



Department for  
Energy Security  
& Net Zero

Rt Hon Grant Shapps MP  
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Rt Hon Caroline Flint  
Chair, Committee on Fuel Poverty  
*[Sent via email]*

28 February 2023

Dear Caroline,

Thank you for your letter regarding prepayment meters.

It is critical that our most vulnerable energy users are protected. Like you, I found the reporting in the Times to be shocking. I acted quickly to tackle this issue of inappropriate prepayment meter use, and wrote to energy suppliers insisting they revise their practices and improve their action to support vulnerable households. I want to see much greater efforts from suppliers to help consumers in payment difficulties.

Ofgem rules are clear that suppliers can only install a prepayment to recover a debt as a last resort. Ofgem rules also require energy suppliers to only offer a prepayment service where it is safe to do so, with clear obligations on energy suppliers regarding supporting customers in payment difficulty. However, it is essential that these rules are strictly enforced. I have called for more robust Ofgem enforcement on these issues and Ofgem has responded to this by announcing a further review of supplier practice in relation to prepayment meter customers, to include targeted engagement accounting for the experiences of real consumers.

On 21 February Ofgem announced it will undertake an intensive consultation process, to conclude by the end of March, to look at what further protections may be needed around PPMs and other measures that could reduce the need for PPMs to be installed or switched to remotely.

I have also written to Ofgem to urge them to do more to investigate the customers' experience of how their supplier is performing. Following this, Ofgem has committed to set up a new customer reporting system for households to pass on their own experiences of how they are being treated.

I also welcome the move by Lord Justice Edis to order magistrates courts to immediately stop authorising warrants for energy firms to forcibly install prepayment meters, whilst the processes by which suppliers bring forward such applications is reviewed.

I do continue to believe that prepayment meters can continue to play an important role in the market. They are a useful tool for some customers to prevent debt building up and a complete ban on prepayment meters would likely see a move to using debt enforcement via the courts and bailiffs, which is not a desirable outcome. However, it is important that the rules around their use are sufficient, and properly enforced.

It is also important that consumers who have been mistreated are offered proper redress. I wrote again to energy suppliers on 4th February asking them to report back to me on what steps they plan to take to identify consumers who may have had a prepayment meter installed inappropriately, and confirm that where such customers are identified, appropriate action will be taken. Following this, energy suppliers have agreed to pause the forced installation of prepayment meters in vulnerable customers' homes. However, this is only the start of the process, and I will continue to engage with Ofgem and energy suppliers to ensure sufficient action is taken to offer to redress to consumers who have been wrongly forced onto a prepayment meter.

Yours ever,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

**RT HON GRANT SHAPPS MP**  
Secretary of State for Energy Security and Net Zero