Annual Audit of Compliance for Electricity & Gas Suppliers 2018
Executive Summary

The Commission for Regulation of Utilities (CRU) conducts regular audits of electricity and gas suppliers to monitor compliance with the requirements contained in the Electricity and Gas Supplier Handbook. The aim of such audits is to protect consumers by ensuring that suppliers have in place processes and procedures which meet the requirements of the Supplier Handbook.

For 2018, the Code of Practice on PAYG meters and Budget Controllers and the Code of Practice on Billing (specifically in relation to level pay/budget plans, which allow customers to spread the yearly cost of their bill into equal monthly payments) were the focus of the CRU’s annual audit.

The CRU circulated a questionnaire to suppliers operating in the market requesting that they demonstrate how they meet specific requirements contained in each relevant Code of Practice. This was followed by site visits undertaken by the CRU to supplier offices. At the end of the audit process suppliers were sent individual reports outlining areas where the CRU had identified potential breaches of the Supplier Handbook. Suppliers were then given an opportunity to provide additional evidence of compliance. A number of suppliers have already engaged with the CRU to implement changes based on these findings.

The main findings of the audit of compliance can be classified into three categories;

1. Breaches of current requirements of the Supplier Handbook. Where breaches have been identified, the CRU as engaged with suppliers in order to remedy the breaches and timelines for implementation are set out in this information paper.

2. Gaps in the current regulatory framework or a requirement for clarity in relation to certain aspects of PAYG meters for financial hardship and lifestyle choice.

3. Gaps in the current regulatory framework or a requirement for a clear set of recommendations in relation to level/budget pay plans.

Where appropriate, the CRU has set out recommendations for good practice based on these findings which aim to further improve customer protection. A summary of the main findings of the audit is presented below and detailed in Section 3 of this Information Paper. Overall, 20 breaches of compliance with the Supplier Handbook were identified across the 10 suppliers covered in this audit. The CRU will engage with each supplier in order to remedy any breaches identified through this audit by the 1st of March 2019.

Main findings in relation to PAYG meters

- A number of suppliers do not provide gas PAYG customers with clear information regarding how to obtain refunds of any credit on their meter when they change supplier. For gas PAYG meters, any credit on the meter remains when a customer changes
supplier. Some suppliers advise customers not to top up more than they need to when changing supplier or moving house, or accepting a certain amount of credit on a new customer’s meter when they switch. The process followed by suppliers to address this is not uniform and communications to customers in this area could be improved. The CRU recommends that suppliers provide customers with full details, in writing, to customers with regard to their policies on refunding credit balances on both gas and electricity PAYG meters.

- In relation to gas PAYG meters, the allocation of credit top-ups where they have outstanding debt is not communicated clearly to customers where they have also built up standing charge debt on their meter. This is based on separate percentages of customer vends for gas PAYG meters being allocated to 25% supplier debt and remaining debt on the meter due to the build-up of standing charges or use of emergency credit.

- In terms assessing whether a PAYG device is suitable for a customer, a number of suppliers do not have processes to differentiate between Priority Services and Special Services vulnerable customers as part of the assessment. Special Services customers are particularly vulnerable to disconnection during winter months for reasons of advanced age or physical, sensory, intellectual or mental health, while Priority Services customers are critically dependent on electrically powered equipment, which may include life protecting devices.

- There are a number of different practices across suppliers for issuing deactivation codes. Some suppliers issue deactivation codes when a PAYG customer switches away from them, as outlined in the Supplier Handbook, while other suppliers issue a deactivation code when a PAYG customer switches to them. In some cases, the process a supplier follows is different depending which supplier they are switching to and whether the customer has a lifestyle choice electricity PAYG meter or a financial hardship PAYG meter. Customers may not be aware which process their supplier follows and this may lead to a delay in deactivation codes being issued under different circumstances.

- In addition, it was found that some energy statements issued to PAYG customers did not comply with the requirements of the Supplier Handbook and a number of suppliers do not obtain an auditable record of permission from the owner/landlord of a property where a tenant wishes to install a PAYG meter.

**Main findings in relation to level pay plans**

- There was large variation identified in how monthly payments are calculated for new customers signing up to level pay plans. All suppliers review customer’s monthly payment amounts according to a schedule, which also varies widely. Some reviews occur within the
first month of sign up while others occur on an annual basis. A number of recommendations for suppliers in relation to this are set out in the paper.

- The Supplier Handbook does not currently contain specific guidelines in this area and these may be required in future. However, the CRU does have a concern that guidance on level/budget pay plans is required given the range of approaches demonstrated by suppliers through the audit, the lack of clear information provided to customers on the basis for their payment levels and the number of customer complaints in this area.

The CRU will continue to monitor suppliers’ compliance with Suppliers’ Handbook and conduct regular audits to ensure that suppliers are meeting their obligations to energy consumers.

**Examples of Best Practice**

A number of examples of best practice were identified through this audit with suppliers and are highlighted here.

- Under the Supplier Handbook, up to a maximum of 25% of a PAYG customers vend can be attributed to debt recovery and suppliers should take account of the customer’s ability pay in setting debt repayment amounts. The majority of suppliers recover debt at a rate of 25% of each customer’s top up. For electricity, SSE Airtricity is the only supplier with a specific debt recovery process which allows for different percentage recovery rates to be agreed with a customer, which the CRU views as an example of best practice in this area.

- Suppliers are required to implement adequate and efficient processes to ensure that vulnerable customers on PAYG meters are provided with information on what to do if the PAYG meter is no longer suitable for use on grounds of vulnerability. Suppliers were asked about their processes for ensuring vulnerable customers with PAYG meters are provided with information on what to do if the PAYG meter is no longer suitable. Electric Ireland, Flogas and PrePayPower issue an annual communication to vulnerable customers with PAYG meters to provide them with information on what to do if their meter is no longer suitable, which was an example of best practice in this area.
Public/ Customer Impact Statement

The Electricity and Gas Supplier Handbook sets out a number of obligations on electricity and gas suppliers which they are required to comply with when preparing Terms and Conditions of Supply, Codes of Practice and Customer Charters and conducting their electricity and gas supply business.

The CRU monitors suppliers’ compliance with the Supplier Handbook through regular audits. This is an important responsibility of the CRU to ensure that customers are afforded appropriate protections when dealing with electricity and gas suppliers. The aim of such audits is to ensure that suppliers are meeting their requirements in terms of service levels and that customers have assurance that these are independently monitored.

For 2018, the Code of Practice on Pay as You Go meters and Budget Controllers and the Code of Practice on Billing (specifically in relation to level pay/budget plans, which allow customers to spread the yearly cost of their bill into equal monthly payments) were the focus of the annual audit. These topics were chosen based on the CRU’s internal monitoring of the number of customers with PAYG financial hardship meters installed, trends in customer complaints identified by the CRU’s Customer Care Team and based on the recent revisions to the Supplier Handbook to improve customer protection in the electricity and gas retail markets.

Prepayment meters are split into two types; financial hardship Pay As You Go (PAYG) meters and lifestyle choice PAYG meters. PAYG financial hardship meters are offered in the domestic electricity and gas markets to customers experiencing financial difficulty paying their bills.

A number of Suppliers in the electricity and gas market offer level/budget payment methods. These are a payment type which allows for the spreading of costs over a defined time period for customers.

This Information Paper provides a summary of the results of the audit and sets out the remedies suppliers must implement by the 1st of March 2018. Based on the initial audit findings which were communicated to suppliers as part of this process, a number of suppliers have already implemented changes to their processes and communications to customers. A number of areas of best practice were also identified through the audit process and these are set out in the CRU’s recommendations for suppliers.
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# Glossary of Terms and Abbreviations

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<th>Definition or Meaning</th>
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<tr>
<td>PAYG</td>
<td>Pay as You Go</td>
</tr>
<tr>
<td>MPRN</td>
<td>Meter Point Registration Number</td>
</tr>
<tr>
<td>GPRN</td>
<td>Gas Point Registration Number</td>
</tr>
<tr>
<td>GNI</td>
<td>Gas Networks Ireland</td>
</tr>
<tr>
<td>ESBN</td>
<td>ESB Networks</td>
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<tr>
<td>CRU</td>
<td>Commission for Regulation of Utilities</td>
</tr>
<tr>
<td>CoP</td>
<td>Code of Practice</td>
</tr>
<tr>
<td>EUF</td>
<td>Estimated Usage Factor</td>
</tr>
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<td>AQ</td>
<td>Annual Quantity</td>
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</table>
1. Introduction

1.1.1 The Commission for Regulation of Utilities
The Commission for Regulation of Utilities (CRU) is Ireland’s independent energy, energy safety and water regulator. The CRU has a wide range of economic, customer protection and safety responsibilities in energy and water. The CRU’s mission is to regulate water, energy and energy safety in the public interest.

1.1.2 Electricity & Gas Supplier’s Handbook – Auditing Compliance
The Electricity and Gas Suppliers’ Handbook sets out obligations on electricity and gas suppliers under Condition 18 of the Electricity supply Licence and Condition 21 of the Natural Gas Supply Licence.

The obligations outlined in the Suppliers’ Handbook describe the minimum level of service that electricity and gas suppliers are required to adhere to in their dealings with energy customers. These rules are in place to ensure that customers enjoy a high standard of protection in the electricity and gas markets.

The CRU, in line with its statutory responsibility to protect consumers, carries out audits of electricity and gas suppliers in order to ensure that they are compliant with the requirements specified in the Suppliers’ Handbook. This involves checking compliance against a particular requirement or code in the Suppliers’ Handbook. Any instances of non-compliance by a Supplier for the 2018 Supplier Audit are noted in this Information Paper and the CRU will engage with suppliers to ensure that these are remedied.

In recent years the CRU has conducted audits of the Code of Practice on Complaint Handling, the Code of Practice on Billing (in relation to deposit requirements), the Code of Practice on Vulnerable Customers, the Code of Practice on Disconnections and the Code of Practice on Marketing and Sign up for Domestic Customers.

1.1.3 Related Documents
The following documents may be useful:

- **CER/12/081** Electricity and Gas Supplier Handbook 2012
- **CER/17/060** Electricity and Gas Supplier Handbook 2017
- **CRU/17/355** Annual Audit of Compliance for Electricity & Gas Suppliers 2017 – Complaints.
- **CER/17/052** Audit of Compliance with Deposit Requirements in Electricity and Gas Supplier Handbook 2016.
1.1.4 Structure of Paper

This Information Paper provides an overview of the results of the 2018 Supplier Audit of Compliance with the Supplier Handbook and sets out remedies for implementation by suppliers.

The paper is structured as follows:

- Section 1 sets out the background and basis for the annual Supplier Audit.
- Section 2 outlines the scope and methodology of the Audit.
- Section 3 provides a summary of the findings of the Audit and identifies specific breaches for each supplier.
- Section 4 outlines the required remedies which suppliers must implement and makes a number of recommendations of best practice.
2. Compliance Audit Approach

2.1 Scope

This audit assesses supplier’s compliance with the Code of Practice on PAYG Meters and Budget Controllers in the Supplier Handbook and the Code of Practice on Billing in relation to level pay/budget plans offered by suppliers. The CRU audited the internal practices and processes of ten suppliers operating in the domestic electricity and gas markets against these requirements.

The Code of Practice on PAYG Meters and Budget controllers sets out a number of requirements for suppliers in relation to the installation of PAYG meters, management of debt and assessment of customers’ eligibility for a PAYG meter, particularly in relation to vulnerable customers. A number of requirements in relation to deactivation codes for electricity PAYG customers switching supplier and PAYG requirements under the Code of Practice for Vulnerable Customers are also considered as part of this audit.

The Code of Practice on Billing sets out requirements around the content and accuracy of bills provided to customers.

2.1.1 Previous Audits

The CRU carries out annual audits of electricity and gas suppliers in order to ensure compliance with the requirements set out in the Suppliers’ Handbook. The aim of auditing Supplier compliance is to ensure that energy customers are provided with a high level of protection in accordance with the Handbook.

Over the past 5 years, Supplier Audits have focused on specific sections or Codes of Practice within the Supplier Handbook. Figure 1 presents the topics of Supplier Audits between 2013 and 2017.

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 5.0</td>
<td>Section 5.0</td>
<td>Section 7.0</td>
<td>Section 4.5 of the Code of Practice on Billing, Deposits</td>
<td>Section 6.0 Code of Practice on Complaint Handling for household customers</td>
</tr>
<tr>
<td>Code of Practice on</td>
<td>Code of Practice on</td>
<td>Code of Practice for</td>
<td>Code of Practice on</td>
<td></td>
</tr>
<tr>
<td>Disconnections for</td>
<td>Marketing and Advertising</td>
<td>Vulnerable Customers</td>
<td>Billing, Deposits</td>
<td></td>
</tr>
<tr>
<td>domestic customers</td>
<td>and 3.0 Code of Practice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>on Customer Sign Up</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 1
2.1.2 Topic Selection

In selecting a topic for the 2018 audit, the CRU considered information provided from the CRU’s Market Monitoring team and the trend in complaints throughout 2017 and 2018 as recorded by the CRU’s Customer Care team. Information from the 2017 CRU Consumer Survey was also reviewed. This was important in identifying areas of the Supplier Handbook where repeated issues in the market were arising and understanding the scale of potential customer impact from non-compliance. The CRU was also cognisant of the principle of risk focus and proportionality.

The topic for the audit was therefore chosen based on an identification of risk through market monitoring information and customer complaints and the potential impact of breaches of the Supplier Handbook on final customers.

It is important to note that the Supplier Handbook also recently underwent significant changes, with a new version of the Handbook published in April 2017. In particular, there have been extensive updates to the Code of Practice on Marketing and Advertising, the Terms and Conditions of Supply for Household Customers and Code of Practice on Pay As You Go Metering and Budget Controllers.

Two areas of focus were chosen for the 2018 audit, the Code of Practice on Pay as you Go Metering and Budget Controllers and the Code of Practice on Billing, with a focus on the adherence of level pay-budget plans to the Supplier Handbook.

Section 3 of this Information Paper provides more detail on these topics, but as an overview, prepayment meters are split into two types; financial hardship Pay As You Go (PAYG) meters and lifestyle choice PAYG meters. PAYG financial hardship meters are offered in the domestic electricity and gas markets to customers experiencing financial difficulty paying their bills. The cost of the meter and its installation are socialised and the customer does not have to pay anything.
extra for the meter itself.

A number of Suppliers in the electricity and gas market offer level/budget payment methods. These are a payment type which allows for the spreading of costs over a defined time period for customers. If a new customer signs up with a supplier with this payment method, their initial consumption is usually estimated and suppliers have a number of different processes for doing this.

2.2 Process

The Supplier Audit for 2018 consisted of a questionnaire and site visit relevant to two Codes of Practice of the Supplier Handbook; the Code of Practice on PAYG and Budget Controllers and the Code of Practice on Billing.

2.2.1 Questionnaire and compliance assessment

A questionnaire was developed as part of the audit which asked suppliers to demonstrate, with documentary evidence, how they meet the requirements contained in the relevant Codes of Practice in the Supplier Handbook.

The questionnaire can be found in Appendix A of this report.

1. Part 1 of the questionnaire included questions related to audit recommendations from 2015 to 2017. These questions asked suppliers to provide information on if and how they have implemented recommendations from previous audits over the last three years within their organisations. While these recommendations were not obligatory, they were based on best practice identified in each audit across suppliers by the CRU.

2. Part 2 of the questionnaire focused on specific areas within the Code of Practice on Pay as You Go Metering and Budget Controllers and the Code of Practice on Billing. This part of the questionnaire contained 22 questions overall related to various requirements under the Supplier Handbook.

3. Part 3 of the Questionnaire looked at supplier’s compliance with the new PAYG measures introduced in the revision to the Supplier Handbook in 2017. As part of this review, a number of measures were introduced to increase the protection of vulnerable customers who wish to avail of a PAYG meter and enhance the current protection framework for PAYG customers. These questions were aimed at understanding how compliance with these measures was implemented in Supplier’s organisations.

The focus of the audit questionnaire was on information gathering and understanding supplier’s approach to compliance with the relevant sections of the Supplier Handbook. Evidence of compliance with each section was also requested at this stage of the audit process. This could
include internal processes and procedures, training material, examples of customer communications and statements/bills or any other relevant evidence.

Following submission of information by suppliers, a standard template was developed to assess compliance against each section of the Supplier Handbook. Where gaps in information were identified these were marked for follow up through each supplier site visit. A copy of this template can be found in Appendix B. This sets out specific indicators related to each relevant requirement in the Supplier Handbook associated with PAYG meters and level/budget pay plans.

It should be noted that while the main focus of the audit was the Code of Practice on PAYG Meters and Budget Controllers, a number of requirements relevant to PAYG meters are also contained on other Codes of Practice, for example the CoP on Vulnerable customers. These requirements were also reviewed as part of the compliance assessment.

### 2.2.2 Site Visits

Site visits were conducted for ten suppliers as part of the audit. For a number of suppliers, only certain elements of the audit were applicable. For example, some suppliers do not offer Lifestyle choice or financial hardship PAYG.

The purpose of the site visits as part of the overall supplier audit was to follow up on information submitted as part of the questionnaire and verify submissions through an MPRN and GPRN level assessment of compliance. Details of the topics covered for each site visit are detailed in figure 3 below.

<table>
<thead>
<tr>
<th>Supplier</th>
<th>PAYG Financial Hardship</th>
<th>PAYG Lifestyle Choice</th>
<th>Level Pay/Budget Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be Energy</td>
<td>N/A</td>
<td>N/A</td>
<td>Electricity</td>
</tr>
<tr>
<td>Panda Power</td>
<td>Electricity</td>
<td>N/A</td>
<td>Electricity and Gas</td>
</tr>
<tr>
<td>Pinergy</td>
<td>N/A</td>
<td>Electricity</td>
<td>N/A</td>
</tr>
<tr>
<td>Flogas</td>
<td>Gas</td>
<td>Gas</td>
<td>Gas</td>
</tr>
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<td>Just Energy</td>
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<td>N/A</td>
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<tr>
<td>PrePayPower</td>
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</tr>
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<td>Bord Gáis Energy</td>
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</tr>
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<td>Energia</td>
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</tr>
<tr>
<td>Electric Ireland</td>
<td>Electricity and Gas</td>
<td>Electricity and Gas</td>
<td>Electricity and Gas</td>
</tr>
</tbody>
</table>

*Figure 3*
Each site visit was split into two parts. **Part 1** was based on a review of supplier’s submissions and the compliance assessment. A standard set of questions was prepared for each visit, with certain questions being applicable based on the level of detail provided in each supplier’s submission and the areas of the audit which were relevant to each supplier. **Part 2** was based on an assessment of MPRNs and GPRNs and is described in section 2.2.3 below. The dates and locations for each site visit can be found in Appendix D.

On a number of occasions, as a result of the follow up questions asked in part 1 or the MPRNs and GPRNs assessed in part 2 of the audit, the CRU followed up with suppliers and requested additional evidence which was not provided during the site visit.

### 2.2.3 MPRN and GPRN Scenarios

Scenarios were developed by the CRU to identify different types of customer situations in relation to the audit topic. Ahead of each site visit, the CRU requested a list of MPRNs and GPRNs\(^1\) from ESBN and GNI respectively for each supplier for PAYG electricity and gas meters installed for financial hardship reasons.

Suppliers were also asked to submit a list of MPRNs and GPRNs under a number of different scenarios, where applicable. These are detailed in Figures 4, 5 and 6.

<table>
<thead>
<tr>
<th>Category</th>
<th>Code of Practice on PAYG Metering and Budget Controllers - Electricity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Customers with an Electricity PAYG Financial Hardship Meter</td>
</tr>
<tr>
<td>Information requested</td>
<td>MPRNs provided by ESBN</td>
</tr>
</tbody>
</table>

**Figure 4**

<table>
<thead>
<tr>
<th>Category</th>
<th>Code of Practice on PAYG Metering and Budget Controllers - Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Customers with a Gas PAYG Financial Hardship Meter</td>
</tr>
<tr>
<td>Information requested</td>
<td>GPRNs provided by GNI</td>
</tr>
</tbody>
</table>

**Figure 5**

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\(^1\) MPRN and GPRN numbers are unique codes, used for both electricity and gas, which are assigned to each connection and meter.
<table>
<thead>
<tr>
<th>Category</th>
<th>List of electricity customers currently on level pay plans</th>
<th>List of gas customers currently on level pay plans</th>
<th>List of electricity customers on level pay plans that switched to another supplier</th>
<th>List of gas customers on level pay plans that switched to another supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information requested</td>
<td>10 MPRNs</td>
<td>10 GPRNs</td>
<td>10 MPRNS</td>
<td>10 GPRNs</td>
</tr>
</tbody>
</table>

**Figure 6**

For each applicable scenario, 1-2 MPRNs and GPRNs from the lists provided were randomly selected and assessed against a standard set of questions in order to evidence compliance with specific requirements in the Supplier Handbook. These questions are included in Appendix C.

Suppliers were asked to step through the selected MPRN or GPRN under each scenario and demonstrate compliance with the requirements set out in the Code of Practice on PAYG and Budget Controllers and the Code of Practice on Billing on their live IT systems. The purpose of this was to enable the CRU to independently verify the process and systems to support the documented evidence that the supplier had provided.

It should be noted that the CRU will confidentially delete all MPRN and GPRN level data collected as part of this audit as soon as the audit process is completed.

### 2.2.4 Individual Supplier Reports

Once the information gathering and verification stage of the audit was complete, the results were summarised for each supplier and potential breaches of compliance in relation to each Code of Practice were identified.

A report was compiled for each supplier which considered areas of their submission and site visit which demonstrated potential non-compliance and a copy of each supplier’s compliance assessment was included with each report.

Suppliers were given the opportunity to review the CRU’s findings in relation to their organisation and where applicable provide further information and evidence to demonstrate compliance. Where compliance could not be demonstrated, these findings were included as breaches of compliance for each relevant supplier, as set out in Section 3 of this report.
3. Audit Findings

3.1 Overview of PAYG meters

For both the electricity and gas markets, prepayment meters are split into two types; financial hardship Pay As You Go (PAYG) meters and lifestyle choice PAYG meters.

PAYG financial hardship meters are offered in the domestic electricity and gas markets to customers experiencing financial difficulty paying their bills. The Supplier Handbook requires that such meters are offered to customers in advance of disconnection, if they are deemed suitable for a customer.

In the case of PAYG financial hardship meters, the cost of the meter and its installation are socialised and the customer does not have to pay anything extra for the meter itself. Where a customer has built up arrears, a proportion of each credit top up on the meter goes towards debt repayment. Almost all suppliers offer PAYG financial hardship meters to customers experiencing difficulty paying their bills. Where a supplier does not offer this option, they cannot proceed to disconnect a customer in arrears.

PAYG meters are also offered on a lifestyle choice basis, for customers who opt to use such meters rather than a credit meter to manage their consumption and spending on gas or electricity. A limited number of suppliers offer PAYG meters on a lifestyle choice basis. Customers who opt for such meters may have to pay additional installation or service charges.

The Code of Practice on PAYG meters and Budget Controllers was introduced in the most recent revision to the Supplier Handbook in 2017 and this is the first time that Suppliers have been audited against these requirements. The Code places obligations on suppliers in relation to the treatment of energy customers who avail of a PAYG meter, whether for financial hardship or as a lifestyle choice. This Code aims to ensure that the protection framework in place for customer with such devices is adequate, taking account of the pre-paid model, the technical specifications of PAYG devices and their suitability for vulnerable customers.

There are a number of functional differences between electricity and gas PAYG meters, so these are described separately below.

3.1.1 Electricity Lifestyle Choice

Some suppliers offer Electricity PAYG devices as an option for customers who may wish to manage their electricity usage or spending using a PAYG device. Such devices are installed in a customer’s home in series with the existing ESB Networks meter (which is still used as the meter of record). In the case of electricity lifestyle choice, the PAYG meters are owned and operated by the supplier providing the lifestyle choice option. The cost of installation of these meters or any service
An Coimisiún um Rialáil Fóntais Commission for Regulation of Utilities

charge associated with the meter is borne by the customer.

Customers can pay for their energy in advance of use by purchasing credit for the meter from various sources. Electricity standing charges, unit charges and in some cases prepayment charges are deducted from credit on the meter and an annual statement of consumption is issued to PAYG customers.

Due to the technical specifications of the PAYG meter, customers who opt for a lifestyle choice electricity PAYG meter require a deactivation code if they wish to switch electricity suppliers. In addition, in order to switch to another lifestyle choice supplier, a customer’s current PAYG meter will need to be replaced with the gaining Supplier’s lifestyle choice PAYG meter. If the customer wishes to switch from a PAYG to a credit meter, their current supplier’s PAYG meter would also need to be removed.

Typically, suppliers become aware of a PAYG customer’s intention to switch to another supplier via a market message\(^2\) (an electronic communication similar to an email) forwarded by the MRSO as part of a suite of market messages sent during the change of supply process.

Electric Ireland, PrePayPower and Pinergy currently offer lifestyle choice PAYG meters for electricity. SSE Airtricity offered this in the past and still has a number of customers on a legacy PAYG lifestyle choice tariff.

### 3.1.2 Electricity Financial Hardship

Electricity customers may avail of an electricity PAYG financial Hardship meter where they are in constant arrears or experiencing difficulty paying their bills due to financial issues. Suppliers are required under the obligations set out in the Code of Practice on Billing and Disconnection to offer a PAYG meter as a budgeting method to assist these customers with managing their arrears in advance of disconnecting a customer.

In contrast to lifestyle choice, these meters are installed, owned and managed by ESB Networks for electricity. The cost of installation is socialised, while Electricity standing charges and unit charges are deducted from credit on the meter. When a customer tops up their meter, a certain proportion of each top up goes towards debt repayment. The maximum amount which can currently be deducted for the purpose of debt repayment is set at 25% of each customer vend and the specific amount is set by the Supplier.

As per lifestyle choice meters, where electricity financial hardship customers wish to switch suppliers they will require a deactivation code. Electricity PAYG financial hardship customers keep the same meter when they switch supplier. If they are still repaying debt, their current supplier may

\(^2\) The 110 market message.
raise a debt flag to notify the gaining supplier that the customer is in arrears with their current supplier. Upon receipt of the debt flag, the gaining supplier may choose whether or not to take on the new customer.

3.2.1 Gas Lifestyle Choice
Some suppliers offer Gas PAYG devices as an option for customers who may wish to manage their gas usage. For gas lifestyle choice PAYG, Gas Networks Ireland owns, installs and administers PAYG meters for lifestyle choice. This option is currently offered by Electric Ireland, PrePayPower and Flogas.

Deactivation codes are not required for Gas lifestyle choice customers who switch supplier. If a customer switches to another supplier with PAYG lifestyle choice they will keep the same meter. If a customer wishes to switch to credit meter they will be charged for a GNI site visit to change the meter.

When a customer changes supplier, gas debt on the meter is not transferred, with gas PAYG meters being subject to the same debt flagging arrangements as are in place across the market. Any credit that is on the meter at the time of a change of supplier remains on the meter and incoming suppliers are advised by GNI to confirm with the customer what the credit balance is at the time so that this can be accounted for in terms of the customer’s vending.

3.1.2 Gas Financial Hardship
Gas customers may avail of a gas PAYG financial Hardship meter where they are in constant arrears or experiencing difficulty paying their bills due to financial issues. Suppliers are required under the obligations set out in the Code of Practice on Billing and Disconnection to offer a PAYG meter as a budgeting method to assist these customers with managing their arrears.

For gas financial hardship PAYG, Gas Networks Ireland owns, installs and administers PAYG meters for financial hardship and there is no difference in terms of meter functionality to lifestyle choice meters. Up to 25% of each customer vend is taken off the meter for gas debt. In order for debt to be placed on a customer’s meter, there is a requirement to top up at least three times within the first 60 days of meter installation. This is because a gas card needs to be ‘paired’ to a gas PAYG meter and three vends are required to allow the systems to be aligned and ensure that transaction files and payment information are sent to the correct supplier.

Where a customer has not topped up for a period of time, standing charges will build up on the meter and these are also deducted from each top up, separate to the percentage set for recovery of gas debt. Customers are always guaranteed some gas from credit purchased which is determined by the Gas Allocation Rate, which is currently defaulted to 40%. This means that when a customer tops up, they are guaranteed a percentage of credit for gas. Gas debt is then deducted from the top up at a percentage of up to 25%. Any remaining credit is used to repay general debt.
on the meter, which accrues due to the build-up of standing charges where a customer does not top up for a period of time or to repay any emergency credit which has been used. If there is still credit left this is given to the customer for gas usage (in addition to the 40% based on the Gas Allocation Rate).

<table>
<thead>
<tr>
<th>Debt Recovery Percentages</th>
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<tr>
<td>Gas Allocation Rate</td>
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<tr>
<td>Gas Debt</td>
</tr>
<tr>
<td>General Debt (comprised of accrued standing charges and Emergency Credit Debt)</td>
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</tbody>
</table>

Deactivation codes are not required for gas financial hardship customers who switch supplier. If they are still repaying debt, their current supplier may raise a debt flag to notify the gaining supplier that the customer is in arrears with their current supplier. Upon receipt of the debt flag, the gaining supplier may choose whether or not to take on the new customer. Following a Change of Supplier, the gas debt does not remain on the PAYG meter.

### 3.3 Overview of Budget/Level Pay Plans

#### 3.3.1 How Budget/Level Pay Plans work

A number of electricity and gas suppliers provide a payment method to customers which allows them to pay their energy bills over a yearly period in 12 equal monthly installments. There are a number of terms for this payment option across different suppliers such as ‘level pay’, ‘budget pay’ and ‘equalizer’. Most suppliers offer this to customers paying by direct debit only.

Traditional monthly or bi-monthly energy bills are usually based on the amount of gas or electricity a customer has used in the previous month to two months, either based on an actual or estimated read. Due to changes in consumption, for example based on temperature changes between summer and winter, a customer’s bills can vary widely throughout the year. The aim of budget/level payments is to allow for budgeting by a customer through payment of a fixed amount each month.

In the case of the budget or level pay plans, customer’s bills are estimated for the forthcoming 12 months based on the supplier’s current rates and an estimate of a customer’s future energy usage. This estimate can be based on a number of factors and there is a large variation in methodologies across suppliers.
Usually, if a customer has been with a supplier for a certain period of time, this monthly amount will
be based on their billed consumption. If a customer signs up for this payment method with a new
supplier, their initial payment amount may be based on an Estimated Usage Factor for electricity or
an Annual Quantity for gas, which provides a record of previous consumption at their address.
Alternatively, some suppliers may ask new customers questions about their energy usage, type of
house and number of people in the household to ascertain their monthly consumption.

Suppliers may increase or decrease the monthly payment amount if the initial estimate was
incorrect, if a customer’s consumption changes or if there are changes to standing or unit charges.
There is also large variation between the review periods for these plans across suppliers, with
some suppliers conducting reviews within the first month of customer sign up and others
conducting reviews on an annual basis. In addition, some suppliers add a percentage tolerance to
a customer’s monthly payment amount to allow for adjustments in consumption for new customers
or changes in consumption due to cold weather. This is discussed further in Section 4 of this
Information Paper.

Customers on such plans receive a statement detailing usage (either based on an actual or
estimated read), the charges applied and the customer’s account balance. This shows whether
they are currently in credit or in debt based on their current monthly payment amount. If a
customer’s balance is greater than the estimate, it can be carried into the next billing period or
refunded, and the monthly payment amount may be adjusted downwards. If the customer is not
paying enough and is accruing arrears on their account, the monthly payment amount may be
adjusted upwards.

3.3.2 Rationale for Audit

An increasing number of suppliers in the electricity and gas markets offer this as a payment option
and this can be tied to certain discounts and payment via direct debit. The CRU decided to include
a review of supplier’s processes for this in the 2018 Supplier Audit due to a number of complaints
received by the Customer Care team throughout 2017 in relation to level/budget pay plans. A large
number of customer contacts in 2017 related to the topic of arrears and were due to issues with
arrears being accumulated by customers on level pay plans which were not set up correctly.

Between 2008 and 2009 Ofgem also conducted a review of supplier’s direct debit arrangements in
this area in the UK. This was due to concerns raised about direct debit payments and whether the
increases experienced by many customers were justified. An investigation was launched to
investigate this, but no evidence was found of deliberate increases in payment levels to improve
suppliers’ cash flow or of systematic errors in the calculation of such payments. However, through
the review Ofgem identified a number of ways in which supplier’s processes could be improved to
minimise fluctuations in payment levels and improve communications to customers.
Ofgem’s investigation identified a number of areas of best practice to ensure that payments are set at an appropriate level and to improve transparency and communication to customers. These recommendations are considered in light of the CRU’s findings from this audit in Section 4.

3.4 Findings and Issues Identified

This section sets out the findings of the audit under the following areas;

1. Findings in relation to past audit recommendations.
2. Findings in relation to PAYG meters.
3. Findings in relation to level/budget pay plans.

Suppliers were also asked to provide information on their internal processes for implementing the new compliance requirements associated with the Code of Practice on PAYG and Budget Controllers introduced in the revised version of the Supplier Handbook in April 2017 which the CRU reviewed as part of its compliance assessment. As these practices are internal for each organisation, they are not published as part of this Information Paper.

The summary provided here provides an overview of market issues and compliance issues with the Supplier Handbook identified through the audit. Section 3.5 of this paper provides more detail on breaches of compliance, where applicable, for each supplier.

3.4.1 Findings in relation to past audit recommendations

The 2018 Supplier Audit Questionnaire asked each supplier questions in relation to recommendations made by the CRU based on the findings of each audit over the past three years. These recommendations were based on best practice approaches identified for certain suppliers during the audits.

While each of these recommendations do not relate to any specific compliance requirement of the Supplier Handbook, the aim of these follow up questions was to understand how compliance audit recommendations are implemented.

Each of these questions and a summary of responses is outlined below.

1. The 2015 Audit of Compliance with the Code of Practice on Vulnerable Customers recommended that supplier's registration forms for vulnerable customers do not limit customer's ability to add a type of electrically powered medical equipment that they may be critically dependent on. Have you adjusted your registration form for vulnerable customers since the 2015 Audit? Please outline any changes that have been made.

The 2015 Audit made a recommendation that registration forms for Priority Services vulnerable customers should allow customers to add an additional type of equipment that
may not be set out in the form. The 2018 audit found that five suppliers have updated their Priority Services Vulnerable Customer forms to add a section for customers to add additional types of electrically powered medical equipment that they may be dependent on.

This recommendation did not apply to some suppliers that do not supply residential electricity customers or that do not take on Priority Services customers for PAYG. Two suppliers were not in the market at the time this audit was conducted but have developed registration forms in line with this recommendation.

2. Where a customer does not meet the requirement for a refund of their deposit after 12 months, the best practice observed by the CRU in the 2016 Audit of Compliance was for the supplier to contact the customer indicating the reasons why the deposit was not being refunded, and how the customer could improve their credit worthiness to get their deposit back. Could you outline your process for this? Have there been any changes to this process since the 2016 Audit?

Five suppliers responded to say that where a customer does not meet the requirements set out for a refund of their deposit, they will contact the customer to outline the reasons for this and advise the customer how to improve their credit worthiness.

Two suppliers do not currently contact customers to explain that their deposit has not been returned, while three suppliers do not currently request deposits from customers.

3. The Audit of Compliance with the Code of Practice on Complaint Handling found that not all suppliers have processes in place to handle complaints from customers whose first language is not English and customers who have additional communication requirements. It recommended that all suppliers evaluate ways of improving communication with such customers and encouraged suppliers to engage with consumer interest groups in this area. Can you outline your process for handling complaints for such customers?

Currently, a number of suppliers do not have processes in place for handling customer complaints for customers whose first language is not English. Some suppliers offer multiple channels for accepting complaints including letter, webchat, email and telephone and some have staff which are fluent in a number of languages.

A minority of suppliers stated that they also offer alternative communications for customers with visual or hearing impairments or allow customers to appoint someone to speak on their behalf if necessary.
3.4.2 Findings in relation to PAYG meters

Sections 8.1.2, 8.1.3 and 8.1.4 – Information on Energy Statements

Suppliers are required to issue an annual statement to lifestyle choice PAYG customers and statements to PAYG financial hardship customers at least three times a year. Under Sections 8.1.2, 8.1.3 and 8.1.4 of the Supplier Handbook, information on energy statements which suppliers are required to send PAYG customers, both financial hardship and lifestyle choice, must be compliant with obligations arising from CRU decisions which impact on the content of the energy bill and relevant legislation.

Two out of the ten suppliers audited do not currently offer PAYG devices to their customers. Of the remaining eight suppliers, six provided examples of energy statements which are compliant with relevant legislation and CRU decisions.

In the case of PrePayPower, the annual statement issued to PAYG lifestyle customers was fully compliant with the requirements of the Supplier Handbook. Due to their prepayment business model, PrepayPower do not specifically offer PAYG financial hardship meters to customers. However, some of their customers can end up in arrears, for example due to meter tampering or build-up of standing charges. Section 8.1.6(a) in the Supplier Handbook requires suppliers to provide a customer who is repaying debt a statement of consumption, debt repaid, debt outstanding and payments three times a year. It is stated in PrePayPower’s Code of Practice on PAYG that these statements are issued, however they are currently provided on an ad-hoc basis for customers repaying debt under PrePayPower’s recoup arrangement. PrePayPower stated that its view is that Section 8.1.6 does not apply to these customers. While the CRU notes that these meters were initially installed for lifestyle choice customers, if the customers are repaying debt the conditions of the Handbook should apply.

Energia’s annual statements for PAYG lifestyle customers and statements issued to PAYG financial customers do not adhere to the requirements of sections 8.1.2, 8.1.3 and 8.1.4 of the Supplier Handbook in their current format. However, it was stated during the site visit that these statements are under revision and Energia aims to have these updated in advance of the next scheduled statement being issued to customers. The CRU notes Energia has submitted revised statements to the Customer Care team for review.
Section 8.1.5 – Information provided to PAYG customers

Under Section 8.1.5 of the Supplier Handbook, Suppliers are required to provide the following information to customers using a PAYG meter or a budget controller;

A. A written explanation of what a prepayment meter or a budget controller is and how it operates.

B. Clear statement that the energy supply is cut off if there is no credit on the PAYG meter or the budget controller.

C. Full details of how the customer will access information on the supplier’s current tariffs and any charges which apply to them. This may be done by directing the customer to a phone number or a place on the supplier’s website.

D. The frequency and content of statements or bills which the supplier will issue.

E. Details of how to access information on approved vending facilities in the customer’s area, including the location and hours available.

F. Details of the impact of purchasing from unapproved vending facilities (where applicable).

G. Where an identity card for the account or a top up card that is used when purchasing credit is issued to the customer, the customer must be advised in the Code if a charge will be applied for replacement of lost cards.

H. The amount of emergency credit available on the Pay As You Go meter/budget controller and an explanation of how emergency credit is accessed and replenished.

I. The telephone number(s) for advice on use of the prepayment meter/budget controller and emergency service. These numbers must also be included on the customer’s statements and bills.

J. The supplier’s policy on refunding credit balances. This includes the supplier’s process to refund customers in the event they change supplier while still having a credit balance. Any credit due to the customer in a change of supplier scenario should be refunded no later than 2 months from the effective date of the change or within a timeframe approved by the CRU. The Code should also include the supplier’s policy on refunding credit to a customer.

K. Clear statement in plain English that budget controllers and PAYG meters may not be suitable for some vulnerable customers. In cases where the pre-paid meter or budget controller was installed for reasons of financial hardship, suppliers must notify customers
that wherever possible alternative arrangements will be offered (E.g. flexible payment plans)

L. Gas only: Customers must be advised that CRU has put in place a rule that registered vulnerable customers cannot be disconnected in winter months, where a gas prepayment meter has been installed there is an option that would allow the meter not to shut down during winter months. Registered vulnerable customers must be advised of this option.

M. Suppliers should refer to measures and provisions that relate to vulnerable customers including recognition that PAYG budget controllers may not be suitable for such customers. The Code should explain that wherever possible alternative arrangements will be offered e.g. flexible payment plans.

All suppliers reviewed as part of this audit were found to be compliant with sections A-H and K-L of this requirement.

In the case of section J, concerning supplier’s policy on refunding credit balances, for electricity PAYG devices all suppliers provide a refund to customers within 2 months of a change of supplier as required. In the case of gas PAYG devices, any credit on the meter remains at the time of a change of supplier. Suppliers have a number of ways of dealing with this, including advising customers to avoid topping up more than they need to when changing supplier or moving to a new house. Some suppliers also have internal policies for customers that have switched to them with credit on their PAYG gas meter whereby a certain amount of supply is provided below certain credit amounts, for example €20. If the new customer has above a certain amount of credit on their meter, they will be directed to their previous supplier for a refund.

This process is not uniform however and explicit details concerning the complexities of gas refunds are not provided in any Supplier’s Codes of Practice. The same issue applies if a gas PAYG customer is switching to another supplier and moving to a credit meter. The lack of a unified process and customer communication around refunds in the case of gas PAYG meters has been identified as an issue in the gas retail market through this audit.

Under section M, which states that where a gas prepayment meter has been installed there is an option that would allow the meter not to shut down during winter months, it was found through the audit responses and subsequent follow up with GNI that this statement is incorrect, and this functionality cannot be changed on gas PAYG meters. On this basis, this section of the Supplier Handbook and Supplier’s Codes of Practice will need to be revised.
Section 8.1.6 – Where a meter is installed for outstanding debt

Where a PAYG meter is being installed, suppliers must ensure that:

A. Where a customer is repaying a debt they must receive a statement of consumption, debt outstanding, debt repaid and payments made 3 times a year

B. Up to a maximum of 25% of a single customer vend can be attributed to debt recovery

C. Customers receive details on how the customer can access up to date information on their outstanding debt, how long it will take to pay off and total amount repaid.

D. Customers receive details of how they will be informed when their debt has been repaid. This should take place no more than one billing period after the debt has been repaid.

E. Customers receive information on how the supplier will address debit balances on a customer’s account if they change supplier.

All suppliers were found to be compliant with section A of this requirement, except PrePayPower as detailed above.

For all suppliers, a maximum of 25% of each vend was attributed to debt recovery as per section B of this requirement. In some cases, suppliers had agreed to recover a higher amount where a customer had requested this.

An issue was identified by the CRU in relation to gas PAYG meters, which is also described in section 3.1.2 of this Information Paper. Where standing charges have built up on a gas PAYG meter or emergency credit has been used, there is a deduction from each top up, separate to the percentage set for recovery of gas debt. Customers are always guaranteed some gas from credit purchased which is determined by the Gas Allocation Rate, which is currently defaulted to 40% (and set by the CRU).

When a customer tops up, gas debt is deducted from the top up at a percentage of up to 25%. At least 40% is allocated to customer credit. Any remaining credit is then used to repay ‘general debt’ on the meter, which accrues due to the build-up of standing charges where a customer does not top up for a period of time or the use of emergency credit.

This presents an issue in terms of the high percentage of each PAYG financial hardship customer’s top-ups potentially going towards debt repayment, and how this is communicated to customers, as the majority of Suppliers do not have information in their customer communications with this level of detail.

Under section C of this requirement, some suppliers included details on how long it would take to pay off debt on customer’s statements and this was identified as an area of best practice. Other
An Coimisiún um Rialáil Fónta  
Commission for Regulation of Utilities

suppliers did not provide information on customer’s statements but stated that a customer could call to access this information.

Under section D of this requirement, six of eight suppliers provide a separate communication to customers to notify them when their debt has been repaid. Electric Ireland and Flogas do not provide a separate communication but their PAYG statement notifies customers that their remaining arrears are 0 once debt has been repaid.

Under section E of this requirement, suppliers provide customers with details of how they will address debit balances on a customer’s account if they change supplier in a number of different communications. Some suppliers only include this in their Terms and Conditions, while other suppliers explicitly inform their customers through direct communication.

Section 8.1.7 – Before a PAYG meter is installed

Before a Prepayment meter is installed, the following requirements must be met by suppliers;

| A. Suppliers must ensure the consent of the customer / named account holder or third party who represents the customer prior to installation of the prepayment meter/ budget controller. In the event that the customer is a tenant in a rental property, an auditable record of permission from the owner/landlord of the property should be retained. |
| B. It is the supplier’s responsibility to assess the suitability of prepayment meters/ budget controllers for a given customer (especially customers who may be vulnerable or have an impairment which could impact their ability to use the technology). Certain categories of vulnerable customers cannot be disconnected (i.e. priority support customers). It is important that customers are capable of using any technology that is provided safely and that they can access the budget controller and access a location to purchase top up for their budget controller. |
| C. As guidelines, it is recommended that PAYG meters and budget controllers are not suitable for customers eligible to register on the Priority Services Register, most particularly those who are critically dependent on electrically powered equipment. |

In terms of Section A of this requirement, two suppliers do not obtain an auditable record of permission from the owner/landlord of a property where a tenant wishes to install a PAYG meter. Panda Power does not obtain a record of permission where a PAYG meter is being installed for a tenant, while Pinergy accepts verbal confirmation from the customer (which is recorded on phone calls or in their sign-up checklist) that they have the landlord’s consent to install a PAYG financial hardship meter. The CRU has received a number of complaints in the past which relate to this
requirement, whereby a tenant did not obtain permission and subsequently moved away. In such cases the landlord would then incur a charge for uninstalling the meter.

Seven out of eight suppliers provided evidence that they assess customer’s suitability for a PAYG meter under section B of this requirement. The most common form of suitability assessment was either through a sign-up checklist or a script or internal staff procedure to assess suitability over the phone. Panda Power could not demonstrate that a process is in place or detail how a customer’s suitability for PAYG meter is assessed. This assessment should check that the customer can safely use and access the meter, can access a location within reasonable distance to purchase credit for their meter and should assess whether the meter is suitable for certain types of vulnerable customers.

While suppliers do check for vulnerability as part of this process, a number of supplier’s processes do not differentiate between Priority Services and Special Services customers as part of the assessment. Special Services customers are particularly vulnerable to disconnection during winter months for reasons of advanced age or physical, sensory, intellectual or mental health, while Priority Services customers are critically dependent on electrically powered equipment, which may include life protecting devices.

Pinergy and Energia both have a policy whereby Priority Services customers are not offered PAYG devices, for either financial hardship or lifestyle choice. Other suppliers have stated in their responses to the audit questionnaire and during site visits that while they do not recommend PAYG meters for Priority Services customers, customers may register their vulnerability after a PAYG meter is installed or insist on having a PAYG device. While SSE Airtricity and PrePayPower do have Priority Services customers with PAYG devices, they do not offer these where life support equipment is installed at the property. Electric Ireland, Bord Gáis Energy and Panda Power do not currently have documentation in relation to a specific policy differentiating between life support and non-life support priority services customers.

As detailed in Section C of this requirement, the CRU does not recommend that PAYG meters are suitable for customers eligible to register on the Priority Services Register. Through the audit process the CRU has collected the figures shown in Figure 7 below in relation to the number of vulnerable customers with lifestyle choice or financial hardship PAYG meters. This represents a total of 362 customers registered as critically dependent on electricity who have PAYG meters.

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<thead>
<tr>
<th>PAYG Financial Hardship</th>
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<tr>
<td>Priority Services</td>
</tr>
<tr>
<td>Special Services</td>
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<tr>
<td>PAYG Lifestyle Choice</td>
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A number of suppliers stated that their Priority Services customers registered their vulnerability after a PAYG meter was installed, and in many cases wanted to keep the meter installed despite being advised that it was not suitable. While it does not constitute a breach of the Supplier Handbook to offer PAYG meters to Priority Services customers, where suitability has not been adequately assessed by suppliers this does raise a compliance issue.

### Section 7.6 – Vulnerable Customers on PAYG Meters

Section 7.6 of the Supplier Handbook forms part of the Code of Practice on Vulnerable customers and applies where vulnerable customers avail of a PAYG meter for financial hardship and as a lifestyle choice. This requires suppliers to implement adequate and efficient processes to ascertain the suitability of PAYG meters for vulnerable customers, which has been discussed previously.

The following requirements have also been reviewed as part of this audit:

7.6.5 Suppliers are required to implement adequate and efficient processes to ensure that vulnerable customers on PAYG meters are provided with information on what to do if the PAYG meter is no longer suitable for use on grounds of vulnerability.

7.6.6 Suppliers are required to implement fit-for-purpose processes to address cases where it becomes apparent that a PAYG meter is no longer suitable for a vulnerable customer post sign up.

7.6.7 Suppliers must not levy penalty fees (including early termination fees, meter removal fees) on PAYG customers who terminate a contract of supply where the PAYG meter is no longer suitable for use due to their vulnerability.

Suppliers were asked about their processes for ensuring vulnerable customers with PAYG meters are provided with information on what to do if the PAYG meter is no longer suitable. A range of approaches were described by suppliers in their responses but there were two examples of best practice. Some suppliers issue an annual communication to vulnerable customers with PAYG meters to provide them with information on what to do if their meter is no longer suitable, while a number of suppliers include this information as part of the statements they issue to PAYG customers.

Panda Power currently has a statement in relation to this in the Code of Practice on Vulnerable
customers but does not have a process in place for communicating directly to vulnerable customers with PAYG devices. Pinergy, Bord Gáis Energy and SSE Airtricity include this information in statements sent to all PAYG customers, while Flogas, PrepayPower and Electric Ireland issue a letter to vulnerable customers annually. Energia state that they do not provide PAYG devices for vulnerable customers but Energia’s PAYG welcome letter and PAYG statements prompt customers to contact Energia if the meter is no longer suitable.

Where suppliers are advised that a PAYG meter is no longer suitable for a vulnerable customer post-sign up, it was confirmed through audit responses and site visits that suppliers do not levy any penalty fees for early termination or meter removal for the customer to switch to credit.

Section 8.1.8 – Where a meter is installed for a customer with outstanding debt

Where a PAYG meter has been installed for a customer who has outstanding debt, the following requirements were assessed as part of the audit;

| A. Suppliers to provide the CRU with details of their debt recovery process. |
| B. Suppliers should take account of the customer’s ability to pay when installing a prepayment meter/ budget controller and confirm with the customer that payment arrangements are manageable; in particular this includes the setting of debt recovery instalments. |
| C. Where applicable, customers must be made aware in writing of the total amount of their debt, the likely length of time to repay the debt and how their instalment for debt recovery has been calculated e.g. €x weekly over 36 months. |
| D. Suppliers must ensure that customers have reasonable access to vending facilities 7 days a week. In this respect, reasonable access is suggested as a distance of no more than 1.6 km where the customer indicates they have no means of transport, unless this is considered to be impractical in particular circumstances, e.g. rural areas. |
| E. Where the supplier becomes aware that a customer is experiencing difficulties physically using the controller or accessing top up facilities the supplier should work with the customer to make an alternative arrangement for payment including switching to a credit meter. |

In terms of Supplier’s debt recovery process, the majority of suppliers for both electricity and gas PAYG financial hardship recover debt at a rate of 25% of each customer’s top up.

For electricity, SSE Airtricity is the only supplier with a specific debt recovery process which allows
for different percentage recovery rates to be agreed with a customer. This raises concerns about how other suppliers are taking into account customer’s ability to pay in the setting of debt recovery instalments as per section B of this requirement. Some suppliers stated that if a customer requested to pay a lower amount through each vend this could potentially be facilitated but that the situation had not occurred to date.

For gas, almost all suppliers responded to say that they were limited to setting the debt recovery rate at 25% due to the lack of availability of different tariff slots in the market. Through discussions with GNI the CRU understands that this functionality will be improved in future.

Section C of this requirement requires suppliers to make customers aware, in writing, of the likely length of time it will take to repay their debt. As discussed under Section 8.1.6, a number of suppliers do not currently notify customers in writing of the likely length of time to repay their debt.

A number of suppliers ensure that customers have reasonable access to vending facilities 7 days a week as part of their sign-up checklist or provide information in their Codes of Practice and on their websites.

**Section 8.1.11 - Eligibility**

In terms of eligibility for a PAYG financial hardship meter, the following requirements of the Supplier Handbook were assessed as part of the audit:

| A. Where the cost of installation is socialised (free of charge to the customer), suppliers must ensure that budget controllers/ prepayment meters are only in installed in cases where a customer is in genuine financial hardship. A customer is taken to be in genuine financial hardship if s/he is unable to make payments against their bills without assistance and are finding himself / herself in constant arrears. |
| B. In order to identify customers who need these meters suppliers are expected, where possible, to work with MABS and accredited charities to identify individuals in need of this level of assistance. The CRU will monitor the level of installation by suppliers to ensure that these meters are installed appropriately. |

All Suppliers who offer PAYG financial hardship devices responded to the questionnaire to state that they work with accredited charities and some suppliers have a formal process for this.

In terms of categorisation of customers in genuine financial hardship, the majority of suppliers identify customers that have been in arrears for a certain period of time and are at risk of disconnection. Customers can also be classified as financial hardship customers if agencies or accredited charities such as MABs or SVP contact a supplier on their behalf. In some cases, other
circumstances may be considered as a financial hardship case for certain Suppliers if a customer gets in contact to explain their circumstances.

Sections 9.1, 9.2.3 and 3.3.4 – Deactivation Codes

The following requirements apply to Suppliers in relation to deactivation codes, which are required by electricity PAYG customers in order to switch supplier:

- **Section 9.1 of the Supplier Handbook** requires Suppliers to ensure that their Terms and Conditions of Supply do not limit or delay customer’s ability to switch energy suppliers, including cases where the configuration of supplier’s internal systems and processes results in a delayed release of the deactivation code.

- **Under section 9.2.3 of the Supplier Handbook**, where customers need to have access to specific information in order to switch away from a supplier (such as the deactivation code in the case of electricity PAYG lifestyle customers), suppliers must include all necessary information to enable completion of the switching process in their Terms and Conditions of Supply, together with how this information can be obtained.

- **Under Section 3.3.4**, Suppliers are required to release all necessary information to enable the completion of the switching process (such as the deactivation code) within a specified period of time as directed by the CRU, regardless of whether a successful contact has been established with the customer by the expiry of this period of time.

There were two main issues identified in relation to deactivation codes as part of the Supplier Audit, affecting electricity PAYG lifestyle choice and PAYG financial hardship customers. In the first instance, information in relation to deactivation codes and how this information can be obtained was not found in some supplier’s Terms and Conditions of Supply. This was missing from the Terms and Conditions of Supply for Panda Power, Pinergy, Bord Gáis Energy, Energia and Electric Ireland.

In terms of supplier’s systems and processes under section 9.1, it was identified through the audit that there are a number of different practices across suppliers for issuing deactivation codes. Some suppliers issue deactivation codes when a PAYG customer switches away from them, as outlined in the Supplier Handbook, while other suppliers issue a deactivation code when a PAYG customer switches to them. In some cases, the process a supplier follows is different depending which supplier they are switching to and whether the customer has a lifestyle choice electricity PAYG meter or a financial hardship PAYG meter. In the case of PAYG lifestyle choice, some suppliers have bilateral agreements with other lifestyle choice suppliers to remove the losing supplier’s
lifestyle PAYG device while installing their PAYG device.

Another issue was identified related to the process for financial hardship customers switching to suppliers with a different system to the Liberty PAYG system, which all financial hardship meters installed by ESBN use. If a customer switches, their meter remains in PPM mode and registered to their old supplier on liberty even though they are registered to a new supplier on market systems. This can lead to issues with the customer topping up.

The process for issuing deactivation codes identified for each supplier is outlined in Figure 8 below.

<table>
<thead>
<tr>
<th></th>
<th>PAYG Lifestyle Choice</th>
<th>PAYG Financial Hardship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panda Power</td>
<td>N/A</td>
<td>Deactivation Code issued to outgoing customers.</td>
</tr>
<tr>
<td>Pinergy</td>
<td>Deactivation Code issued to outgoing customers in the case of most suppliers, except where a bilateral agreement is in place with lifestyle suppliers to remove the meter instead of issuing a Deactivation Code.</td>
<td>N/A</td>
</tr>
<tr>
<td>PrePayPower</td>
<td>Deactivation Code issued to outgoing customers in the case of most suppliers, except where a bilateral agreement is in place with lifestyle suppliers to remove the meter instead of issuing a Deactivation Code.</td>
<td>N/A</td>
</tr>
<tr>
<td>Bord Gáis Energy</td>
<td>N/A</td>
<td>Deactivation Codes are usually issued to incoming customers. Codes can also be issued to outgoing customers if required. Deactivation Codes are issued to outgoing PAYG customers if the customer is switching to a non-Liberty meter.</td>
</tr>
<tr>
<td>SSE Airtricity</td>
<td>If the customer has a PAYG</td>
<td>Deactivation Codes are issued to</td>
</tr>
</tbody>
</table>
An Coimisiún um Rialáil Fónta  
Commission for Regulation of Utilities

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>lifestyle meter SSE</td>
<td>SSE will issue the Deactivation Code.</td>
</tr>
<tr>
<td>incoming customers from Electric Ireland, Bord Gáis Energy, PrePayPower or Energia</td>
<td>If an outgoing customer is switching to Panda Power or Pinergy SSE will issue the deactivation code.</td>
</tr>
<tr>
<td>Energia</td>
<td>Deactivation Codes are usually issued to incoming customers. Codes can also be issued to outgoing customers if required.</td>
</tr>
<tr>
<td>Electric Ireland</td>
<td>Electric Ireland issues Deactivation Codes for outgoing customers only.</td>
</tr>
</tbody>
</table>

**Figure 8**

This variability between suppliers presents an issue as customers may not be aware which process their supplier follows and this may lead to a delay in deactivation codes being issued under different circumstances. The Supplier Handbook is clear in that it requires suppliers to issue a deactivation code for PAYG customers no later than 10 days after receipt of the MM110 market message, however this practice is not followed by all suppliers.

In their responses to the audit questionnaire and during the site visits, a number of suppliers indicated that delays in issuing deactivation codes may arise where a supplier cannot get in contact with a customer. The CRU notes that section 3.3.4 of the Supplier Handbook requires deactivation codes to be issued within a set time period, regardless of whether a successful contact has been established with the customer by the expiry of this period of time.

### 3.4.3 Findings in relation to Level/Budget Pay Plans

Section 3.3 of this Information Paper provides an overview of how level/budget pay plans work. As discussed, the CRU’s customer care team received a number of complaints in 2017 regarding the accuracy of level pay plan calculations and issues related to the frequency of reviews of customer’s plans. In some cases this led to customers accruing large arrears.

While the Supplier Handbook does not set out details of how monthly payment amounts for level pay plans should be calculated or the period for review of these plans, the CRU assessed compliance with the Code of Practice on Billing in relation to accurate calculation of bills, information provided to customers and refunds. The CRU also identified best practice in this area and provides a number of recommendations for Suppliers as part of this Information Paper.

The relevant areas of the Supplier Handbook require the following:

**4.1.6 Suppliers are required to ensure that all bills, scheduled or otherwise, in respect of energy**
consumption are accurately calculated based on one of the following:

A. Actual readings provided by the Electricity Network Operator/Gas Network Operator, or

B. Customer Readings (where suppliers receive customer meter readings directly they are to be forwarded to the Electricity Network Operator/Gas Network Operator), or

C. Supplier or MRSO/GPRO generated estimates (where a supplier chooses to generate their own estimates that supplier must be able to demonstrate that information provided by the Electricity Network Operator and the Gas Network Operator has been used to ensure estimates are as accurate as possible)

4.3.4 Suppliers should include details in their Code of any standard budgeting/ payment arrangements that customers may avail of e.g. An Post Household Budget Scheme, level/budget payment plans that allow the spreading of costs over a defined time period.

4.3.5 Where a customer is paying by direct debit then the customer must be notified 14 days in advance if there is any change in the amount to be debited unless they have agreed otherwise (e.g. fixed payment date or amount) or in line with the Irish Payment Services Organisation (IPSO) standard for notification of direct debits.

4.7.9 Any refund due to the customer should be refunded no later than 2 months from the date when the final energy bill or energy statement was issued providing the customer has contacted the Supplier to notify them how / where he / she wants the refund. The refund method must be reasonable, transparent and free of charge.

These requirements were assessed during each site visit via a selection of supplier’s MPRNs and GPRNs for customers on level/budget pay plans.

In terms of requirement 4.1.6, there was large variation identified in how monthly payments are calculated for new customers. In the majority of cases if a supplier's current customers sign up for this payment method and have a certain period of recorded consumption with the supplier this can be used. However if the customer is new, payments may be calculated based on the EUF or AQ at the property, by asking the customer a set of questions or by asking the customer to provide previous billing information. These are summarised for each supplier offering level/budget pay in Figure 8 below.

All suppliers review customer’s monthly payment amounts according to a schedule, which also varies widely. Some reviews occur within the first month of sign up while others occur on an annual basis. Energia reviews this for new customers within the first month of sign up, while Electric Ireland only signs up electricity customers for level/budget pay after the first six months of sign up and until Electric Ireland has 3 actual reads at the property.
### Sign up method

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE Energy</td>
<td>Customer is asked how much they paid with their previous supplier and initial rates are set on this basis.</td>
</tr>
<tr>
<td>Panda Power</td>
<td>Based on the EUF or AQ at the property.</td>
</tr>
<tr>
<td>Flogas</td>
<td>A calculator is used which is based on typical consumption values.</td>
</tr>
<tr>
<td>Just Energy</td>
<td>Based on the EUF or AQ at the property.</td>
</tr>
<tr>
<td>Bord Gáis Energy</td>
<td>A calculator is used which asks questions about the type of property, heating, occupancy etc. Customers can also provide annual usage history from their previous supplier.</td>
</tr>
<tr>
<td>SSE Airtricity</td>
<td>Based on the EUF or AQ at the property, adjusted for seasonal factors. An initial consumption tolerance of 15% is applied to new customers for first 4 months.</td>
</tr>
<tr>
<td>Energia</td>
<td>Based on the EUF or AQ at the property. If not available Energia asks questions about the property and the customer’s consumption.</td>
</tr>
<tr>
<td>Electric Ireland</td>
<td>Based on AQ for gas, for electricity customers are not signed up for the first 6 months until EI has 3 actual reads.</td>
</tr>
</tbody>
</table>

**Figure 8**

Suppliers were able to demonstrate through the site visit that customers who pay by direct debit are notified at least 14 days in advance of any changes in the amount to be debited. It was also demonstrated that customers are notified of any credit due based on their final bill where they have switched supplier.

### 3.5 Specific Supplier Breaches

Section 3.4 of this report has provided a summary of the issues identified as part of the 2018 supplier audit, both in terms of the processes and functionality for PAYG meters and the variability in how level/budget payment plans are established. An overview has also been provided of the areas of the Handbook where breaches of compliance were identified.

This section focuses on the breaches of compliance with the Supplier Handbook identified for each supplier. These are based on the Code of Practice for PAYG Metering and Budget Controllers and specific sections of the Code of Practice for Billing.

An individual report with preliminary audit findings was issued to each supplier and suppliers were given the opportunity to respond to this with additional evidence. Based on the responses received for each supplier and taking account of additional evidence provided, the final results for each
supplier are presented below.

3.5.1 Be Energy: Be Energy entered the domestic electricity market in 2017 and does not currently offer PAYG devices for financial hardship or lifestyle choice. Be Energy does offer an equaliser arrangement for customers to spread the cost of their annual consumption into equal monthly payments. No breaches of compliance were found for Be Energy as part of the audit.

3.5.2 Panda Power: Panda Power operates in the domestic electricity and gas market and offers PAYG financial hardship devices and level/budget payment arrangements for customers. A number of breaches of compliance were found through the supplier audit and are outlined in figure 9 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.1.7</td>
<td>Under section 8.1.7 of the Supplier Handbook, suppliers must retain an auditable record of permission from the owner/landlord of a property in the event a PAYG financial hardship meter is installed in a rented property. It was not demonstrated in the audit that Panda Power requires this from customers. Following the preliminary audit report issued to Panda Power, their response stated that they will obtain an auditable record of permission where required in future. Panda Power has also updated their call centre script to ensure consent is sought prior to installation.</td>
</tr>
<tr>
<td>2</td>
<td>8.1.7</td>
<td>Under section 8.1.7 of the Supplier Handbook, suppliers have responsibility to assess the suitability of prepayment meters/budget controllers for a given customer, particularly customers who may be vulnerable or have an impairment which could impact their ability to use the technology. While Panda Power’s PAYG sign up script does require vulnerable customers to fill out a waiver form before a PAYG meter can be installed, this does not differentiate between Priority and Special Services vulnerable customers and Panda Power’s policy on sign up of Priority Services customers is not clear in any documentation provided as part of the audit. It was demonstrated through the site visit that Panda Power did previously have a Priority Services PAYG customer.</td>
</tr>
<tr>
<td>3</td>
<td>8.1.8</td>
<td>Section 8.1.8 of the Supplier Handbook requires suppliers to make customers aware in writing of the likely length of time to repay debt.</td>
</tr>
</tbody>
</table>
This was not identified on statements or other documents submitted by Panda Power.

| 4 | 9.2.3 | Under section 9.2.3 of the Supplier Handbook, where customers need to have access to specific information in order to switch away from a supplier (such as the deactivation code in the case of electricity PAYG lifestyle customers), suppliers must include all necessary information to enable the completion of the switching process in their Terms and Conditions of Supply, together with how this information may be obtained. This information was not found in Panda Power’s Terms and Conditions of Supply. Panda Power responded to their preliminary audit report to state that these would be updated to reflect this requirement. |

**Figure 9**

**3.5.3 Pinergy:** Pinergy provides lifestyle choice PAYG meters for electricity. While Pinergy does not offer PAYG for financial hardship customers, some PAYG lifestyle choice customers may end up in arrears for a number of reasons, such as accrual of standing charges or meter tampering.

A number of breaches of compliance were found through the supplier audit and are outlined in figure 10 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.1.6</td>
<td>Under section 8.1.6 of the Supplier Handbook, suppliers must provide customers with details of how they can access up to date information on how long their debt will take to pay off and the total amount repaid. Pinergy does not currently provide this information to customers repaying debt through their meter recoup arrangement. While these meters were installed for lifestyle choice customers as per Pinergy’s business model, in many cases these recoup arrangements were put in place due to meter tampering. The CRU recommends that where possible, this information is provided to customers.</td>
</tr>
<tr>
<td>2</td>
<td>8.1.7</td>
<td>Under section 8.1.7 of the Supplier Handbook, suppliers must retain an auditable record of permission from the owner/landlord of a property in the event a PAYG financial hardship meter is installed in a rented property. Pinergy stated that currently the customer confirms on behalf of the landlord over the phone/on sign up that they have permission. In their response to</td>
</tr>
</tbody>
</table>
the preliminary audit findings, Pinergy stated that they will ensure that an auditable record of permission is retained in future.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>9.2.3</td>
<td>Under section 9.2.3 of the Supplier Handbook, where customers need to have access to specific information in order to switch away from a supplier (such as the deactivation code in the case of electricity PAYG lifestyle customers), suppliers must include all necessary information to enable the completion of the switching process in their Terms and Conditions of Supply, together with how this information may be obtained. This information was not found in Pinergy’s Terms and Conditions of Supply. In their response to the audit questionnaire, Pinergy stated that they would update their Terms and Conditions of Supply to include this.</td>
</tr>
</tbody>
</table>

Figure 10

3.5.4 Flogas: Flogas provides lifestyle choice and financial hardship meters for gas and level/budget payment arrangements for customers. One breach of compliance was found through the supplier audit and are outlined in figure 11 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.1.6</td>
<td>Under section 8.1.6 (e) of the Supplier Handbook, customers should receive information on how the supplier will address debit balances on a customer’s account if they change supplier. Details of this could not be found in any communications to customers submitted by Flogas as part of the audit.</td>
</tr>
</tbody>
</table>

Figure 11

3.5.5 Just Energy: Just Energy entered the electricity and gas markets in 2017 and currently offers level/budget payment arrangements for customers. Just Energy does not currently offer PAYG meters for lifestyle choice or financial hardship. One breach of compliance was found through the supplier audit and is outlined in figure 12 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4.3.4</td>
<td>Requirement 4.3.4 of the Code of Practice on Billing in the Supplier Handbook requires suppliers to include details of standard payment arrangements that customers may avail of, such as level/budget payment that allows the spreading of payments over a specified time period in their Code of Practice on Billing or Terms and Conditions of Supply.</td>
</tr>
</tbody>
</table>
This was not identified in Just Energy’s Code of Practice on Billing or explicitly set out in Just Energy’s Terms and Conditions of Supply. Section 6.7 of the Terms and Conditions of Supply states ‘You must pay us by one of the methods set out on our website and on the back of your bill’, but does not specifically reference level/budget payment arrangements.

Figure 12

3.5.6 PrePayPower: PrePayPower provides lifestyle choice PAYG meters for electricity and gas customers. While PrePayPower does not offer PAYG for financial hardship customers, some PAYG lifestyle choice customers may end up in arrears for a number of reasons, such as accrual of standing charges or meter tampering. A number of breaches of compliance were found through the supplier audit and are outlined in figure 13 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.1.6</td>
<td>Section 8.1.6(a) of the Supplier Handbook requires suppliers to provide a customer who is repaying debt a statement of consumption, debt repaid, debt outstanding and payments three times a year. These statements are currently only issued on an ad-hoc basis for customers repaying debt under PrePayPower’s recoup arrangement. While these meters were installed for lifestyle choice customers as per Prepaypower’s business model, in many cases these recoup arrangements were put in place due to meter tampering. The CRU recommends that where possible, this information is provided to customers. In their response to the preliminary audit finding, PrePayPower stated that this would be implemented by Q2 2019.</td>
</tr>
<tr>
<td>2</td>
<td>Code of Practice on Vulnerable Customers.</td>
<td>During the assessment of MPRNs and GPRNs, it was identified that a Priority Services customer was incorrectly classified as Special Services customer. Given the importance of ensuring continuity of supply to Priority Services customers it is imperative that they are classified correctly. PrePayPower’s process for conducting regular audits of its vulnerable customers was discussed during the site visit and PrePayPower demonstrated that an assessment process and risk</td>
</tr>
</tbody>
</table>
assessment was in place for Priority Services and Special Services customers on sign up for PAYG lifestyle choice.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>3.3.5</td>
<td>Under section 3.3.5 of the Supplier Handbook, suppliers are required to release all necessary information to enable the completion of the switching process (such as the deactivation code) within a specified period of time as directed by the CRU, regardless of whether a successful contact has been established with the customer by the expiry of this period of time. In its response to the audit questionnaire and during the site visit PrePayPower noted that there can be delays in issuing the deactivation code if a customer cannot be contacted. While it is best practice to contact a customer to issue a deactivation code, the CRU notes that as per the Supplier Handbook requirement, this code should be issued within 10 days, regardless of whether the customer can be contacted.</td>
</tr>
</tbody>
</table>

**Figure 13**

**3.5.7 Bord Gáis Energy:** Bord Gáis Energy offers PAYG meters for financial hardship in electricity and gas and offers level/budget payment arrangements for customers. A number of breaches of compliance were found through the supplier audit and are outlined in figure 14 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1      | 8.1.7   | Section 8.1.7 of the Supplier Handbook recommends that PAYG meters and budget controllers are not suitable for customers eligible to register on the Priority Services Register, most particularly those who are critically dependent on electrically powered equipment and that suppliers are responsible for assessing the suitability of PAYG meters for a given customer. Under requirement 7.6.3 of the Code of Practice on Vulnerable customers, suppliers have a responsibility to implement an adequate and efficient process to ascertain the suitability of PAYG meters for vulnerable customers. While it is not Bord Gáis Energy’s policy to install a PAYG meter for Priority Services customers, they have some Priority Services customers on PAYG financial hardship meters. In the preliminary audit report issued to Bord Gáis Energy, it was identified that it was unclear from Bord Gáis Energy’s documentation what additional
assessments are carried out specific to Priority Services customers to ensure a PAYG meter is suitable. Bord Gáis Energy are updating their in-house credit control teams scripting to ensure that this assessment is more explicit for staff.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>8.1.8</td>
<td>Section 8.1.8 of the Supplier Handbook requires suppliers to make customers aware in writing of the likely length of time to repay debt. This was not identified on statements or other documents submitted by Bord Gáis Energy. In Bord Gáis Energy’s response to the preliminary audit findings it was stated that this is not provided to customers as any estimation would be inaccurate.</td>
</tr>
<tr>
<td>3</td>
<td>9.2.3</td>
<td>Under section 9.2.3 of the Supplier Handbook, where customers need to have access to specific information in order to switch away from a supplier (such as the deactivation code in the case of electricity PAYG lifestyle customers), suppliers must include all necessary information to enable the completion of the switching process in their Terms and Conditions of Supply, together with how this information may be obtained. This information was not found in Bord Gáis Energy’s Terms and Conditions of Supply. The CRU notes that Bord Gáis Energy does not issue deactivation codes to outgoing electricity PAYG customers. On this basis, the CRU recommends that Bord Gáis Energy sets this out clearly in its Terms and Conditions of Supply.</td>
</tr>
</tbody>
</table>

**Figure 14**

### 3.5.8 SSE Airtricity

SSE Airtricity offers PAYG financial hardship meters for gas and electricity. Lifestyle choice meters were offered up to 2015 and SSE Airtricity still has some lifestyle choice customers. Level/budget payment arrangements are also offered for customers. No breaches of compliance were found for SSE Airtricity through the audit.

### 3.5.9 Energia

Energia offers PAYG financial hardship meters for gas and electricity. Level/budget payment arrangements are also offered for customers. A number of breaches of compliance were found through the supplier audit and are outlined in figure 15 below.
Sections 8.1.2, 8.1.3 and 8.1.4 detail the information requirements for energy statements issued to financial hardship PAYG customers for electricity and gas.

Energia’s current statements do not adhere to these requirements, though the CRU notes Energia has submitted revised statements to the Customer Care team for review.

Section 8.1.5 of the Supplier Handbook requires suppliers to set out their policy on refunding credit balances. This includes the supplier’s process to refund customers in the event they change supplier while still having a credit balance. In the welcome letter for gas prepayment customers provided to the CRU, this has not been set out for gas.

Under the Code of Practice on Terms and Conditions of Supply requirement 9.2.3 requires that customers have access to information to switch away from a supplier in their Terms and Conditions, including the deactivation code. This information was not found in Energia’s Terms and Conditions of Supply.

**Figure 15**

**3.5.10 Electric Ireland:** Electric Ireland offers PAYG meters in gas and electricity to financial hardship and lifestyle choice customers. Level/budget payment arrangements are also offered for customers. A number of breaches of compliance were found through the supplier audit and are outlined in figure 16 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.1.8</td>
<td>Section 8.1.8 of the Code of Practice on PAYG part (c) requires that suppliers make customers aware in writing of the likely length of time it will take to repay their debt and how their instalment for debt recovery has been calculated. During the site visit, Electric Ireland stated they do not provide information in writing to customers about the length of time it will take to pay off debt. In Electric Ireland’s response to the preliminary audit findings it was stated that this is not provided to customers as any estimation would be inaccurate.</td>
</tr>
<tr>
<td>2</td>
<td>9.2.3</td>
<td>In the Code of Practice on Terms and Conditions of Supply to Household Customers, requirement 9.2.3(e) states that the Terms and Conditions must</td>
</tr>
<tr>
<td></td>
<td>contain information to customers on how to switch away from the supplier, including deactivation codes. This information was not found in Electric Ireland’s Terms and Conditions. In their response to the preliminary audit findings, Electric Ireland stated that they had amended their PAYG Terms and Conditions to include this.</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 16**
4. Compliance Audit Remedies

This section of the report is split into 3 parts, covering:

1. Remedies and timelines for breaches of compliance with the Supplier Handbook.
2. Recommendations and proposed changes where issues have been identified in relation to PAYG meters, including examples of best practice.
3. Recommendations and proposed changes where issues have been identified in relation to level/budget pay plans, including examples of best practice.

4.1 Remedies for breaches of compliance

Where breaches of compliance with the Supplier Handbook have been identified, suppliers are asked to address these issues and demonstrate compliance with the Supplier Handbook by the 1st March 2019.

The CRU will request evidence of compliance from suppliers and will engage with each supplier individually in terms of documents requested relevant to each breach of compliance identified. The CRU may follow up with a further spot check of compliance in the future.

4.2 Recommendations in relation to PAYG meters

Apart from the specific supplier breaches of the Code of Practice on PAYG metering and budget controllers and related areas of the Supplier Handbook, through the audits the CRU has identified a number of issues which either require clarification in the Supplier Handbook or a set process to be agreed with suppliers.

These are each discussed separately here.

1. **Treatment of credit balances on PAYG meters:** While a number of issues were identified in relation to Supplier’s communications to customers about how they could obtain any credit on their PAYG meter when changing supplier, moving house or moving to a credit meter, a broader issue was identified in relation to gas PAYG meters. In the case of gas PAYG devices, any credit on the meter remains at the time of a CoS or CoLE\(^3\). Suppliers have taken a number of approaches to this, such as advising customers to avoid topping up more than they need to or accepting a certain amount of credit on a new customer’s

\(^3\) Change of Supplier or Change of Legal Entity
meter. This process is not uniform across suppliers and explicit details in relation to this issue could not be found in any supplier’s communications to customers.

Suppliers are required under the Supplier Handbook to provide customers with any refunds they are due in a change of supplier scenario no later than 2 months from the effective date of the change and this applies to both gas and electricity. They are also required to provide customers with their policy on refunding credit balances.

The CRU recommends that suppliers provide customers with full details, in writing, of their policies in relation to credit balances on PAYG meters for both gas and electricity. In addition, the CRU will review whether changes to the Supplier Handbook or guidelines are required to give suppliers and customers more clarity in this area.

2. **Inaccuracy in section 8.1.5 of the Supplier Handbook:** Part (m.) of requirement 8.1.5 states that gas PAYG customers should be advised that the CRU has ‘put in place a rule that registered vulnerable customers cannot be disconnected in winter months, where a gas prepayment meter has been installed there is an option that would allow the meter not to shut down during winter months’. Following engagement with GNI the CRU has found that this functionality is not available for gas PAYG meters. On this basis, this statement should be removed from the Supplier Handbook and supplier communications.

3. **Ability to change percentage of each vend attributed to debt recovery:** Under the Supplier Handbook, up to a maximum of 25% of each customer’s vend can be attributed to debt recovery. Suppliers should also take account of customer’s ability to pay and confirm that payment arrangements are manageable when setting debt recovery installments. In electricity, only a minority of Suppliers stated that they would adjust the repayment amount from 25% if a customer contacted them in relation to this. SSE Airtricity provided an example of best practice in this area, with clear internal guidelines on how different levels of repayments could be agreed with a customer based on their ability to pay. The CRU recommends that other suppliers also develop processes for this, noting the requirement of section 8.1.8 of the Supplier Handbook. In gas, suppliers are limited in setting repayment amounts based on the number of tariff slots they hold for gas PAYG meters. The CRU views this as a market issue and aims to progress this through industry forums.

4. **Treatment of Deactivation Codes:** Some suppliers issue deactivation codes when an electricity PAYG customer switches away from them, as outlined in the Supplier Handbook, while other suppliers issue a deactivation code when a PAYG customer switches to them. In some cases, the process a supplier follows is different depending which supplier they are switching to and whether the customer has a lifestyle choice electricity PAYG meter or a financial hardship PAYG meter. The CRU is concerned that this process is confusing for customers and notes the Supplier Handbook requirement which states that suppliers are
required to issue the deactivation code no later than 10 days after receipt of the MM110 market message. This market message notifies a supplier that a customer is switching away from them. The CRU is of the view that alternative approaches currently followed by suppliers constitute a breach of the Supplier Handbook. However, the CRU has decided to address this issue through further consultation with suppliers in the first instance. Issuing a notification of supplier breaches and a remedial requirement at this time may have a detrimental impact on the switching process.

5. **Suitability assessment of Priority and Special Services Customers:** As discussed, it is supplier’s responsibility to assess the suitability of prepayment meters, particularly for vulnerable customers. The CRU also recommends that PAYG meters and budget controllers are not suitable for customers eligible to register on the Priority Services Register, particularly those who are critically dependent on electrically powered equipment. Despite this, there are approximately 362 Priority Services customers with PAYG devices. The CRU has set out specific breaches for Suppliers where it was found that they had not conducted adequate assessments at the point of installation for a PAYG meter for vulnerable customers, however it is further recommended that suppliers conduct an assessment where a PAYG customer informs them of a vulnerability after a PAYG meter is installed. This has been identified as a gap in the current Supplier Handbook, which currently only requires suppliers to inform vulnerable customers what to do if the PAYG meter is no longer suitable for use on grounds of vulnerability.

### 4.3 Recommendations in relation to level/budget pay plans

The 2018 Supplier Audit looked at the processes suppliers have in place for implementing level/budget pay plan arrangements with their customers and suppliers’ processes and timelines for reviews to be conducted. The audit focused on further understanding internal process in this area and also assessed suppliers against particular sections of the Code of Practice on Billing.

Following completion of this review, the CRU is of the view that recommendations should be set out in relation to setting up new customers on level/budget pay plans and how reviews should be carried out. The CRU recognises that the Supplier Handbook does not currently contain specific guidelines in this area and these may be implemented in future. It is on this basis that breaches of compliance have not been notified to suppliers as part of this audit in relation to Section 4.1.6 of the Supplier Handbook concerning the accurate calculation of bills. However, the CRU does have a concern that guidance on level/budget pay plans is required given the range of approaches demonstrated by suppliers through the audit, the lack of clear information provided to customers on the basis for their payment levels and the number of customer complaints in this area.
The CRU has set out a number of recommendations for suppliers offering budget/level pay as an option to customers below.

1. Monthly payment levels should be based on the best available information, including the quantity of electricity or gas supplied or to be supplied. For a new customer signing up to a supplier, the EUF or AQ at the property should be recorded. If possible, accuracy can be improved through supplier’s internal algorithms based on customer usage information or previous consumption information provided by the customer. Methods employed by suppliers should try to estimate consumption as accurately as possible and should not apply any percentage uplift for the customer’s estimated consumption if there is no clear basis for this. If this is applied for any reason, it should be clearly explained to customers.

2. The basis for the customer’s initial payment level should be clearly explained. An explanation of how the payment arrangement works should also be provided on sign up.

3. Communications to customers when their payment level is changing should clearly set out the reasons for this change. Suppliers should be able to provide an individual explanation to each customer setting out the basis for their payment level being reassessed.

4. Customers signing up for level/budget pay should be encouraged to provide frequent meter readings to their supplier.

5. Frequent reviews of customer’s payment levels should be carried out by suppliers, particularly where a new customer’s consumption level is based on estimates. There were two methods of best practice in this area identified through the audit. Energia reviews a customer’s level pay amount within one month of a new customer signing up, while Electric Ireland requires a customer to be signed up for a period of six months before signing up for a level/budget pay arrangement for electricity. The CRU views annual reviews as not frequent enough where a customer’s initial consumption level has been estimated. Infrequent reviews may lead to large amounts of credit or debt accumulating on a customer’s account.

6. Any credit which has accumulated on a customer’s account should be refunded at the request of a customer, and the suppliers practices on refunding credits for level/budget pay should be clearly set out.

7. Where a customer on a level/budget pay plan arrangement finds themselves in debt, flexibility should be provided on the timescales over which outstanding amounts are recovered.
5. Conclusions and Next Steps

The CRU has completed an audit of compliance with the Code of Practice on PAYG Meters and Budget Controllers and the Code of Practice on Billing in relation to level/budget pay plans for all retail suppliers. The main findings of the audit are summarised in Section 4 of this Information Paper, together with the remedial actions and recommendations issued by the CRU based on these findings.

The audit has identified a number of supplier breaches of compliance, market issues and areas where further guidance is required for both PAYG customers and customers with level/budget payment arrangements.

Where breaches have been identified, suppliers have been given until the 1st of March to demonstrate that these issues have been resolved and that they are fully compliant with these sections of the Supplier Handbook.

The CRU will continue to monitor suppliers’ compliance with Suppliers’ Handbook and conduct regular audits to ensure that suppliers are meeting their required obligations to energy consumers. Any Supplier failing to meet their required obligations in relation to the Supplier handbook will be named in the CRU’s Audit Information Paper which is published annually.
# Appendix A – Audit Questionnaire

## Part 1: Questions on audit recommendations from 2015-2017

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response</th>
<th>Documents requested</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015 Audit of Compliance with the Code of Practice on Vulnerable Customers</strong></td>
<td>The 2015 Audit of Compliance with the Code of Practice on Vulnerable Customers recommended that supplier’s registration forms for vulnerable customers do not limit customer’s ability to add a type of electrically powered medical equipment that they may be critically dependent on. Have you adjusted your registration form for vulnerable customers since the 2015 Audit? Please outline any changes that have been made.</td>
<td>Copy of registration form</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2016 Audit of Compliance with Deposit Requirements in the Electricity &amp; Gas Supplier Handbook</strong></td>
<td>Where a customer does not meet the requirement for a refund of their deposit after 12 months, the best practice observed by the CRU in the 2016 Audit of Compliance was for the supplier to contact the customer indicating the reasons why the deposit was not being refunded, and how the customer could improve their credit worthiness to get their deposit back. Could you outline your process for this? Have there been any changes to this process since the 2016 Audit?</td>
<td>Internal processes and procedures</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2017 Audit of Compliance with the Code of Practice on Complaint Handling</strong></td>
<td>The Audit of Compliance with the Code of Practice on Complaint Handling found that not all suppliers have processes in place to handle complaints from customers whose first language is not English and customers who have additional communication requirements. It recommended that all suppliers evaluate ways of improving communication with such customers and encouraged suppliers to engage with consumer interest groups in this area. Can you outline your process for handling complaints for such customers?</td>
<td>Internal processes and procedures</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Part 2: Code of Practice on PAYG and Budget Controllers and Code of Practice on Billing

### 8.0 Code of Practice on Pay as You Go Metering and Budget Controllers

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response</th>
<th>Documents Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quantitative Information Request</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Please provide details of all tariff plans available to PAYG lifestyle choice customers, both current and legacy plans</td>
<td>Data (e.g. unit rates, standing charges and any other charges applicable to the tariff)</td>
<td></td>
</tr>
<tr>
<td>2. Please provide details of all tariff plans available to PAYG financial hardship customers, both current and legacy plans</td>
<td>Data (e.g. unit rates, standing charges and any other charges applicable to the tariff)</td>
<td></td>
</tr>
<tr>
<td>3. Please provide an example of an energy statement for PAYG customers (if there are differences between lifestyle choice and PAYG customers please provide examples of both)</td>
<td>Copy of statement</td>
<td></td>
</tr>
<tr>
<td>4. How many of the supplier's PAYG lifestyle choice customers are vulnerable customers (please provide a breakdown between the Priority Services and Special Services Register)</td>
<td>Data</td>
<td></td>
</tr>
<tr>
<td>5. How many of the supplier's PAYG financial hardship customers are vulnerable customers (please provide a breakdown between the priority services and special services register)</td>
<td>Data</td>
<td></td>
</tr>
</tbody>
</table>

Section 8.1.5 refers to the information suppliers must provide to customers using a PAYG meter or budget controller.

6. Please provide details of the methodology of communicating the information required under section 8.1.5 to customers and any sample communications that may be applicable to demonstrate compliance with this requirement. | Customer Communications/Internal processes and procedures |

7. As per section 8.1.5 (j), please outline your policy on refunding credit balances in the event of a change of supplier or the return of credit to a | Policy document/Internal processes and procedures |
<table>
<thead>
<tr>
<th>Question</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>current customer's account without the customer changing supplier.</td>
<td></td>
</tr>
<tr>
<td>8.1.6 Where a PAYG meter or budget controller is being installed for a customer who has outstanding debt</td>
<td>Customer Communications/Internal processes and procedures</td>
</tr>
<tr>
<td>How is the amount of debt to be repaid through each vend agreed with a customer? Please provide an example of a statement of consumption, debt outstanding, debt repaid and payments</td>
<td></td>
</tr>
<tr>
<td>8.1.7 Before a prepayment meter/budget controller is installed</td>
<td></td>
</tr>
<tr>
<td>Please provide details of how the suitability of prepayment meters/budget controllers is assessed for a given customer, particularly vulnerable customers, and alternatives available if this solution is not suitable.</td>
<td>Internal processes and procedures/staff training</td>
</tr>
<tr>
<td>8.1.8 Where meter has been installed for a customer who has outstanding debt:</td>
<td></td>
</tr>
<tr>
<td>Have you provided the CRU with details of your debt recovery process as per section 8.1.8a? If not, please provide this.</td>
<td>CRU communications/Internal processes and procedures</td>
</tr>
<tr>
<td>Please outline how a customer's ability to pay is measured.</td>
<td></td>
</tr>
<tr>
<td>11 Please outline how reasonable access to vending facilities 7 days a week is measured for each customer.</td>
<td>Internal processes and procedures</td>
</tr>
<tr>
<td>12 Please outline how customers are informed of the requirement to top-up twice within 60 days to activate debt repayment on the meter.</td>
<td>Internal processes and procedures</td>
</tr>
<tr>
<td>13</td>
<td></td>
</tr>
<tr>
<td>8.1.11 Eligibility</td>
<td></td>
</tr>
<tr>
<td>Please outline how it is determined that a customer is in genuine financial hardship.</td>
<td></td>
</tr>
<tr>
<td>14 Do you work with accredited charities to identify individuals in genuine financial hardship?</td>
<td>Internal processes and procedures</td>
</tr>
</tbody>
</table>
### 7.6.6 Vulnerable customers on PAYG meters

Please outline the process that you have in place where it becomes apparent that a PAYG meter is no longer suitable for a vulnerable customer.

**16**  
Internal processes and procedures

### 9.2.3 Additional Terms and Conditions

Please outline how a customer accesses their deactivation code in order to switch to another supplier (if there are differences between financial hardship and lifestyle choice customers please outline these). How long does this process take on average for electricity and gas?

**17**  
Records of customer deactivation code communications

Where a PAYG customer has switched **to you** from another supplier, do you confirm if they have correctly entered the deactivation code? (if there are differences between financial hardship and lifestyle choice customers please outline these)

**18**  
Records of customer deactivation code communications

Where a PAYG customer has switched **from you** to another supplier, do you confirm if they have correctly entered the deactivation code? (if there are differences between financial hardship and lifestyle choice customers please outline these)

**19**  
Records of customer deactivation code communications

### 4.0 Code of Practice on Billing

<table>
<thead>
<tr>
<th>Questions:</th>
<th>Response</th>
<th>Documents Requested</th>
</tr>
</thead>
</table>

#### Quantitative Information Request

- Please list the tariff types you offer, for example fixed tariffs, variable tariffs, level pay/budget plans

**20**

#### General

- Under section 4.3.4 of the Supplier Handbook, Suppliers are required to include details in their Code of any standard budgeting/payment arrangements that customers may avail of that allow the spreading of costs

**21**  
Copy of Code of Practice shown in relevant section, if applicable
22 If applicable, what approach has been taken to remedy cases where a customer has found themselves in debt due to incorrect level pay plan calculations?

23 How is the monthly payment of a customer based on their previous usage calculated for level pay plans?

Internal processes and procedures

Part 3: Compliance with new PAYG measures introduced to the Supplier Handbook in 2017

The Supplier Handbook underwent a process of review recently, resulting in the publication of a revised Supplier Handbook in April 2017. As part of this review, a number of measures were introduced to increase the protection of vulnerable customers who wish to avail of a PAYG meter and enhance the current protection framework for PAYG customers. The purpose of this questionnaire is to understand how compliance with these measures has been implemented in your organisation since the review of the Supplier Handbook concluded.

<table>
<thead>
<tr>
<th>Questions:</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance Process for new PAYG requirements in the Codes of Practice</td>
<td></td>
</tr>
<tr>
<td>1 The CRU introduced a range of new measures in the Supplier Handbook concerning PAYG customers in 2017. These measures were aimed at aligning PAYG energy statements to the requirements of the Energy Efficiency Directive 2012/27/EC and ensuring that PAYG customer switching is as easy as switching for bill pay customers. These requirements are contained within a number of Codes of Practice in the Supplier Handbook including the Code of Practice on Customer Sign Up, the Code of Practice on Disconnection, the Code of Practice for Vulnerable Customers and the Code of Practice on Pay As You Go Metering and Budget Controllers. What was the process for implementing any changes required as a result of these measures within your organisation?</td>
<td></td>
</tr>
<tr>
<td>2 Please describe the process from the CRU Decision and publication of the revised handbook to the implementation of new processes in your organisation to adhere to the Codes of Practice in relation to PAYG meters. Were significant changes required or implemented?</td>
<td></td>
</tr>
<tr>
<td>3 How is compliance with this and other requirements measured/ensured in your organisation?</td>
<td></td>
</tr>
</tbody>
</table>
Are there specific reporting processes in place in relation to compliance with these Codes of Practice in your organisation?

Have any complaints arisen since the implementation of the revised Supplier Handbook that indicated any issues with your organisation's compliance with the requirements of the Supplier Handbook in relation to financial hardship PAYG meters? If so, how was this addressed?

### Appendix B – Assessment Criteria

<table>
<thead>
<tr>
<th>Section</th>
<th>Code of practice on PAYG Metering and Budget Controllers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sections 8.1.2, 8.1.3 and 8.1.4</td>
<td>Do customers receive billing information as set out in legislation and CRU Decisions through their energy statements?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is an explanation on what a prepayment meter or budget controller is and how it operates provided?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is there a clear statement that the energy supply will be cut off if there is no credit on the PAYG meter or budget controller?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is information provided on how to access information on the supplier's current tariffs and charges?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is information provided on the frequency/content of statements which the supplier issues?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is information provided on how to access information on approved vending facilities?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is information provided on the impact of purchasing from unapproved vending facilities?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is the customer advised that there may be a charge for replacement of lost cards?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is the customer advised of the amount of emergency credit available on the PAYG meter and how it can be accessed and replenished?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is there a telephone number for advice on use of prepayment meters and emergency service? Is this included on statements/bills?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is the supplier's policy on refunding credit balances provided? Any credit due to the customer in a change of supplier scenario should be refunded no later than 2 months from the effective date of the change.</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is there a clear statement that the CRU has put in place measures to protect vulnerable customers against disconnections and that these measures will no longer apply where customers avail of a PAYG meter or a budget controller?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>Is there a clear statement that these may not be suitable for some vulnerable customers?</td>
</tr>
<tr>
<td>Section 8.1.5</td>
<td>For gas customers, are they advised that the CRU has put in place a rule that registered vulnerable customers cannot be disconnected in winter months,</td>
</tr>
</tbody>
</table>
where a gas prepayment meter has been installed there is an option that would allow the meter not to shut down during winter months

<table>
<thead>
<tr>
<th>Section 8.1.5</th>
<th>Does their Code explain that PAYG meters may not be suitable for customers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 8.1.6</td>
<td>Where customers are repaying debt, do they receive a statement of consumption, debt outstanding, debt repaid and payments 3 times a year?</td>
</tr>
<tr>
<td>Section 8.1.6</td>
<td>Is a maximum of 25% of the customer’s vend attributed to debt recovery?</td>
</tr>
<tr>
<td>Section 8.1.6</td>
<td>Are details available to customers on their outstanding debt, how long it will take to pay off and total amount repaid?</td>
</tr>
<tr>
<td>Section 8.1.6</td>
<td>Are details available of how customers will be informed when their debt has been repaid?</td>
</tr>
<tr>
<td>Section 8.1.6</td>
<td>Are customers informed of how suppliers will address debit balances on the customer’s account if they change supplier?</td>
</tr>
<tr>
<td>Section 8.1.7</td>
<td>Has the supplier ensured consent before installation?</td>
</tr>
<tr>
<td>Section 8.1.7</td>
<td>How has the supplier assessed the suitability of the meter?</td>
</tr>
<tr>
<td>Section 8.1.7</td>
<td>Does the supplier provide PAYG for priority services register customers, and how are these assessed?</td>
</tr>
<tr>
<td>Section 8.1.8</td>
<td>What is the supplier’s debt recovery process?</td>
</tr>
<tr>
<td>Section 8.1.8</td>
<td>How does the supplier take account of the customer’s ability to pay and confirm that payment arrangements are manageable, including the debt recovery instalments which are set?</td>
</tr>
<tr>
<td>Section 8.1.8</td>
<td>Are customers made aware of the total amount of debt, the likely length of time to repay the debt and how their instalment for debt recovery has been calculated?</td>
</tr>
<tr>
<td>Section 8.1.8</td>
<td>How does the supplier ensure customers have reasonable access to vending facilities 7 days a week?</td>
</tr>
<tr>
<td>Section 8.1.8</td>
<td>If a meter is not suitable for a customer what steps does the supplier take?</td>
</tr>
<tr>
<td>Section 8.1.9</td>
<td>If a customer accrues debt on their account despite having a budget controller installed, are they subject to suitable credit control follow up?</td>
</tr>
<tr>
<td>Section 8.1.10</td>
<td>Does the supplier have at least €5 emergency credit?</td>
</tr>
<tr>
<td>Section 8.1.11</td>
<td>How does the supplier ensure a customer is in genuine financial hardship where the cost of installation is socialised?</td>
</tr>
<tr>
<td>Section 8.1.11</td>
<td>Does the supplier work with charities on this?</td>
</tr>
<tr>
<td>Section 8.1.11</td>
<td>Is debt applied to the prepayment meter for the cost of supply of natural gas or electricity only?</td>
</tr>
<tr>
<td>Section 8.1.12</td>
<td>Does any difference in PAYG tariffs reflect actual costs to the supplier?</td>
</tr>
</tbody>
</table>

Terms and Conditions of supply

| Section 9.1 | Does the configuration of supplier’s internal systems and processes delay a release of the deactivation code? |
| Section 9.2.3 | Is information pertaining to the deactivation code to switch away from a supplier in their terms and conditions of supply? |
| Section 3.3.4 and Appendix B | Do suppliers issue the deactivation code within 10 days of receipt of the MM110 market message? |

Code of Practice on Customer Sign-up

| Section 3.3.4 | Does the supplier release all necessary information to enable completion of the switching process (such as the deactivation code)? |
| Section 3.3.6 | Is this issued in a separate communication from retention, win-back or other marketing and advertising activities? |

Code of Practice on Vulnerable Customers
<table>
<thead>
<tr>
<th>Section 7.6.3</th>
<th>Does the supplier have adequate and efficient processes to ascertain the suitability of PAYG meters for vulnerable customers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 7.6.4</td>
<td>Are PAYG meters offered to customers who are eligible to register on the Priority Services Register?</td>
</tr>
<tr>
<td>Section 7.6.5</td>
<td>Are vulnerable customers with PAYG provided with information on what to do if the PAYG meter is no longer suitable for use on grounds of vulnerability?</td>
</tr>
<tr>
<td>Section 7.6.6</td>
<td>What is the supplier’s process where it becomes apparent that a PAYG meter is no longer suitable for a vulnerable customer?</td>
</tr>
<tr>
<td>Section 7.6.7</td>
<td>Does the supplier levy penalty fees on PAYG customers terminating PAYG where it is no longer suitable due to vulnerability?</td>
</tr>
</tbody>
</table>

**Code of Practice on Billing**

<table>
<thead>
<tr>
<th>Section 4.1.6</th>
<th>Are bills, scheduled or otherwise, calculated based on either actual readings, customer readings, or supplier or MRSO/GPRO generated estimates?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 4.3.4</td>
<td>Have suppliers included details in their CoP on Billing or terms and conditions of supply on standard budgeting/payment arrangements customers may avail of such as level/budget payment plans?</td>
</tr>
<tr>
<td>Section 4.3.5</td>
<td>Where customers pay by direct debit are they notified 14 days in advance if there is any change in the amount to be debited?</td>
</tr>
<tr>
<td>Section 4.7.8</td>
<td>Does the final bill include information about any credit due to the customer and how this can be refunded?</td>
</tr>
<tr>
<td>Section 4.7.9</td>
<td>Is any refund due provided no later than 2 months from the date when the final energy bill or energy statement was issued?</td>
</tr>
</tbody>
</table>

**Appendix C – MPRN and GPRN Questions**

**Electricity PAYG Financial Hardship**

1. Has the customer received a statement of consumption, debt outstanding, debt repaid and payments made 3 times a year?

2. What percentage of each vend is attributed to debt recovery? Is it confirmed with the customer that payment arrangements are manageable?

3. Can you demonstrate consent from the customer/landlord for a PAYG meter to be installed?

4. How was suitability for the meter assessed? (Access to PAYG meter, ability to use the meter, ability to top up the meter)

5. How was it confirmed that the customer is in genuine financial hardship?
6. If the customer switched to or from you how was the deactivation code issued?

Electricity Lifestyle Choice PAYG

1. Please provide an example of an energy statement sent to the customer

2. How is suitability for the prepayment meter assessed?

3. Can you demonstrate consent from the customer/landlord for a PAYG meter to be installed?

4. If the customer switched to or from how was the deactivation code issued?

Electricity Financial Hardship PAYG vulnerable customer

1. Has the customer received a statement of consumption, debt outstanding, debt repaid and payments made 3 times a year?

2. What percentage of each vend is attributed to debt recovery? Is it confirmed with the customer that payment arrangements are manageable?

3. Can you demonstrate consent from the customer/landlord for a PAYG meter to be installed?

4. How was suitability for the meter assessed? How was the customer informed of the protections for vulnerable customers and how these apply for PAYG meters?

5. Can you show how they are provided with information on what to do if the PAYG meter is no longer suitable for use?

6. If it became apparent that the PAYG meter was unsuitable was the customer moved to a credit meter free of charge?

7. How was it confirmed that the customer is in genuine financial hardship?
8. If the customer switched to or from you how was the deactivation code issued?

Electricity Lifestyle Choice PAYG vulnerable customer

1. Was this customer signed up as a PAYG vulnerable customer or did they switch to you?

2. How was their suitability for a PAYG meter assessed? How was the customer informed of the protections for vulnerable customers and how these apply for PAYG meters?

3. Can you show how they are provided with information on what to do if the PAYG meter is no longer suitable for use?

4. If it became apparent that the PAYG meter was unsuitable was the customer moved to a credit meter free of charge?

5. If the customer switched how was the deactivation code issued?

Gas PAYG Financial Hardship

1. Has the customer received a statement of consumption, debt outstanding, debt repaid, and payments made 3 times a year?

2. What percentage of each vend is attributed to debt recovery? Is it confirmed with the customer that payment arrangements are manageable?

3. Is the customer informed of the requirement to top up the meter twice in 60 days to activate debt?

4. Can you demonstrate consent from the customer/landlord for a PAYG meter to be installed?

5. How was suitability for the meter assessed?

6. How was it confirmed that the customer is in genuine financial hardship?
7. If the customer switched to or from you how was the deactivation code issued?

Gas Lifestyle Choice PAYG

1. Please provide an example of an energy statement sent to the customer.

2. How is suitability for the prepayment meter assessed?

3. Can you demonstrate consent from the customer/landlord for a PAYG meter to be installed?

4. If the customer switched to or from you how was the deactivation code issued?

Gas Financial Hardship PAYG vulnerable customer

1. Has the customer received a statement of consumption, debt outstanding, debt repaid, and payments made 3 times a year?

2. What percentage of each vend is attributed to debt recovery? Is it confirmed with the customer that payment arrangements are manageable?

3. Can you demonstrate consent from the customer/landlord for a PAYG meter to be installed?

4. How was suitability for the meter assessed? How was the customer informed of the protections for vulnerable customers and how these apply for PAYG meters?

5. Can you show how they are provided with information on what to do if the PAYG meter is no longer suitable for use?

6. If it became apparent that the PAYG meter was unsuitable was the customer moved to a credit meter free of charge?

7. How was it confirmed that the customer is in genuine financial hardship?

8. If the customer switched to or from you how was the deactivation code issued?

Gas Lifestyle Choice PAYG vulnerable customer
1. Was this customer signed up as a PAYG vulnerable customer or did they switch to you?

2. How was their suitability for a PAYG meter assessed? How was the customer informed of the protections for vulnerable customers and how these apply for PAYG meters?

3. Can you show how they are provided with information on what to do if the PAYG meter is no longer suitable for use?

4. If it became apparent that the PAYG meter was unsuitable was the customer moved to a credit meter free of charge?

5. If the customer switched to or from you how was the deactivation code issued?

**Level Pay Plans**

1. Was the customer signed up to level pay originally or did they change from another payment method?

2. How was the initial monthly payment amount calculated?

3. If it is not based on previous consumption with the supplier what parameters were used?

4. Have there been any changes to the monthly amount since the customer signed up? Are there instances where credit or debt has accumulated and is there any threshold associated with using a payment plan for this?

5. Can you demonstrate compliance with section 4.1.6 that requires bills are accurately calculated based on actual readings, customer readings or generated estimates? (via copy of bills)

6. Which tariffs offer level pay as an option? Is this available for all billing methods or direct debit only?

7. Under section 4.3.5 where customers are paying by direct debit they must be notified 14 days in advance if there is any change in the amount to be debited, is this the case?
8. Under section 4.7.8 the final energy bill or statement should include information about any credit due to the customer and how this can be refunded upon closing the account ‘can this be demonstrated? (using the MPRNs and GPRNs for customers that have switched supplier).

Appendix D - Site Visits

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Date of Site Visit</th>
<th>Location</th>
<th>PAYG Financial Hardship</th>
<th>PAYG Lifestyle Choice</th>
<th>Level Pay/Budget Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be Energy</td>
<td>19th October</td>
<td>Be Energy offices, Springtown Industrial Estate</td>
<td>N/A</td>
<td>N/A</td>
<td>Electricity</td>
</tr>
<tr>
<td>Panda Power</td>
<td>13th November</td>
<td>Panda Power offices. Ballymount, Dublin.</td>
<td>Electricity</td>
<td>N/A</td>
<td>Electricity and Gas</td>
</tr>
<tr>
<td>Pinergy</td>
<td>31st October</td>
<td>Pinergy offices. Clonskeagh, Dublin.</td>
<td>N/A</td>
<td>Electricity</td>
<td>N/A</td>
</tr>
<tr>
<td>Flogas</td>
<td>30th October</td>
<td>Flogas offices. Drogheda, Co. Louth.</td>
<td>Gas</td>
<td>Gas</td>
<td>Gas</td>
</tr>
<tr>
<td>Just Energy</td>
<td>9th October</td>
<td>Merrion Square, Dublin 2</td>
<td>N/A</td>
<td>N/A</td>
<td>Electricity and Gas</td>
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<tr>
<td>PrePayPower</td>
<td>22nd October</td>
<td>PrePay Power offices. Leopardstown, Dublin.</td>
<td>N/A</td>
<td>Electricity</td>
<td>N/A</td>
</tr>
<tr>
<td>Bord Gáis Energy</td>
<td>24th October</td>
<td>BGE offices. Warrington Place, Dublin.</td>
<td>Electricity and Gas</td>
<td>N/A</td>
<td>Electricity and Gas</td>
</tr>
<tr>
<td>SSE Airtricity</td>
<td>17th October</td>
<td>SSE offices. Leopardstown, Dublin.</td>
<td>Electricity and Gas</td>
<td>Electricity and Gas</td>
<td>Electricity and Gas</td>
</tr>
<tr>
<td>Energia</td>
<td>25th October</td>
<td>Power NI offices. Belfast, NI.</td>
<td>Electricity and Gas</td>
<td>N/A</td>
<td>Electricity and Gas</td>
</tr>
<tr>
<td>Electric Ireland</td>
<td>31st October</td>
<td>EI offices. Santry, Dublin.</td>
<td>Electricity and Gas</td>
<td>Electricity and Gas</td>
<td>Electricity and Gas</td>
</tr>
</tbody>
</table>