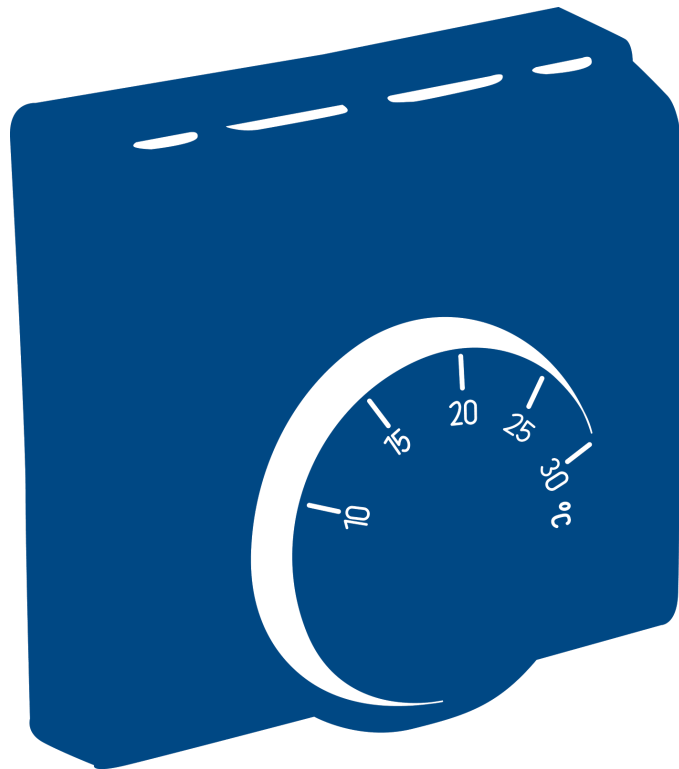


Good practice guide

Supporting customers with
restricted meters



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citizens
advice

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Summary

The CMA investigation into the energy market¹ proposed a remedy to prevent adverse effects on competition for restricted meter customers. The remedy takes effect from September 2017 and includes electricity customers with Economy 10, Total Heating Total Control, ComfortPlus and other restricted meters. It excludes households with smart², prepayment (who have been excluded from the remedy as their tariff costs are limited by the prepayment price cap³) and Economy 7 meters.

What is a restricted meter?

A restricted meter allows for electricity customers to be charged lower rates for electricity used at times with reduced overall demand. Some restricted meters can have multiple off-peak timings. Currently not all restricted meters customers are provided with clear guidance on their consumption windows or detailed information about their usage. These customers are also often unable to switch providers without replacing their electricity meter, and are not offered the range of tariffs available to single rate meter customers.

The CMA remedy will allow customers to switch to a single rate tariff without a meter change or additional charges, and ensure they are provided with information about their tariff and consumption⁴. The remedy has been developed as a temporary solution for restricted meter customers, with the expectation that the installation of smart meters will bring down the barriers these customers face. The remedy is therefore due to run until the expected completion of the smart meter rollout.

Citizens Advice's guide highlights the existing good practice in the industry as well as areas for improvement. It has been informed by interviews with the largest 6 suppliers (British Gas, EDF Energy, E.ON, npower, ScottishPower and SSE), who supply the vast majority of restricted meter customers.

Each supplier has a unique customer base and business model, with different numbers of restricted meter customers and configurations. This guide is intended to help suppliers identify areas for improvement or new practices they

¹ Competition and Market Authority: [Energy market investigation](#) 2016

² Including SMETS1, SMETS2, or any meter that has a functionality similar to a Smart Metering System.

³ CMA [The Energy Market Investigation \(Prepayment Charge Restriction\) Order](#) 2016

⁴ CMA [The Energy Market Investigation \(Restricted Meters\) Order](#) 2016

can implement. Suppliers should reflect on their own situations, applying and tailoring recommendations as appropriate.

Recommendations

1. Provide additional customer service support for restricted meter customers.
2. Give customers clear and timely information about the remedy.
3. Apply the Informed Choices principles⁵.
4. Ensure customers have a choice of tariffs.
5. Accurately bill new restricted meter customers

1. Provide additional customer service support for restricted meter customers

Restricted meter customers can have complex heating configurations, confusing tariffs, and are more likely to be vulnerable⁶.

Establish a specialist electric heating team

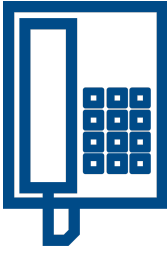
Some suppliers have set up specialist teams who understand the issues these customers face. A dedicated team ensures that customers can speak directly to an adviser who is able to provide tailored expert advice.

The role of these teams vary by supplier, from acting as an everyday point of contact to any customer with a restricted meter, to an additional role within energy efficiency teams. Issues that these teams assist with include:

- Advice on heating systems and controls
- Bespoke tariff quotes, based on historical usage
- Account reviews
- Information on finance and grants available to electrically heated households
- Tailored energy efficiency advice for electric only households

⁵ Ofgem - [Modification of electricity and gas supply licences to introduce five 'informed choices' principles and remove the majority of the prescriptive sales and marketing rules](#). 27 April 2017

⁶ Ofgem - [Dynamically Teleswitched meters and tariffs - Research into consumer experience](#). 12 November 2014



EDF Energy have a specialist team for restricted meter customers. These customers' bills have the contact details for the team so they can easily access information and help.

Make it easy for customers to get assistance

Suppliers should provide assistance to customers which suits their individual needs. In addition to the usual customer service channels (phone, email, letter, webchat and social media) this can include:

- Home visits
- Drop in sessions in communities with a high proportion of households with electric-heating

Suppliers should:

- Make sure that the customer's tariff name and other keywords are easily searchable on their website
- Post online self-help videos, and embed these into the appropriate pages on their website (for example [E.ON's](#) on how to read a meters or [British Gas's](#) how to set up a Storage Heater)
- Publish online information leaflets (some good examples are [SSE](#), [ScottishPower](#) and [npower](#))



SSE have two Energy Liaison Officers who offer home-visits to customers with electric heating. The service is available across Scotland. These officers share their experience and knowledge with the electric heating specialist team.

2. Give customers clear and timely information about the remedy

Suppliers are required to include, on bills and other regular written correspondence, a statement explaining to restricted meter customers that they are now able to change their tariff and electricity supplier without having to replace their meter.

This information must be provided in a manner designed to promote positive engagement. As such, we would expect suppliers to display this message with due prominence, and in language that is easy for customers to understand. In particular, suppliers should clearly explain that switching tariffs is an option and not a requirement.

In some cases the restricted meter tariff may no longer be available for sale. Where this applies, suppliers should make clear to customers that if they switch to another tariff they won't be able to return to the restricted meter tariff.

Tariff information should be easily accessible

Suppliers also need to provide restricted meter customers with the following set of information if they request it.⁷

- Meter type and MPAN
- Current tariff name and payment method
- Annual consumption details, including a breakdown of consumption by window
- Standing charges and unit rates for each consumption window
- The length of time and the hours of each consumption window,
- Contact details for the Citizens Advice consumer service

This information should also be easily accessible online, either on a public facing site or the customer's account page (depending on the information). We would expect that most of this information will also be included in bills, and could be sent in any targeted communications to customers about the remedy.

Use clear and consistent messaging

Suppliers and third party organisations should use consistent information, including the same terminology to avoid any customer confusion, particularly for those households who are considering switching supplier.

⁷ CMA [The Energy Market Investigation \(Restricted Meters\) Order 2016](#)

For example, during our discussions with suppliers, we identified 3 different terms being used for restricted metering (restricted meters, complex meters, and restricted time meters).

Suppliers should:

- Keep terminology and jargon to a minimum
- Where possible, provide personalised information to customers, and use their preferred contact method



EDF Energy carried out customer testing to develop their communication to restricted meter customers. The company tested that it was clear and easy to understand, included useful switching information and informed customers of any barriers to switching.

Ensure all front line staff have appropriate training

Regardless of which department they contact, customers should always be able to access correct and relevant information from their supplier. There should be a clear pathway through the customer service departments, which each frontline member of staff understands and can use.

Customers who are facing additional challenges (e.g. customers on the Priority Services Register (PSR), or who are going through a debt pathway) need tailored information for their situation. Specialist teams who serve these customers should be provided with the necessary information and help to assist them.



SSE are actively promoting their Electric Heating specialist team internally, ensuring all customer service advisors know there is a dedicated route available for electric heating customers.

Signpost customers to more advice or help

The remedy specifies that suppliers should signpost to the relevant Citizens Advice (Citizens Advice or Citizens Advice Scotland). We suggest using;

If you need independent advice

It's easy to get independent advice about your energy supply. The Citizens Advice consumer service gives free, confidential and impartial advice. You can get in touch

with them for advice at anytime during the complaints process. Visit:
www.citizensadvice.org.uk/energy

Or call the Citizens Advice consumer helpline 03454 04 05 06 (textphone 18001 03454 04 05 06) or submit a query [online](#)

For customers who require additional support, suppliers should continue to signpost to relevant external organisations or partners. Please refer to our good practice guide on signposting for more information⁸.

3. Apply the Informed Choices principles

Ofgem's Informed Choices principles came into effect on 23rd June 2017.⁹ These principles should ensure customers are able to make informed choices about their tariffs. These principles place a greater responsibility on suppliers to deliver positive customer outcomes. This should mean that no restricted meter customer is left worse off as a result of poor/incomplete information or insufficient advice from suppliers.

The majority of customers with restricted meter are with their incumbent supplier¹⁰, many of these households won't have switched supplier or tariff before. It is important suppliers identify these customers and help them through the process.

Suppliers will need to provide information tailored to the specific needs of restricted meter customers. We have set out some of the considerations we expect suppliers to make in the context of these principles.

Suppliers have clear, comprehensible and easily distinguishable tariffs

Customers need to understand their existing restricted meter tariff in order to make an informed choice about switching. This includes being aware of how to minimise the costs of their existing tariff by shifting their demand to off-peak times.

⁸ Citizens Advice [Good practice guide: how energy suppliers can signpost and refer vulnerable consumers to the right source of help](#) January 2017.

⁹ Ofgem - [Modification of electricity and gas supply licences to introduce five 'informed choices' principles and remove the majority of the prescriptive sales and marketing rules](#), 27 April 2017

¹⁰ Competition and Market Authority: [Energy market investigation](#) 2016

Restricted meter tariffs are more complex than single rate tariffs and suppliers need to ensure that tariff information is communicated to customers in the most clear and simple way.

Customers can easily compare and select an appropriate tariff

As part of the remedy, restricted meter customers will be given certain tariff and meter information. However, in order for customers to be able to make informed tariff choices, suppliers will also need to provide tools or assistance to help compare and choose tariffs.

Suppliers must only recommend tariffs which are appropriate for the customers needs and preferences

Before recommending a single rate tariff, or other tariff, suppliers must have enough information about the customer's characteristics and/or preferences.



ScottishPower is considering other ways to better engage with restricted meter customers to ensure more tailored messages are provided to customers to make them aware of the additional options and what it means to them'.

4. Ensure customers have a choice of tariffs

Suppliers should proactively target restricted meter customers who aren't benefiting from their tariff

Some customers on restricted meters are not utilising their existing tariff or heating system in the most effective way.¹¹ Suppliers should identify customers who aren't benefiting from restricted meter tariffs, and provide targeted advice on how to minimise their costs by making better use of their current tariff or offering support to help them move to a better tariff.

¹¹ Consumer Futures [From devotees to the disengaged](#). August 2012

SSE have identified customers who are not using their heating efficiently and are planning to proactively contact them offering extra support, prioritising those who are also identified as vulnerable, fuel poor, or in debt.

Customers should be offered a range of tariffs

Single rate tariffs will be one option open to customers after the introduction of the remedy. However, this does not mean these customers should not also be given other choices by their supplier to ensure they can save money in other ways.

These could include offering fixed term deals for restricted meters, or allowing these customers to switch to an Economy 7/10 tariff, as well as single rate tariffs. Analysis by Citizens Advice has previously shown that expanding tariff choices to include Economy 7 would increase the benefit of the remedy to customers.¹²



ScottishPower offer restricted meter customers a choice of standard variable and fixed rate tariffs with no exit fees.



E.ON and British Gas are planning, or already offer, restricted meter customers a choice of Economy 7 tariffs as well single rate tariffs.

Suppliers should allow customers to move back to their restricted meter tariff

Some customers who switch to a single rate tariff may find themselves paying more for their electricity. Suppliers should identify and contact customers whose electricity bills rise rapidly after switching to a single rate or Economy 7/10 tariff to alert them to this change.

The CMA remedy was designed to deliver positive outcomes for customers with restricted meters. Suppliers should minimise the risks of this occurring by acting in line with the informed choices principles (see above). However, where customers find themselves worse off they should be supported by their supplier to reduce their costs. This should include the option of moving back to their old

¹²Citizens Advice [Response to the CMA's provisional decision on remedies](#) April 2016

restricted meter tariff (where possible), or moving to a cheaper tariff with another supplier. Exit fees should not be charged for restricted meter customers moving between tariffs within the same supplier or an associated white label. The supplier should signpost the customer to the Citizens Advice consumer service or other organisation if the customer requires further information or assistance.

5. Accurately bill new restricted meter customers

Households with restricted meters are more likely to be on a lower income¹³ and are therefore less likely to be able to cope with a shock bill. Suppliers need to update their billing systems as part of the remedy to ensure they can support the many different restricted meter configurations in order to provide customers with accurate bills.

Some suppliers will manually process meter readings in order to produce accurate bills for customers, as their billing systems cannot automatically accommodate them. Suppliers must monitor customers' accounts to ensure they are kept up to date and billed accurately.

Technical reasons may delay the ability of suppliers to make some of their single rate tariffs available to restricted meter customers. The remedy allows suppliers who are unable to offer a single rate tariff to a customer, to make appropriate contractual arrangements for the tariff to be applied retrospectively.¹⁴ These contractual arrangements should also be clearly explained to the customer when they sign up, in line with Ofgem's informed choices principle.

The use of this provision should be limited, and we would expect suppliers to act quickly to apply the chosen tariff. This should to ensure that customers do not over- or under-pay significantly in the meantime.

¹³ Consumer Futures [From devotees to the disengaged](#), August 2012

¹⁴ SLC 22G.2

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confidential and independent advice
to help people overcome their problems.

We advocate for our clients and consumers
on the issues that matter to them.

We value diversity, champion equality
and challenge discrimination.

We're here for everyone.



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Published July 2017

Citizens Advice is an operating name of The National Association of Citizens
Advice Bureaux.

Registered charity number 279057.