

Mr Jack Sargeant MS  
Chair, Petitions Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff CF99 1SN

19 June 2023

Dear Mr Sargeant,

Thanks for your follow up letter after your committee's evidence session on Monday 15<sup>th</sup> May 2023 on the use of Pre-Payment Meters (PPMs) by energy suppliers. I've set out below responses to each of your queries.

I referenced some customers prioritising other things above paying for their energy bills, of course, you are right, I can't know the choices that every customer is making but I do draw on personal experiences and the conversations I have with people where it is clear that a small minority of customers are making such decisions over payment of their energy costs. There is no suggestion that has any relation to those financially vulnerable customers who are clearly making very difficult day to day decisions on what costs to prioritise to protect their families. However, what I can confirm is that we do see customers who can pay for their energy choosing not to, and we're concerned that the pause of use of prepayment is creating increases in these "won't pay" rather than "can't pay" customer groups, with early data suggesting that this is indeed the case. We are concerned that the lack of a PPM option for those customers will lead to significant increases in debt costs to all customers and will add to the impact to those customers already struggling with their bills.

With regard to our use of debt collection agencies (DCAs), we undertake a range of activities to ensure they are suitably skilled to work on our behalf, which includes the training we referenced at the hearing, but also our ongoing monitoring and assurance processes and our contractual controls.

Our training includes a comprehensive set of training material, and all agents must complete the course before undertaking any work on our behalf. The training covers a range of activities and topics, including those relating to visits to a customer property, identification of customer vulnerabilities, safe and reasonably practicable checks and the process for switching to prepayment meter. Alongside classroom training, we also utilise training activities that ensure agents gain "on-the-job" experience including shadowing of experienced team members. New agents are then subject to assessment by experienced team members via observation to ensure that they are following the correct processes.

Our monitoring and controls cover a range of actions to support us in ensuring agents are suitably trained, and that we have ongoing oversight of agent activity and customer experience to support quick action where we identify any issues. This includes:

- Weekly engagement with DCAs via reporting and meetings
- Regular review and updates of training and process/policy materials being shared with DCAs and tracking to ensure training is completed in timely manner
- Weekly call monitoring by both ScottishPower and the DCA
- Quarterly Field audits undertaken by the DCA

- Quarterly on site reviews by ScottishPower account managers and annual audits validating policies and procedures

I hope this provides you with the additional information you need, but I would be happy to follow up on any area if you have further questions.

Regards,



**Andrew Ward**  
CEO, ScottishPower Retail