



Prepayment Meters

Prepayment meters are special meters which only provide fuel after it is paid for. These meters are operated by tokens, cards or keys that have to be either bought or 'topped up'. A prepayment meter can help prevent any debt building up on an account. It also enables repayment of an outstanding debt.

If a consumer has a fuel debt they should discuss an affordable level of repayment with their supplier before the meter is set. If there is a problem, contact the supplier first. If the issue is not resolved, Citizens Advice can be asked to help. Contact them on **03454 040506**.

There is generally an emergency temporary credit facility on the meter in case the supply runs out.

Advantages:

- ✓ The consumer pays for fuel as it is used
- ✓ Enables consumer to budget effectively to suit their means
- ✓ There are no large bills to worry about
- ✓ Meters can be set to recover debt gradually

Disadvantages:

- The customer may have to visit specific outlets to make payments (though some suppliers can offer the facility to top up at home via the internet)
- Consumers need to understand how standing charges and debts are collected through the meter so that they know the available credit for ongoing use after topping up
- Potential self-disconnection - electricity or gas may cut off because consumers are unable to make payments, although if credit runs out there is limited emergency credit before supply is disconnected. (It's also worth noting that some suppliers offer key-operated prepayment meters with a 'friendly non-disconnect period'. This type of meter won't disconnect a supply at a time when shops are unlikely to be open, for example overnight).

Topping up:

PayPoint (www.paypoint.co.uk) and Payzone (www.payzone.co.uk) payment outlets for topping up are usually located in local newsagents, shops and petrol stations. Cards and keys can usually be topped up at most Post Offices (www.postoffice.co.uk). Customers should only top up at official outlets.

This method generally suits:

- ✓ People who don't find it difficult to access charging outlets
- ✓ Customers who want to either avoid fuel debt or manage an existing debt

Note: Ofgem introduced a transitional cap for domestic prepayment meter customers – essentially a safeguard tariff limiting the amount suppliers can charge for a given level of consumption. This cap is not available to customers with fully interoperable smart meters and the cap will be phased out by 2020 when the smart meter rollout is complete.