled.
- ensure appropriate correspondence (such as bills, statements etc) provided to customers includes information on the right of consumers to take unresolved complaints to the Consumer Council. The information will include:
 1. The contact details of the Consumer Council.
 2. Reference to the fact that any person can utilise the scheme at no cost to themselves.
 3. The person's right to go to court if they deem the solution unsatisfactory is not affected by this procedure.

- include this information in their Complaint Handling Procedure so that it is available to any person making a complaint.

Reporting Requirements

Report on Performance. Condition 36, 2 (e) & 3 of the Electricity Supply Licence, Condition 2.23.2(e) & 2.23.3 of the Gas Supply Licence.

The gas and electricity supply licences state reporting requirements with regard to performance on complaints. In order to fulfil the above licence condition suppliers must:

- provide to the Authority and publish on an annual basis the number of complaints received by the Licensee, whether made in writing, in person or by telephone and the number resolved by the Licensee.
- provide a copy of their complaints report free of charge to any person who requests a copy.

Annex 4a: Code of Practice minimum standards on Services for Prepayment Meter Customers

This Code of Practice minimum standards outlines the minimum actions required to fulfil the obligations detailed in Condition 34 of the Electricity Supply Licence and Condition 2.9 of the Gas Supply Licence **and other relevant licence conditions**. This Code of Practice should be no more than two clicks from the homepage on the supplier's website.

Information Provision for Prepayment Meter Customers

- (a) provide advice, information, services and facilities, including the availability of emergency credit, which will assist the Domestic Customer to avoid being without a supply of electricity (gas) at particular times or in particular circumstances; Condition 34, 3 (a) Electricity Supply Licence, Condition 2.9.3 (a) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must

- provide an explanation of what a prepayment meter is and ensure that customers receive instructions on the use and operation of the prepayment meter before it is installed or at installation.
- use best endeavours to ensure that customers understand the tariffs and charges for using a prepayment meter. ~~in particular provide a comparison between the prepayment tariff and other available tariffs~~ and the supplier's policy on refunding credit balances.

- provide details on the amount of emergency credit associated with the meter and an explanation of how emergency credit works.
- provide details of how to access information on vending facilities in the customer's area, including the location and hours available.
- ensure that where a prepayment meter is installed in order to collect outstanding debt, the supplier makes reasonable endeavours to ensure that the customer fully understands the terms and conditions of the repayment arrangement before the installation of the prepayment meter and the implications for their payments and outstanding debt (i.e. the actual amount to be deducted along with per cent of debt) and what to do if they have difficulty maintaining debt repayments.
- provide customers with information about how debt will be recovered i.e. on a per vend basis but advise that times of lower usage may be a good opportunity to reduce their debt.

(b) instructions for the operation of the prepayment meter system, including token availability, emergency credit and other such facilities; Condition 34, 3 (b) Electricity Supply Licence, Condition 2.9.3 (b) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must

- when the meter is installed and upon request at any other time, at no charge, provide instructions on how to operate the meter which are expressed in clear, simple and concise language, and in a format which makes it easy for a person not familiar with the operation of a prepayment meter to understand. These instructions must also be available on the suppliers' website.

- provide instructions on how and where payments to the account can be made.
- ~~ensure that customers understand when to expect their change of tariff number sequence and how to use it. Suppliers must adhere to relevant procedures when issuing change of tariff number sequences to customers.~~
- if requested, ~~must~~ use its best endeavours to provide the operating instructions in a language other than English or another format such as Braille.
- where applicable, provide details on how the customer can access up to date information on the amount of their debt, the likely length of time to repay the debt and how their tariff for debt recovery has been calculated.
- ensure that the customer can reasonably access facilities to top up the prepayment meter. (Suppliers will consider issues such as internet access, mobility issues and the geographical coverage and location of nearest outlets where prepayment meter top ups are available).
- Electricity suppliers must:
 - (i) ensure prepayment infrastructure (Liberty system) is programmed to dispense the change of rate code (the 40 digit code), via the vending process, between 7 and 20 days period before the change in rate actually takes effect (tariff effective date). Each electricity supplier must adopt a consistent change of rate process and timeframe for every tariff change (regardless whether the tariff change is an increase or decrease). This means, for example, that if a supplier chooses to dispense the change of rate code 15 days before a tariff increase, they must

also dispense the change of rate code 15 days before a tariff decrease;

- (ii) use best endeavours to ensure that customers understand the process of how their meter is updated when there is a tariff change. This includes, but is not limited to, the actions that the customer is required to take to update their meter with the change of rate code (40 digit code). Suppliers must advise customers how many days before the tariff effective date they will receive their change of rate code;
- (iii) ensure that, for each tariff change, domestic prepayment customers are notified at least 21 days in advance of the tariff effective date of the process as outlined in paragraph (ii) above.

(c) details of where the Customer may obtain information or assistance if the prepayment meter or any device used to allow the Charges for the Supply of Electricity(Gas) to be paid through the prepayment meter is not operating effectively; Condition 34, 3 (e) Electricity Supply Licence, Condition 2.9.3 (e) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must:

- provide the telephone number(s) for advice on use of meter, complaints and emergency service. One telephone number can service advice on use of the meter and complaints.

Suitability of Prepayment Meters

d) details of the advantages and disadvantages of prepayment meters, including situations or types of Customer for which they are particularly suited or unsuited; Condition 34, 3 (c) Electricity Supply Licence, Condition 2.9.3 (c) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must:

- list in the code of practice the advantages and disadvantages of a prepayment meter taking different customer groups into consideration
- ~~proactively use reasonable endeavours to~~ seek to identify any customer for whom a prepayment meter may not be suitable especially customers who are of pensionable age, disabled or chronically sick.
This process will include assessing access to payment facilities. It is important that customers are capable of using any metering technology that is provided safely and that they can access the meter and access a location to purchase top-ups for their prepayment meter.
- proactively seek to ensure that customers are aware of alternative payment methods.
- for customers that are in debt, point out the benefits of prepayment meters in debt repayment. ~~Forced installation~~ Installation of prepayment meters without the express agreement of the customer of prepayment meters should be used as a last resort in the debt recovery process in order to avoid disconnection.
- ~~assess the suitability of prepayment meters for a given customer (especially customers who may be of pensionable age, disabled or chronically sick). It is important that customers are capable of using any metering technology that is provided safely and that they can access the meter and access a location to purchase top-ups for their prepayment meter.~~
- ensure that for customers with a disability or older customers, that the meter is located in a position which is accessible to the customer and that the customer is able to operate the meter (for example are the buttons and display screens accessible for those with sight impairment

or other disabilities). Where ~~necessary~~ reasonably practicable and appropriate the supplier will arrange for the provision of special controls or adaptors and reposition meters to enable the customer to operate the meter.

- not install a prepayment meter in a household where a life support system or critical care medical equipment is required³⁰ (electricity only).
- where the supplier becomes aware that an existing prepayment customer is experiencing difficulties physically using the meter or accessing top up facilities, the supplier should work with the customer to make an alternative arrangement for payment.
- ensure that customers are aware that if they do choose to change supplier their options for vending may change

Payments for Prepayment Customer

e) details of any additional charges which may be payable for the use of prepayment meters and the basis on which these charges are calculated; Condition 34, 3 (d) Electricity Supply Licence, Condition 2.9.3 (d) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must:

- make customers aware of any additional charges payable for the use of a prepayment meter and how these additional charges are calculated.
- advise customers of any charges which will be made for replacement of lost cards and the amount of such charges.

³⁰ <http://www.nie.co.uk/Customer-information/Critical-care-register>

(f) information about the procedures the Licensee will follow when removing or resetting the prepayment meter, including the timescale and any conditions for removing or resetting it. Condition 34, 3 (f) Electricity Supply Licence, Condition 2.9.3 (f) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must:

- provide customers with information on procedures, timescales and any other conditions for resetting or removing a prepayment meter.
- where appropriate, provide instructions on how to obtain a refund of remaining credit when the prepayment meter contract is terminated.
- ~~• consider a greater level of emergency credit for those customers on a customer care register (in accordance with the licence condition Condition 34 electricity supply licence, Condition 2.11 gas supply licence) who may have periods of incapacitating illness.~~

Annex 4b: Code of Practice minimum standards on Services for Prepayment Meter Customers

This Code of Practice minimum standards outlines the minimum actions required to fulfil the obligations detailed in Condition 34 of the Electricity Supply Licence and Condition 2.9 of the Gas Supply Licence and other relevant licence conditions. This Code of Practice should be no more than two clicks from the homepage on the supplier's website.

Information Provision for Prepayment Meter Customers

- (a) provide advice, information, services and facilities, including the availability of emergency credit, which will assist the Domestic Customer to avoid being without a supply of electricity (gas) at particular times or in particular circumstances; Condition 34, 3 (a) Electricity Supply Licence, Condition 2.9.3 (a) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must

- provide an explanation of what a prepayment meter is and ensure that customers receive instructions on the use and operation of the prepayment meter before it is installed or at installation.
- use best endeavours to ensure that customers understand the tariffs and charges for using a prepayment meter and the supplier's policy on refunding credit balances.
- provide details on the amount of emergency credit associated with the meter and an explanation of how emergency credit works.

- provide details of how to access information on vending facilities in the customer's area, including the location and hours available.
- ensure that where a prepayment meter is installed in order to collect outstanding debt, the supplier makes reasonable endeavours to ensure that the customer fully understands the terms and conditions of the repayment arrangement before the installation of the prepayment meter and the implications for their payments and outstanding debt (i.e. the actual amount to be deducted along with per cent of debt) and what to do if they have difficulty maintaining debt repayments.
- provide customers with information about how debt will be recovered i.e. on a per vend basis but advise that times of lower usage may be a good opportunity to reduce their debt.

(b) instructions for the operation of the prepayment meter system, including token availability, emergency credit and other such facilities; Condition 34, 3
(b) Electricity Supply Licence, Condition 2.9.3 (b) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must

- when the meter is installed and upon request at any other time, at no charge, provide instructions on how to operate the meter which are expressed in clear, simple and concise language, and in a format which makes it easy for a person not familiar with the operation of a prepayment meter to understand. These instructions must also be available on the suppliers' website.
- provide instructions on how and where payments to the account can be made.

- if requested, use its best endeavours to provide the operating instructions in a language other than English or another format such as Braille.
- where applicable, provide details on how the customer can access up to date information on the amount of their debt, the likely length of time to repay the debt and how their tariff for debt recovery has been calculated.
- ensure that the customer can reasonably access facilities to top up the prepayment meter. (Suppliers will consider issues such as internet access, mobility issues and the geographical coverage and location of nearest outlets where prepayment meter top ups are available).
- Electricity suppliers must:
 - (i) ensure prepayment infrastructure (Liberty system) is programmed to dispense the change of rate code (the 40 digit code), via the vending process, between 7 and 20 days period before the change in rate actually takes effect (tariff effective date). Each electricity supplier must adopt a consistent change of rate process and timeframe for every tariff change (regardless whether the tariff change is an increase or decrease). This means, for example, that if a supplier chooses to dispense the change of rate code 15 days before a tariff increase, they must also dispense the change of rate code 15 days before a tariff decrease;
 - (ii) use best endeavours to ensure that customers understand the process of how their meter is updated when there is a tariff change. This includes, but is not limited to, the actions that the customer is required to take to update their meter with the change of rate code (40 digit code). Suppliers must advise customers how many days before the tariff effective date they will receive their change of rate code;

- (iii) ensure that, for each tariff change, domestic prepayment customers are notified at least 21 days in advance of the tariff effective date of the process as outlined in paragraph (ii) above.

(c) details of where the Customer may obtain information or assistance if the prepayment meter or any device used to allow the Charges for the Supply of Electricity(Gas) to be paid through the prepayment meter is not operating effectively; Condition 34, 3 (e) Electricity Supply Licence, Condition 2.9.3 (e) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must:

- provide the telephone number(s) for advice on use of meter, complaints and emergency service. One telephone number can service advice on use of the meter and complaints.

Suitability of Prepayment Meters

d) details of the advantages and disadvantages of prepayment meters, including situations or types of Customer for which they are particularly suited or unsuited; Condition 34, 3 (c) Electricity Supply Licence, Condition 2.9.3 (c) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must:

- list in the code of practice the advantages and disadvantages of a prepayment meter taking different customer groups into consideration
- use reasonable endeavours to seek to identify any customer for whom a prepayment meter may not be suitable especially customers who are of pensionable age, disabled or chronically sick. This process will

include assessing access to payment facilities. It is important that customers are capable of using any metering technology that is provided safely and that they can access the meter and access a location to purchase top-ups for their prepayment meter.

- proactively seek to ensure that customers are aware of alternative payment methods.
- for customers that are in debt, point out the benefits of prepayment meters in debt repayment. Installation of prepayment meters without the express agreement of the customer should be used as a last resort in the debt recovery process in order to avoid disconnection.
- ensure that for customers with a disability or older customers, that the meter is located in a position which is accessible to the customer and that the customer is able to operate the meter (for example are the buttons and display screens accessible for those with sight impairment or other disabilities). Where reasonably practicable and appropriate the supplier will arrange for the provision of special controls or adaptors and reposition meters to enable the customer to operate the meter.
- not install a prepayment meter in a household where a life support system or critical care medical equipment is required³¹ (electricity only).
- where the supplier becomes aware that an existing prepayment customer is experiencing difficulties physically using the meter or accessing top up facilities, the supplier should work with the customer to make an alternative arrangement for payment.
- ensure that customers are aware that if they do choose to change supplier their options for vending may change

³¹ <http://www.nie.co.uk/Customer-information/Critical-care-register>

Payments for Prepayment Customer

- e) details of any additional charges which may be payable for the use of prepayment meters and the basis on which these charges are calculated; Condition 34, 3 (d) Electricity Supply Licence, Condition 2.9.3 (d) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must:

- make customers aware of any additional charges payable for the use of a prepayment meter and how these additional charges are calculated.
- advise customers of any charges which will be made for replacement of lost cards and the amount of such charges.

- (f) information about the procedures the Licensee will follow when removing or resetting the prepayment meter, including the timescale and any conditions for removing or resetting it. Condition 34, 3 (f) Electricity Supply Licence, Condition 2.9.3 (f) Gas Supply Licence.

In order to fulfil the above licence condition suppliers must:

- provide customers with information on procedures, timescales and any other conditions for resetting or removing a prepayment meter.
- where appropriate, provide instructions on how to obtain a refund of remaining credit when the prepayment meter contract is terminated.

Annex 5: Utility Regulator Workshop on Supplier Codes of Practice

Organisations in attendance

- Advice NI
- Age Sector Platform
- Ballymena Borough Council
- Ballymoney Borough Council
- Bryson Energy
- Budget Energy
- CCNI
- CER
- Christians Against Poverty
- Citizens Advice
- Consumer Advice Centre
- DETI
- DSD
- Electric Ireland
- Energia
- firmus energy
- H&A Mechanical
- NEA
- NIHE
- Oaklee
- Phoenix Natural Gas
- Power NI
- Public Health Agency
- Royal Mail
- SSE Airtricity
- Strabane District Council
- University of Ulster

Annex 6: Respondents to Consultation on Implementation of Supplier Codes of Practice

Organisations who responded

- Advice NI
- Ards Borough Council
- Budget Energy
- CCNI
- Christians Against Poverty
- Citizens Advice
- Electric Ireland
- Energia
- firmus energy
- NEA
- NIHE
- Power NI
- SSE Airtricity
- Strabane District Council