**Schedule 8**

**DEFINITION OF "DEBT THROUGH NO FAULT OF THE CUSTOMER"**

**22 September 2016**

“For the purposes of this Code of Practice a customer is not considered to have debt where the total outstanding balance has arisen as a result:

1. Of the supplier applying an incorrect tariff to the customer’s account;
2. Of the supplier applying an incorrect meter reading to the customer’s account;
3. A meter mix-up that has not been the fault of the customer;

1. Of the customer being billed using estimated meter readings for a period greater than 12 months and where the customer has provided reasonable access for meter reading or has provided an actual meter reading;
2. Of the customer not being billed for a period greater than 12 months and where the customer has not requested that billing should be suspended;
3. In the case of a customer paying by variable direct debit, where the supplier has made an administration error regarding the customer's payment, including:
	1. Direct debit payment has not been collected by supplier
	2. The supplier has not collected the full direct debit amount
	3. The payment has been allocated to the incorrect customer account
4. Of a problem with the meter (not caused by the customer) where the customer has previously advised the supplier that there may be a meter problem.

 A customer's debt balance may be composed of both ‘debt’ and ‘debt through no fault of their own’. If a payment is made this should be apportioned to the ‘debt’ balance in the first instance and then to the balance ‘through no fault of their own’. (unless otherwise advised by the customer)

For the avoidance of doubt where debt is through no fault of the customer the Debt Contact Notification process will not be completed. Where only a part of the outstanding debt is through no fault of the customer and the remaining debt meets the criteria included in the definition of debt then the Debt Contact Notification process will be necessary.