

# Involuntary PPM - Supplier Code of Practice



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Making a positive difference  
for energy consumers

## **Involuntary PPM Code of Practice**

The below sets out the Involuntary Prepayment Meter Code of Practice agreed with suppliers.

The Code sets clear expectations on suppliers on when it is acceptable to move a customer involuntarily to a prepayment meter (PPM) and sets out high standards for how such customers are to be treated. The aim is to ensure protections for the most vulnerable customers for whom PPM may not be a safe option, alongside better support for those customers who are currently on PPM or may be moved to PPM. It recognises that PPM can be a suitable payment mechanism, valued by many customers. The Code builds on the current regulations, licence conditions and guidance and helps ensure customers are protected, particularly those in vulnerable situations.<sup>1</sup>

This Code will be subject to monitoring and review in relation to its compliance by suppliers, consumer outcomes and in relation to consumer behaviour, should this lead to significantly higher levels of bad debt.

**Suppliers must be sure of, where possible, the validity of the debt amount and liability of any customer.**

**Any alternative actions taken to recover debt in instances where a PPM is not suitable for the household should be fair, reasonable and appropriate for the customer's circumstances and level of debt owed.**

There should remain a very high bar for disconnecting any household for non-payment of bills.

Key areas of focus:

- What is Involuntary PPM;
- Assessment and installation processes for Involuntary PPM;
- Aftercare; and
- Evidence and Reporting

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<sup>1</sup> [Licences and licence conditions | Ofgem; Authority's decision to Modify the Safe and Reasonably Practicable Guidance, pursuant to Standard Licence Condition 28.1B of the Electricity Supply Licence and the Gas Supply Licence \(ofgem.gov.uk\)](#)

## 1 What is Involuntary PPM?

### **Involuntary PPM, as with disconnections, should be a last resort for customers in payment difficulty**

- 1.1 Involuntary PPM includes **both installation under warrant and remote switching smart meters to PPM** for debt (without consent from the consumer). This includes instances where supplier installs a smart meter in credit mode, but later switches to PPM.
- 1.2 Suppliers must consider consent to be unmistakably stated by the customer, whilst Involuntary PPM is under active consideration by the supplier, rather than implied. It may be given in writing, or verbally.
- 1.3 Last resort means: ensuring that the steps set out in the rules and this Code of Practice, as outlined below, have been taken to enable debt repayment and completing a comprehensive assessment to understand if an Involuntary PPM is safe and reasonably practicable for the customer.
- 1.4 The supplier must be able to satisfy themselves in all cases of Involuntary PPM that steps taken are in line with this Code of Practice, existing SLCs and guidance.

## 2 Assessment and installation processes for Involuntary PPM

### **Multiple contact attempts by a range of methods and site welfare visit before Involuntary PPM**

- 2.1 Subject to holding relevant contact details including email address and telephone number, a supplier will make at least 10 attempts to engage with a customer using multiple communication channels, and make translation services and accessible formats (eg braille, large print, easy read) available as required. A supplier will attempt to understand the customer's circumstances and offer support in the three months preceding any execution of an Involuntary PPM. Where only a postal address is held for a customer, the full 10 attempts may not be undertaken to avoid harassing the customer, but suppliers must be able to evidence attempts to access additional contact details.
- 2.2 **Debt trigger:** A supplier will not execute Involuntary PPM for a debt outstanding less than three months after the bill has been issued or less than £200 per fuel, or where the customer is on or transitioning to a repayment plan.
- 2.3 Multiple communications should include channels such as: written (email and/or letter), phone (where a number is available) and site welfare visits.
- 2.4 Communications must encourage engagement with the supplier in all cases and be written in a manner consistent with good practice on debt communications and supporting customers who are struggling with their bills listed in Annex A.
- 2.5 Suppliers will maintain a record of each attempted contact and ensure that any vulnerable characteristics are, where consented, recorded appropriately, including on the PSR.

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2.6 A site welfare visit is required in all instances before progression to Involuntary PPM.<sup>2</sup>

### **Safe and Reasonably Practicable**

2.7 In all cases of involuntary PPM, suppliers must ensure that a PPM is safe and reasonably practicable in line with the categories and precautionary principle set out within this Code and any other existing rules or guidance as relevant.

2.8 Suppliers must conduct checks of any/all available data relating to PSR, including accepting information from third parties. Where possible, suppliers are encouraged to utilise external data sources for potential vulnerabilities.<sup>3</sup>

2.9 The disabilities/characteristics/conditions listed in both high and medium sections are examples, which have been determined using a number of sources, including those listed in Annex B. They have been included where risk of detriment is considered highest when subjected to Involuntary PPM. They are not intended to be considered absolute or exhaustive.

### **High Risk – Do not install**

2.10 Suppliers should not install a PPM if, within the household, there is no one with ability to access, operate and/or top up the meter due to physical or mental incapacity or for technical reasons. These are where:

- Household requires a continuous supply for health reasons, including:
  - dependency on any powered medical equipment (such as heart/lung ventilators, dialysis equipment, stair lift, or hoist);
  - Refrigerated medication;
  - dependency on carelines or health and wellbeing alarms;
  - a medical dependency on a warm home (for example due to illness such as emphysema, chronic bronchitis, or sickle cell disease).
- Households with a very elderly occupant (85+), without support in the house;
- Households with chronic/severe or terminal health conditions (such as cancer, cardiovascular/respiratory disease and organ failure).

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<sup>2</sup> Site welfare visit: Visit to customers premises by appropriately trained staff or representatives to attempt to make contact with the customer to further assess any potential vulnerable circumstances that may be present in the household to determine if PPM is safe and reasonably practicable. If no contact is made with the customer during the site welfare visit, the supplier may proceed, however must reasonable attempts to:

- a) Assess any potential vulnerabilities without customer engagement, seeking support from welfare officer in edge cases if not present.
- b) Provide further written communication that the visit had been attempted and next steps (ie if Involuntary PPM has been progressed following this attempt

<sup>3</sup> ICO issued guidance and updated the [Data sharing: code of practice](#) in September 2021. These confirmed and outlined the legal basis allowing the sharing of personal data for the PSR, providing there is 'legitimate interest' such as the legitimate interest between suppliers and water companies to share PSR data as it allows for greater provision of support.

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2.11 Since the process of exercising a warrant can be traumatic for vulnerable consumers in this high-risk category, suppliers should make every effort to identify such high-risk customers before applying for and seeking to exercise warrants.

### **Medium Risk – Further assessment required by suppliers on a case-by-case basis**

2.12 Suppliers must include consideration of the below disabilities/characteristics/conditions, alongside the precautionary principle in making their assessment of safe and reasonably practicable:

- Age: Children under 5/Elderly 75+
- Other serious medical/Health Conditions (such as neurological diseases (Parkinson's, Huntington's, Cerebral Palsy), respiratory conditions (COPD) and mobility limiting conditions (Osteoporosis, Muscular Dystrophy, Multiple Sclerosis)).
- Serious mental/developmental health conditions (such as clinical depression, Alzheimer's, dementia, learning difficulties, Schizophrenia).
- Temporary situations (such as pregnancy, bereavement).

2.13 We also encourage suppliers to consider whether a PPM is safe and reasonably practicable for any household with adults over 65 and/or children under 16.

2.14 Where a supplier has any reason to believe that a customer/household has a medical or other condition that could be exacerbated by frequent or prolonged periods of self-disconnection, the supplier must ensure that the severity and level of potential detriment of an Involuntary PPM is assessed, taking into account specific metering arrangements and after care support that can be provided.

2.15 **Precautionary Principle:** Suppliers must assume that any customer faced with Involuntary PPM for debt is likely to be in a financially vulnerable situation and therefore more likely to self-disconnect.

2.16 Suppliers must therefore assess the ability to pay of any household they have reason to believe has a medium risk characteristic, to understand if the customer will be unable to afford their ongoing energy consumption. If a supplier concludes (taking into account meter type, aftercare support and reasonable energy saving assumptions) that the household will, frequently or for prolonged periods, self-disconnect and risk causing significant consumer harm, then the supplier must consider PPM to be not safe and reasonably practicable.

2.17 In circumstances where suppliers have attempted contact via multiple channels and conducted a site welfare visit but have been unable to establish with certainty the level of detriment in association with medium risk characteristics and/or financial assessments, suppliers should apply their own discretion on progression to involuntary PPM, noting that any move to PPM may need to be reversed if vulnerabilities are subsequently discovered in the household.

## **Ability to Pay**

- 2.18 When considering progression to Involuntary PPM, suppliers must consider the cheapest payment option for the customer and attempt to offer energy saving advice and an affordable, sustainable repayment plan prior to progression to Involuntary PPM. Where a customer agrees, and adheres to, a debt repayment plan the supplier should accept this and **should not threaten Involuntary PPM to try to secure higher payment than is affordable.**
- 2.19 When considering Involuntary PPM and conducting financial assessments, suppliers must accept information (including budgets and affordable payment offers) and third-party authority forms, from any credible partnered and non-partnered debt or consumer body organisations.
- 2.20 Where a supplier progresses with Involuntary PPM, they must take all reasonable steps to ensure that any debt repayments recovered via the PPM take into consideration the customer's ability to pay. Where any financial assessment concludes that the customer will be able to afford to pay for ongoing consumption but not debt repayments, suppliers must consider alternative approaches to recovering the debt such as delaying repayment start (seasonality or change in financial circumstances).
- 2.21 Suppliers must ensure that any alternative actions taken to recover debt (including bailiffs, CCJs) in instances where a PPM is not suitable for the household are fair, reasonable and appropriate for the customer's circumstances and level of debt owed.

## **Site welfare visit and installation teams to be appropriately trained, with clear expectations on their behaviour**

- 2.22 Suppliers are fully responsible for the actions and behaviours of all their staff, and any third-party contractors.
- 2.23 Suppliers must ensure that all staff and representatives are appropriately trained, including in health and safety for their own protection. Suppliers are encouraged to seek external accreditation such as from the British Standards Institute (BSI) and for debt enforcement, from the Enforcement Conduct Board (ECB).

## **Independent Involuntary PPM assessment team**

- 2.24 Suppliers must ensure each case progressed for Involuntary PPM has been assessed by a team who are independent of debt recovery and PPM installation teams, with an explicit role to check/ensure compliance of each case with this Code of Practice and SLCs. The basis of their assessments should be clear and retained for audit.



## **Welfare officer/ edge case decision maker present on site welfare visits**

2.25 A welfare officer or other senior decision maker able to determine edge case<sup>4</sup> decisions must be present or contactable for decision on site welfare and installation visits to check for any vulnerable characteristics that might make the PPM not Safe and Reasonably Practicable.<sup>5</sup>

## **Audio or bodycam recording**

2.26 An audio recording device or body camera will be worn and utilised by the lead supplier representative present on all site welfare visits and installation visits, unless the customer objects.

2.27 All audio and footage will be retained and made available for audit. (This will be subject to GDPR and agreed on a trial basis that tracks consumer feedback).

## **No incentives for number of installations**

2.28 Incentives for Involuntary PPM must not be linked to the number of installations, and if used at all, should be linked to compliance with appropriate processes and assessments.

## **Install smart PPM**

2.29 Given the significant benefits to PPM customers, suppliers should install smart meters by default when installing under warrant.

2.30 Energy suppliers must take all reasonable steps to install a compliant smart meter (i.e. a SMETS2 meter) wherever a meter is installed under warrant.

2.31 The reason for installing any non-smart PPM meters should be recorded and retained for audit. We will not hesitate to take further action if we observe suppliers failing to uphold the intent of this requirement.

## **Information and top-up provision**

2.32 Suppliers will provide clear supporting information, and top-up provision, for any Involuntary PPM. This should include:

- Provision of any required information, such as how to use the PPM, what to do in the event of self-disconnection and materials needed to top-up. ie the customer must be offered help to install and start to use a smart phone app where applicable, or provided with information on how to use top up cards/keys. The supplier must use translation services and make accessible formats available as required.

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<sup>4</sup> Edge case: Where customers circumstances are considered on the boundary of safe and reasonably practicable and risk assessment is undetermined.

<sup>5</sup> Welfare Officer: A person(s) within supplier organisation with responsibility for overseeing the safeguarding of consumer protection in cases of Involuntary PPM. This may be a senior member of staff related to independent panel assessments and must be attested to be fit and proper person(s) capable of making edge case decisions.

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- Access to appropriately trained priority customer service team, through an easy access route.
- Link to any relevant information on supplier website.

### **New Involuntary PPM to come pre-loaded with credit**

2.33 A £30 credit per meter (or equivalent non-disconnection period) will be applied on all Involuntary PPMs as a short-term measure to remove the risks of customers going off supply if they experience any issues or challenges using PPM. These costs are added to a customer's energy debt.

## **3 Aftercare**

### **Suppliers must check in shortly after installation and then again regularly**

- 3.1 Following an Involuntary PPM installation, the supplier must seek to speak to the consumer. In attempting to make contact the supplier must make at least three attempts via multiple channels (where possible) to contact the customer in the first fortnight. This must include:
- Initial attempt within the first 72 hours.
  - Checks on customer understanding, technical and physical ability to top up and use the meter and for smart PPM, checks on understanding of how to top up via their Prepayment Meter Interface Device (PPMID) or smart phone app.
  - Where a consumer relies on PPMID for top up, the supplier must offer a replacement or repair if the PPMID is faulty.
  - Confirmation that the customer has information on support that is available (including suitable third-party support).
- 3.2 In the event that attempts at contact have been unsuccessful, suppliers should ensure that that written communication containing the information has been provided.

### **Suppliers must monitor top-ups and consumption to identify self-rationing and/or self-disconnection**

- 3.3 When self-disconnection occurs, in line with existing SLCs and guidance, suppliers must make multiple attempts to contact the customer using various contact channels to understand the reasons for self-disconnection and offer appropriate support including sufficient Additional Support Credit (ASC) amounts and frequencies.
- 3.4 If frequent or prolonged periods of self-disconnection are identified and the customer is considered **reliant on ASC to remain on supply** (exceeding supplier policies of number of or frequency of ASC), suppliers must assess whether PPM remains Safe and Reasonably Practicable in line with this Code.



## **Erroneous or non-compliant Involuntary PPM**

3.5 Where a supplier proceeds with Involuntary PPM installation in a way that does not comply with this Code, guidance and the licence conditions, the supplier will offer to remove the PPM / switch the smart meter to non-PPM mode and pay compensation reflective of Ombudsman settlements in similar instances to the customer.

## **Debt completion assessments**

3.6 Once a customer has repaid debts owed, suppliers must contact the customer to offer an assessment of whether PPM remains the most suitable and preferred payment method. If any PPM customer is clear of debt and wishes to move off PPM (understanding any changes to the tariff they will pay), the supplier must agree, where the customer passes any required credit checks. Any security deposit required as part of this process must not exceed a reasonable amount.

## **4 Evidence and Reporting**

### **Oversight**

4.1 Supplier Boards must have regular and ongoing oversight of all activities related to Involuntary PPM. This must include Director level sign-off of reporting provided to Ofgem.

### **Assessment documentation and audio/body camera recordings**

4.2 All assessment documentation and audio/body camera recordings should be retained for a minimum of two years. We recommend retention for a period of five years, to allow customer confidence that complaints can be adequately assessed and to ensure evidence of practices if subject to enforcement action.

4.3 Documentation to include, but not limited to:

- PSR checks completed;
- Copies of all written contact;
- Summary of all verbal contact; and
- Copies of any relevant recordings.

### **Suppliers to conduct internal QA on cases**

4.4 Suppliers must conduct monthly Quality Assurance of a sample of Involuntary PPM cases. This must include additional proactive assessment of all identified erroneous or non-compliant Involuntary PPM.

4.5 Suppliers must incorporate failings identified in QA assessments to drive continuous improvements in training and processes.

### **Reporting**

4.6 An initial change plan and final board attestation is required from suppliers to confirm readiness with this Code.

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- 4.7 Suppliers must ensure timely and accurate responses to enhanced existing RFI returns for quantitative data.
- 4.8 If specified by Ofgem, suppliers must submit a report with additional qualitative information.

## **Annex A – Debt communications and good practice**

[Debt communications messaging: Evidence from customer and behavioural insights | Ofgem](#)

[Good practice for supporting customers in payment difficulty | Ofgem](#)

## **Annex B – Guidance**

[Find guidance | NICE](#)

[Guidance and regulation - GOV.UK \(www.gov.uk\)](#)

[Warm Home Prescription - Energy Systems Catapult](#)

[Cold weather plan for England - GOV.UK \(www.gov.uk\)](#)