



**Are you having difficulty
paying your energy bills?**

It is possible to find yourself in arrears on your gas and/or electricity accounts for a number of reasons. However, whatever the reason, it is important that you deal with the problem as soon as you can. If you delay contacting your supplier to make arrangements to pay, you risk building up more debt on your account and there is a possibility that you could be disconnected.

What is the definition of arrears?

You will be in 'arrears' on your gas and/or electricity account if you are liable to pay a bill but have not paid it on demand – generally within 28 days of the bill being received by you (electricity) or 28 days of the date of your bill (gas). Some suppliers may take action to start the disconnection process as early as ten working days from the date of your bill, although this would be on a very rare occasion.



Steps to disconnection

Your supplier has to take certain steps to recover outstanding charges before they disconnect your supply. While not all suppliers will follow this exact process, as a general guide your supplier will follow these steps:

- Day 1 – Your supplier will send out a bill as normal
- Day 14 – First reminder will be issued
- Day 28 – Outbound call/2nd reminder issued
- Day 35 – Final demand for payment issued and then pre disconnection letter
- Day 42-49 – Further outbound calls
- Day 60 – Debt advisory visit to your property
- Day 67 – Warrant proceedings start- including Human Rights Letter being issued
- Day 129 – Warrant executed

Please note that if you have a poor payment history then this process may be speeded up.

You can stop the disconnection process at any time by calling your supplier to arrange a repayment plan.

If you have been disconnected or are worried about disconnection call Consumer Direct as soon as possible on 08454 04 05 06.

What can I do if I am having problems paying my energy bills?

Tell your supplier straight away that you are having difficulty keeping up with your payments. If they don't know that you are struggling then they will be unable to help you. Your supplier must give you details on how they can help you avoid getting into debt and also advise you how to repay any money that you owe.

Once it has been established how much you owe, you will need to come to an agreement with your supplier on how you will pay. When negotiating a repayment rate it is important to remember that your supplier must:

- Offer a payment arrangement that takes into consideration your financial circumstances and your ability to pay
- Offer a prepayment meter as an alternative and as a last resort to disconnection

Some suppliers have a policy of collecting arrears at an amount that means your debt will be cleared within a certain period of time, eg six months. However if your supplier calculates your repayment rate based on this and you cannot afford what they are asking you to pay, you should remind them that their Licence Condition states that they need to take account of your ability to pay, not matter how long it will take you to repay the debt on your account.

The Consumer Focus website has a range of template letters to help you write to your supplier about debt repayment.

What payment options do I have?

You have a few different options when it comes to ways to repay your debt:

- **Through a short term arrangement**

If the problems that you are having are temporary, your supplier may come to a short term arrangement with you to enable you to pay your bill in instalments, based on your ability to pay as long as the outstanding balance is paid before your next bill arrives.

- **In instalments through a payment plan**

Your supplier should allow you to pay using a regular payment plan. However, if you have previously arranged a payment plan and broken it, then your supplier is within their rights to refuse to agree to another. Your supplier will calculate an amount which you will be required to pay on a weekly, fortnightly or monthly basis. This figure will include an amount for your current consumption (usually estimated) and an amount for your arrears.

- **Through a Prepayment meter**

A prepayment meter can be set to collect payment for arrears over a period of time. As with other payment methods, your supplier must take into account your ability to pay prior to setting the debt recovery rate on your meter. There are some pros and cons to using a prepayment meter and your supplier should inform you of these before installation takes place.

A prepayment meter is not a suitable option for everyone. For example if you have mobility problems it may not be reasonable for your supplier to expect you to have to go out to purchase credit to top up your meter, or if you are reliant on electricity for any reason, eg breathing apparatus.

- Through the Fuel Direct scheme, if you are in receipt of a qualifying benefit

Fuel Direct is a method of payment where deductions are made directly from your benefits. In order to qualify for Fuel Direct, you need to be in receipt of Income Support, Income Job Seekers Allowance, Pension Credits or Employment and Support Allowance (which recently replaced Incapacity Benefit).

Your payments will be made up of a fixed sum towards your arrears and an amount for your ongoing consumption.

The current fuel direct payment level is £3.25 per week.

If at any time you are having trouble meeting your debt repayments it is important to contact your supplier as soon as possible to discuss a new payment plan.



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Published: January 2010
Design and production by: Lucas Fernleigh Ltd

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Who to contact

If you have an enquiry or if you need advice about a problem or switching your energy supplier please contact Consumer Direct on 08454 04 05 06 or visit the website: www.consumerdirect.gov.uk