

Code of Practice for Accurate Bills

Frequently Asked Questions

October 2008

Why has this Code been produced?

This Code has been produced by the Energy Retail Association to improve billing standards even further so that domestic customers can confidently receive the level of service they expect.

Who has this Code been produced for?

This Code has been produced for customers using energy supplied to domestic premises.

Has this Code been adopted by all energy suppliers?

The Code of Practice has been developed by the Energy Retail Association for British Gas, EDF Energy, npower, EON and Scottish Power. These companies all support the independently-audited Code of Practice and are committed to the high standards it contains. Scottish and Southern Energy have introduced a Domestic Energy Customer Charter instead of this Code.

When will it come into force?

The Code came into full effect from the 1st January 2007. However, some parts of the Code came into effect from the 1st July 2006 – these are specifically the introduction of the Energy Supply Ombudsman Scheme and also the commitment that where a customer has not received a bill for more than two years, and the supplier has been at fault, then any outstanding amounts due, that relate to energy consumed more than two years ago, will be cancelled. From the 1st July 2007 this reduced to 1 year.

What does the Code cover?

The Code identifies standards of good service you can expect from your energy supplier and provides our key commitments to you.

How do energy suppliers calculate estimated meter readings?

All energy suppliers use estimating methods when they are unable to obtain an actual meter reading. They will estimate a customer's energy consumption by considering the amount of energy the customer has used previously, the amount of energy used by other customers who occupy similar types of homes and whether it's a time of year when a customer is likely to use more or less energy.

Why is it so important to obtain an actual meter reading for each bill?

Although estimating methods are often reliable, a customer's energy consumption can change with an alteration in the customer's personal circumstances. The introduction of new gas or electric appliances and changes in occupancy can significantly change the amount of energy used by the customer. For example when there is a new baby in a household there may be someone in the home all day who is using more heating and other appliances than before. Alternatively customers may live away from their home for a period of time and so energy usage may reduce.

So, when an actual reading is used, the bill will be more accurate. Sometimes an actual reading will not result in an estimated bill being reissued; however it will assist in improving future bill accuracy by being entered into the customer's consumption record.

What should a customer do if they cannot be at home when the meter reader calls?

When the supplier takes a scheduled meter reading, this will normally be used to produce a bill. If the supplier cannot obtain a reading or the reading is not received in time to be included on the bill (i.e. outside of the billing window), then an estimated reading will be used.

All energy suppliers will remind customers about the importance of checking the estimated meter reading on their bill against the current reading on their meter. Suppliers will also make sure that they offer a number of ways in which customers can provide an actual meter reading. This will vary between suppliers but examples would include:

- a dedicated telephone number that customers may call
- a card left by the meter reader inviting the customer to fill in the meter reading and then post the card to the supplier
- through the suppliers website – details of how to do this will be on the supplier's website.

How will suppliers make sure they include all of the information which they are obliged to on the bill?

Each supplier will have a checklist detailing all the items they need to include on the bill. When a supplier makes a change to the bill format for any reason they will use the checklist to make sure all of the required items are included.

The key features on each bill will be:

- Explanation of how the bill has been calculated
- When the payment is due
- How the bill can be paid (all suppliers offer a variety of payment options)
- A clear indication of any change in price
- Ways to contact the supplier with any questions

Energy suppliers sometimes change the timing of when they send bills out. Does the Code contain any requirements around notifying the customer of such changes?

The Code requires that bills are normally sent out within 15 days of the end of the normal billing period.

If the supplier needs to change when the bills are sent out, if for example there has been a change in the timing of readings made by meter readers, then the supplier will notify the customer of any changes to their billing date. This will only apply where the change is major and the impact on the bill date is 20 working days or more.

How will suppliers refund money due to customers?

Money may be due back to a customer if they have overpaid or if the energy consumption has been overestimated. The method of refund will vary between suppliers and may depend on the customer's payment plan. For example if the customer usually pays by cheque, the refund will normally be made by cheque. If a customer normally pays by direct debit then the refund will normally be made directly into the customer's bank account.

Will suppliers always refund money due to customers?

No, the supplier's refund policy will depend upon the payment plan a customer has. More information is available on request from suppliers. In some cases customers may not want to have credit balances refunded as they may prefer to carry forward any credits to pay for future consumption. Where possible, suppliers will accord with the customers' wishes but there may be circumstances where refunds are automatically generated and sent to customers.

Some payment plans carry a credit balance on the customers account over the year (for example monthly payment plans) and the customer pays the same amount each month in order to spread the energy costs over the year, building up credits for the colder months. With this type of plan, in the summer months when less energy is consumed this may lead to a credit balance on the account. This credit will be used to pay for the increased energy consumption in the winter.

What happens to direct debit customers whose monthly payments are not enough to cover their energy costs?

Energy suppliers will monitor how much energy a customer uses against the customer's payment plan and check annually (as a minimum), that the monthly payments cover how much energy is being used. If the payments are not enough to cover the energy used then the supplier will notify the customer of the new payment amount and from what date it will apply. If following the review, the customer owes the energy supplier money then the supplier may suggest an increased monthly payment to pay off the amount owed over an agreed period.

Alternatively, if the monthly payments are higher than necessary to cover the energy supplied then they will be reduced to an appropriate level.

What help is available for customers who have difficulty paying their energy bills?

Energy suppliers offer a wide range of services and payment options for customers who have difficulty paying their energy bills. Customers should call their energy supplier immediately if they are having difficulties paying their electricity and/or gas bills – if customers do not let their supplier know, then the supplier will be unable to offer help. Customers can also request that their bills and related correspondence are sent to a relative, friend or nominated third party.

Alternatively, customers can refer to further information at www.homeheathelp.org.uk. This is a website for vulnerable people having difficulties paying their energy bills.

Does the Code allow suppliers to disconnect customers for non-payment of bills?

Yes, however, disconnection of energy supply, for non-payment of bills, is only used as a last resort and there are detailed procedures to safeguard vulnerable customers from this.

Under what circumstances will suppliers agree not to charge customers for energy used?

Energy Suppliers have a responsibility to ensure Customers are accurately billed for energy consumed. Likewise, Customers have a responsibility to pay for the energy they consume.

The Supplier is completely within its rights to bill in full for any energy consumed where it can demonstrate that;

a) use of supply has been made by a Customer but that no attempt has been made by a Customer to contact a Supplier to make or arrange payment, or

- b) the Customer is wilfully avoiding payment, or
- c) the Customer has not co-operated with attempts to obtain meter readings or resolve asset queries required to facilitate accurate bill production.

Unless the above clauses (a) to (c) apply, Energy Suppliers will not seek additional payments for un-billed energy consumed over 12 months ago if they have:

- d) received the necessary industry notifications but have failed to set up a record on their billing systems, or
- e) failed to set up or maintain accurate meter and metering data, or
- f) failed to use valid readings provided by the Customer or data collectors, or
- g) failed to reassess regular payments within the previous 15 months based on accurate information available to them, or have failed to communicate the need for and use of a Customer own reading at this time, or
- h) failed to attempt to obtain a valid reading during the previous 15 months, or
- i) failed to send a bill to the Customer or billing address during the previous 15 months, unless their express agreement with the individual Customer allows for this.

Where Suppliers issue a bill which has these principles applied, they will credit the account with the value of the unbilled energy consumed over 12 months ago, taking into consideration any payments already made by the Customer or credits applied to the account, so that the Customer is not required to pay any additional sums towards this previously unbilled energy consumption.

What protection does the Code offer customers with regular payment schemes other than direct debit?

Customers who have quarterly credit meters and pay by a regular payment scheme such as fixed cash payments will be protected in the same way as Direct Debit customers. However, the customer is always responsible for making changes to payments in line with requests from suppliers.

Does this Code improve the services that customers with Prepayment Meters can expect to receive?

Suppliers will ensure that they make it clear to customers that they can expect to have their prepayment meter adjusted for any change in price or an increase in amount that the customer owes. For some types of prepayment meter, customers will need to allow the supplier access to the meter to make the appropriate adjustment. If access to the meter is prevented or obstructed by the customer then the supplier will not be considered to be at fault for not updating the prepayment meter.

Under what circumstances can a customer apply to the Energy Supply Ombudsman for an independent review of a complaint?

The Energy Supply Ombudsman is there to resolve complaints which have not been resolved to the customer's satisfaction through the supplier's own complaint handling procedures.

Four criteria have been identified which need to be met before a customer complaint is considered to have reached "deadlock" and the customer will be given access to the

Energy Supply Ombudsman Scheme. This is when a customer complaint has got to the position where:

- there is no new information to be gained on the complaint from either the customer or the supplier;
- the complaint escalation processes have been followed;
- the customer and the supplier still cannot agree to a resolution within the supplier's complaint procedures; and
- having more time will not improve this position