



Department for  
Business, Energy  
& Industrial Strategy

Rt Hon Grant Shapps MP  
Secretary of State  
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Our ref:  
Your ref:

Jonathan Brearley, CEO Ofgem

January 2023

Dear Jonathan,

I have written today to energy suppliers to express my concerns in relation to customers on prepayment meters, and to ask them to do more to support customers who are struggling to pay. I am writing to you, as I would like to see Ofgem revisit compliance in this area as a matter of priority.

As you know, the Government is supporting consumers with the current high cost of energy, via the Energy Price Guarantee, which will save a typical British household around £900 this winter, and the £400 discount through the Energy Bills Support Scheme. The Government has also launched radio and television adverts across the UK as part of its 'It All Adds Up' energy saving campaign. The campaign features tips on simple, low or no-cost actions that households can take to immediately cut energy use and save money while ensuring people are able to stay safe and warm this winter.

I am sure you share my concern at the growth in the number of customers being switched to a prepayment meter and the incidences of self-disconnection. My letter to suppliers stresses the importance that suppliers do all they can to support customers who are struggling to pay their bills, in order to avoid going down the route of a prepayment meter. For customers already on a prepayment meter, I want to see more being done to identify self-disconnecting and self-rationing customers so that appropriate support can be provided.

I am aware that Ofgem published a regulatory expectations letter in the autumn, setting out your expectations of suppliers, including those related to their prepayment meter rules. Ofgem conducted a Market Compliance Review assessing how suppliers support customers in vulnerable situations, including assessing suppliers' processes for installing prepayment meters and supporting prepayment meter customers. Action was taken to address weaknesses that were identified.

In light of continuing concerns about prepayment meters and incidences of households self-disconnecting, I would like to see Ofgem revisit compliance in this area as a matter of priority and use the full force of your powers to improve compliance. I would expect to see improvement since the Market Compliance Review in the early autumn and I would like to see the outcomes from this work published.

The Minister for Energy and Climate is hosting a roundtable with suppliers, Ofgem, Energy UK and Citizens Advice to discuss these matters further.

Yours sincerely,

**RT HON GRANT SHAPPS MP**  
Secretary of State for Business, Energy & Industrial Strategy