

6<sup>th</sup> July 2023

Jack Sargeant MS  
Chair, Petitions Committee  
Senedd Cymru  
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*Dear Mr Sargeant*

## **Petition P-06-1326 The Senedd should scrutinise the prepayment meter scandal in Wales**

Thank you for your letter of 6 June, following on from my appearance at the Committee on 15 May, regarding the conduct of prepayment meter installations through the warrant process. I'm pleased to provide additional information to the Committee in relation to the steps we are taking to bring our debt collection work in-house.

As you know, following our investigation into the conduct of prepayment meter installations, we decided that British Gas would permanently cease all warrant-related work with third party contractors such as Arvato and, as and when PPM warrant installations resume, this work will be carried out in-house. This will give British Gas direct oversight and accountability of the key processes, from recruitment and training to oversight and management of work being undertaken.

While our work to prepare for this change in approach is ongoing, it is being guided by clear and rigorous policies, procedures and controls; including robust recruitment processes and background checks to ensure front line staff have the essential skills and experience appropriate for this sensitive work.

We will build on our existing 'British Gas Policy and Standards on Ability to Pay Relating to Customers in Payment Difficulty' which includes detailed policies and procedures relating to installation of prepayment meters under warrant, including, for example:

- A requirement that British Gas and its customer representatives must deal with each customer on a case-by-case basis in understanding the individual customer's ability to pay, and in reaching agreement as to how the customer will pay for their future energy consumption and any outstanding balance.
- British Gas must ensure that there are adequate processes and systems in place to enable customer representatives to contact customers at the earliest opportunity in order to identify whether a customer is in payment difficulty. This means proactively contacting customers using, as appropriate, a variety of contact methods.

Our approach is also underpinned by our licence requirements as well as voluntary codes of conduct, including the newly introduced Ofgem Code of Practice and the Energy UK Vulnerability Commitment. We have also recently met, and are in ongoing discussion, with the Enforcement Conduct Board.

We are placing a particular emphasis on effective and ongoing training with a focus on recognising and responding to customers with vulnerabilities (both physical and mental) and customers in financial difficulties. The training itself will be undertaken directly through our in-house learning and development teams, creating a highly skilled workforce that will work across this sensitive area.

More widely, as well as bringing our enforcement work in-house, we also introduced parity between the cost of energy for PPM customers and the cost of energy for direct debit customers, i.e. earlier than the date mandated by Ofgem. In addition, we continue to support customers with a £10 million fund to directly support PPM customers who are in debt by providing a non-repayable credit up to £250. This fund has already helped over 50,000 PPM customers this winter. In addition to these commitments, we will work with others in the sector, and beyond, to push for better data sharing in relation to customers who are either physically or financially vulnerable, on an industry-wide basis, drawn from sources such as the Department of Work and Pensions and HM Revenue and Customs, as well as third sector organisations.

I hope that this information is both helpful and reassuring to the Committee; and, please let me know if you would value any further information at this time.



**Chris O'Shea**  
Group Chief Executive