

# Business, Energy and Industrial Strategy Committee

## Justice Committee

Oral evidence: Prepayment meters: warrants and forced installation, HC 1209

Tuesday 14 March 2023

Ordered by the House of Commons to be published on 14 March 2023.

[Watch the meeting](#)

Members present:

Business, Energy and Industrial Strategy Committee: Darren Jones (Chair); Bim Afolami; Alan Brown; Mark Jenkinson; Ian Lavery; and Mark Pawsey.

Justice Committee: Sir Robert Neill (Chair); Janet Daby; Maria Eagle; Karl Turner.

Questions 33-129

### Witnesses

[II](#): Debbie Nolan, Managing Director, Arvato Financial Solutions, and Les Johnston, Chief Executive Officer, Richburns.

## Examination of witnesses

Witnesses: Debbie Nolan and Les Johnston.

- Q33 **Chair (Sir Robert Neill):** Thank you for coming to help us today, Ms Nolan and Mr Johnston. Could you introduce yourselves and your organisations for the record?

**Debbie Nolan:** My name is Debbie Nolan and I am the managing director of Arvato Financial Solutions.

**Les Johnston:** I am Les Johnston, chief executive of Richburns.

- Q34 **Chair (Sir Robert Neill):** We have some written briefing on your two companies, but for the record and for those who may be watching, could you explain the nature of your businesses and what you do for energy suppliers? Let's start with you, Ms Nolan.

**Debbie Nolan:** We are a debt collection business. We undertake regulated activities supervised by the FCA, as well as non-FCA-regulated services. We are members of the Credit Services Association, and active members of the Chartered Institute of Credit Management.

**Les Johnston:** We are a debt collection agency. We work uniquely for the energy companies. We are a member of the CSA.

- Q35 **Chair (Sir Robert Neill):** Sorry, could you spell out the initials for those of us who don't know?

**Les Johnston:** The Credit Services Association. We comply with its code of conduct and code of practice.

- Q36 **Chair (Sir Robert Neill):** Ms Nolan, I am told that Arvato started doing this type of work in about 2020. Is that right?

**Debbie Nolan:** We have been undertaking these kinds of activities since around 2013. We started working for British Gas specifically in 2013.

- Q37 **Chair (Sir Robert Neill):** I see. So you have been working in the field, but specifically for British Gas Centrica—as it was called at one point—in 2020. How was it that you started doing that quite high volume of work for British Gas?

**Debbie Nolan:** We had been working with British Gas since 2013 on a number of different activities for debt collection, and we started field activity for them in 2017 or 2018. In 2019, we were part of a formal process for British Gas to outsource all their live management work. We took over that contract at the beginning of January 2020.

- Q38 **Chair (Sir Robert Neill):** So you bid for the contract and were successful.

**Debbie Nolan:** Yes, that is right. It was part of that outsource arrangement, and the British Gas field agents moved into our environment.

- Q39 **Chair (Sir Robert Neill):** I understand. Do you do work for any other

energy companies?

**Debbie Nolan:** Yes.

Q40 **Chair (Sir Robert Neill):** Which ones?

**Debbie Nolan:** We also undertake work for OVO, EDF, E.ON and Scottish Power.

Q41 **Chair (Sir Robert Neill):** Perhaps leaving aside Scottish Power, because the legislation may be different, are there significant differences in the nature of your contractual arrangements with those other companies?

**Debbie Nolan:** Not significant differences in terms of the process. The arrangement with British Gas is very different, because it is a full outsource of the full process. For the other organisations, we provide certain elements of the service. There are small variations in the types of things that we do, but predominantly it is the same.

Q42 **Chair (Sir Robert Neill):** If it gets to the stage that an account has got to the position of there being an application for a warrant, the process will be pretty much the same.

**Debbie Nolan:** It is very similar, yes. Each one of those organisations has a different process for checking at every stage whether or not it is appropriate to move to a warrant.

Q43 **Chair (Sir Robert Neill):** Thanks very much. We may explore that in a moment. Mr Johnston, am I right in saying that Richburns is carrying out some work on behalf of Arvato?

**Les Johnston:** That is correct.

Q44 **Chair (Sir Robert Neill):** How did that come about?

**Les Johnston:** As you have been informed, Arvato tendered for the British Gas contract, and so did Richburns. We were not successful. We subcontract visits, not warrants, from Arvato, so we do pre-warrant visits on behalf of Arvato and on behalf of British Gas, but not warrants.

Q45 **Chair (Sir Robert Neill):** And then you would feed that information back to Arvato.

**Les Johnston:** Yes, that is correct.

Q46 **Chair (Sir Robert Neill):** I assume, Ms Nolan, that that would be part of the material you would need to assure the court of in relation to the warrants. Is that right?

**Debbie Nolan:** Yes. Once a visit has been completed, we collate information from that visit. We send that back to the energy providers, and then they use that information in their decision process at the next stage.

Q47 **Chair (Sir Robert Neill):** Finally, Mr Johnston, are there any other energy suppliers that you subcontract for?

**Les Johnston:** Similarly, a number: Scottish Power, E.ON, Utilita and so on.

Q48 **Chair (Sir Robert Neill):** But it is visits again, rather than the actual warrants.

**Les Johnston:** No, we do carry out warrants on behalf of some of them.

Q49 **Chair (Sir Robert Neill):** So for which companies do you make the applications for warrants?

**Les Johnston:** Scottish Power, E.ON and Npower.

Q50 **Chair (Sir Robert Neill):** Is anything different, in general terms, about their practice?

**Les Johnston:** They are generally similar. They have very much the same process that we have to abide by.

Q51 **Chair (Sir Robert Neill):** Okay, fair enough. You use what is now called the bulk upload process.

**Les Johnston:** Since August 2019, I believe.

Q52 **Janet Daby:** I am interested very much in the contracts you have with the energy suppliers and how they are structured, and obviously there is that interrelationship working between yourselves as well. How are you paid for the services that you are contracted to provide by the energy suppliers? For instance, are you paid for each warrant secured and for each payment meter you install? I wonder if we could start with you, Debbie Nolan.

**Debbie Nolan:** We do not install the prepayment meters; the energy provider does. We arrange for the warrant application at that stage in the process. At that visit, our agent will have the warrant and be accompanied by an engineer from the energy provider and a locksmith who the energy provider has contracted.

Q53 **Janet Daby:** Are you paid for each warrant?

**Debbie Nolan:** The commercials vary from client to client and tend to be focused on the activity that we have undertaken. For British Gas it is very different, because we have an outsource arrangement. They were actually the first organisation that worked with us to create a commercial structure that was focused on the amount of time that it took to undertake a visit. There is no incentivisation at all for us to drive a certain outcome. We spend as long as we need at the visit to undertake the review that needs to be done.

Q54 **Janet Daby:** How is that contract structured for, let's say, British Gas? Is it structured for each visit that you do?

**Debbie Nolan:** It is structured on an hourly rate, so the amount of time that it takes us to undertake the visit. That allows our agents to spend more time assessing whether there is any vulnerability at the property and whether there is anything that might impact the installation of a prepayment meter, and to advise the customer if they are present. When an account gets to this stage in the process, we will have already undertaken a first visit, either ourselves or through Richburns. At that point, the customer will have had anything between 20 and 40 pieces of

communication from the energy provider, and three or four items of correspondence from us as well. We also try to contact the customer by digital messaging and email, if we have those kinds of contact details.

Quite often, we do not actually have the name of the individual—it is an occupier—because neither we nor the energy provider has been able to establish who is at the address at the time. So again, paying the agent by hour allows us to find out the occupant, if there has been a change of tenancy. There are lots of other outcomes that can come at that point in time.

- Q55 **Janet Daby:** Just so I am clear, there will be ways in which you and the energy suppliers will try to communicate, without face to face, and then you would gain the warrant and would go and visit. On your visit—

**Debbie Nolan:** The first visit, yes.

**Janet Daby:** You establish the vulnerabilities. And then after that?

**Debbie Nolan:** After the first visit, we send our information back to the energy provider, and then it makes a decision at that point about when, if necessary, it is appropriate to go to a warrant. That would generally be because we have not been able to get a conclusion at a first visit. Quite often, that is because we have still not been able to make contact with the customer.

- Q56 **Janet Daby:** When you gain that warrant, you go back with the energy suppliers and they put in the meter. Is that how it works?

**Debbie Nolan:** Yes.

- Q57 **Janet Daby:** Les Johnston, how does that work?

**Les Johnston:** To succinctly explain the process, the warrant is a very final part of that process. Prior to that, the energy company may have attempted to contact that customer 10, 20 or 30 times by means they adopt. Only when that fails is the file passed to Richburns or another company. We are then charged with trying to contact that customer. We write, telephone, email and SMS; ultimately, we visit. The purpose is to make contact, dialogue, get information and feed that back to the energy company. In most cases, we succeed. Those files are passed back to the energy company. We get paid for those visits—for that process. We get paid to do that.

Those files are then passed back to the energy company. It is then up to the energy company to decide what it wishes to do. We will then, for those that we work for and do warrants for, receive files back, and we request on behalf of the energy company to apply for the warrants—you discussed the process earlier. We apply on behalf of the energy company for the warrant. If granted, we will then action that warrant, and on the basis of that action, we will be paid by the energy company. That is how the system works.

- Q58 **Janet Daby:** Do you get paid per warrant granted? Is that how you get paid? Or is it per application for a warrant?

**Les Johnston:** No, we get paid for a warrant being executed—for carrying it out.

Q59 **Chair (Sir Robert Neill):** So if the warrant is dismissed, you don't get anything for it.

**Les Johnston:** Yes, and if, after the court issuing the warrant, it is pulled—something happens—we do not get paid for that. We get paid only for what we do on the door—nothing else.

Q60 **Janet Daby:** Are you under any contractual obligation to adhere to the standard licence conditions?

**Les Johnston:** Yes, absolutely—with every energy company, absolutely.

Q61 **Janet Daby:** You are both nodding at that. How do the energy suppliers that engage your services monitor your compliance with the standard licence conditions?

**Les Johnston:** We are audited routinely and regularly by every energy company. We have our own compliance department. We operate the service level agreement and must apply that to the letter. We are audited; we are checked.

Q62 **Janet Daby:** Going back a little bit, how much correspondence would you say, on average, you attempt to make contact with the person?

**Les Johnston:** Through both the pre-warrant visits—

**Janet Daby:** Pre-warrant.

**Les Johnston:** Pre-warrant, there could be numerous telephone calls, numerous text messages—

**Janet Daby:** On average.

**Les Johnston:** On visits, we would attempt between one or two, or maybe three at the most—that is physically going to the address and attempting to make contact.

**Janet Daby:** And correspondence?

**Les Johnston:** One or two letters.

Q63 **Chair (Sir Robert Neill):** Do you employ your staff directly, or do you subcontract for some of the visits, for example?

**Debbie Nolan:** We predominantly have employed individuals. We have around 180 employed field agents. We do subcontract a small element to self-employed agents in areas with larger coverage, such as London, for example.

**Les Johnston:** Similarly, we have self-employed and employed agents.

Q64 **Chair (Sir Robert Neill):** In relation to either the employed or the self-employed, is any part of their reward structure based upon the number of warrants that are secured or the number of meters installed?

**Debbie Nolan:** No. We operate a bonus scheme that ensures that the visit goes ahead and the result of that doesn't matter for our bonus scheme, as long as the visit has gone ahead. There will be no additional bonus for an agent who has facilitated a prepayment installation as against somebody who walks away because they have identified a vulnerability.

Q65 **Chair (Sir Robert Neill):** Would you have the visit before or after the warrant?

**Debbie Nolan:** Sorry, I don't understand.

**Chair (Sir Robert Neill):** The visit takes place, which they are rewarded for. Where does that take place in relation to the warrant?

**Debbie Nolan:** That's before.

**Chair (Sir Robert Neill):** So you are saying that is all done in advance? That's important.

**Debbie Nolan:** Yes. The bonus scheme applies to the first visit.

**Chair (Sir Robert Neill):** Mr Johnston, from your point of view?

**Les Johnston:** We incentivise our agents for a positive outcome, and the definition of that is when you arrive at the door if the customer agrees to pay, or part pay and make a payment arrangement. There may be a change of tenancy information. That's what we incentivise.

Q66 **Mark Jenkinson:** Ms Nolan, you have just said you run a bonus scheme for visits taking place. If it's a field agent's job to make those visits, why do they need to be incentivised to make them?

**Debbie Nolan:** It's just part of the routine that's quite consistent with the rest of the industry. Our agents are paid a basic salary and then there is an element of bonus around that.

Q67 **Mark Jenkinson:** That is a per-visit payment, not a bonus depending on the number of visits, for example?

**Debbie Nolan:** No. It's intended to drive us to make sure that we make the visit and make sure that we have recorded an outcome for the visit that is appropriate.

**Les Johnston:** If I may, Chair, I will come in on this point. The agent is incentivised to make contact and get information, or to put the customer in contact with the energy company. That takes time, so the longer the agent spends at the door, we reward that. Does that make sense?

**Mark Jenkinson:** Yes, it does.

Q68 **Chair (Darren Jones):** Debbie Nolan, can I check I have understood your answers so far correctly? You will be given a list of customers by British Gas or other energy suppliers you work with. You will go to visit those customers' homes to do a pre-visit where you will check for any noticeable vulnerabilities. You will record that information. You then send

that back to British Gas or the other energy suppliers, and the energy company gives you the go/no-go decision on whether to proceed with the warrant and the forced installation. Is that correct?

**Debbie Nolan:** That is correct.

- Q69 **Chair (Darren Jones):** Were you surprised when British Gas basically threw you under a bus and said they were shocked and horrified by the outcomes of the report and said that it was your fault?

**Debbie Nolan:** I interpreted that message to be that they were horrified by the behaviour of our agent that had been reported in the press. I think that that was the focus of their remarks, rather than surprise that the visit had taken place, because they check it at every single point before we go to the warrant, and they send an engineer and their locksmith as well, so they know that the visit is under way. My interpretation of that reaction was more around the behaviour that had been reported.

- Q70 **Chair (Darren Jones):** Which bit of the behaviour? Was it the way they knocked on the door? The way they broke into someone's house? The way they muzzled the dog? The way they intimidated the people in the home? The way they installed the pre-payment meter? Which bit of the behaviour do you think was a shock to British Gas?

**Debbie Nolan:** I think the shock was from the video footage that was shared in the press, which indicated that our agent was excited by the forced entry to the property.

- Q71 **Chair (Darren Jones):** But you recognise that British Gas were at every visit, so they would have known what was happening?

**Debbie Nolan:** British Gas were at the visit, yes.

- Q72 **Chair (Darren Jones):** Thank you. What training requirements do British Gas put on you to train your agents and how do you report back to them that that training has been put in place?

**Debbie Nolan:** We create our own training within our business, but we do share all that contact with our clients. They also make sure that we are adhering to all those processes, in the way that Les described just now, by way of audit.

- Q73 **Chair (Darren Jones):** Lastly, do you have a key point of contact at British Gas? Please don't give me their name, but in terms of their title, is it a senior person or a junior person?

**Debbie Nolan:** A senior person.

**Chair (Darren Jones):** Do you know the person's title or role?

**Debbie Nolan:** It is collections director, or customer services. Apologies; I don't know exactly.

**Chair (Darren Jones):** It's a director-level role at British Gas?

**Debbie Nolan:** Yes.

- Q74 **Chair (Darren Jones):** Lastly and briefly, in terms of your reporting

back after you've done each visit, what information do you give back post installation about how it went?

**Debbie Nolan:** We provide an outcome code, which will reflect the result, and that could be that we have identified the new occupant's details, identified some vulnerability or identified different things in the property. There is normally a narrative that accompanies that that our field agent has typed up on their handheld device, and that we send back to the energy provider.

- Q75 **Maria Eagle:** Between 1 January 2019 and 1 December 2022, Arvato were granted almost 300,000 right-of-entry warrants, and Richburns over 130,000. I will come to each of you in turn, but these are huge numbers—huge. Arvato have said, in the information that you have given us, that you handle 685,000 accounts each year for energy providers, and 84% of those accounts are settled without the need for a warrant, which means 16% are not settled without the need for a warrant, and that's, by a rough calculation—because I'm not sure between which dates those numbers apply—about 109,000 warrants.

This is a significant number of warrants and amount of business that you are doing. Before you make applications, how can you establish, and how can you assure yourself that you have established, whether there are any vulnerabilities that might make it unsafe or impractical to install a prepayment meter, and mean that doing so would actually put you in breach of the law? How do you satisfy yourselves about that, given the huge increase in numbers that we are talking about here?

**Debbie Nolan:** The energy providers have all that information. They have the information that we have collected, if we have anything, from the first visit. But between our visit and their next stage, there may well have been some interaction with their customer directly; we don't know that, so we rely on the energy provider providing us with that information. We are applying for the warrant on their behalf and therefore we are relying on the information they hold.

- Q76 **Maria Eagle:** So you don't see it primarily as your focus to try to discover this; you just do what the company you are working for tells you to do—leave all that about vulnerabilities to them.

**Debbie Nolan:** We allow them to make the decision or rely on them to make the decision on the information that they have, as they are the licence holder. We are acting as an agent on their behalf to apply for the warrants once they have gone through those checks, and there are many checks through that process. For some of our energy provider clients, we have a checkpoint at the beginning of the day; we have a checkpoint when we are at the property; we have another checkpoint post the visit. There are lots of variations on that for different clients.

- Q77 **Maria Eagle:** Mr Johnston, how do you satisfy yourself in the same way—about whether there are vulnerabilities?

**Les Johnston:** I explained to you the pre-warrant visit process. That is our opportunity—when our agent visits the premises once or twice or maybe three times. If they make contact with the customer, that is the

point at which we can identify vulnerability. If we cannot make contact with the customer, we cannot report what we don't know, so we report that back to the energy company. When we receive the application for the warrant, go through the warrant process and then conduct the warrant visit, if, when the officer arrives with that warrant, they identify vulnerability, they will report that to the energy company and walk away. Indeed, that happens with 25% of the warrants that we action. We identify it at the door and report it to the energy company. It is only when you make contact with the client that you can identify that; if the client or customer does not make contact with the energy company or us, we cannot report what we don't know.

Q78 **Maria Eagle:** Is not that itself a signal of vulnerability in many cases?

**Les Johnston:** No. When someone has been attempted to be contacted 20 or 30 times—I don't know what we do about that. That is the reality of what we deal with day in, day out.

Q79 **Maria Eagle:** Ms Nolan, how do you make sure that there are no vulnerable members of a household when you have not been able to establish any contact?

**Debbie Nolan:** Well, one example is in one of the articles that featured in the press. It was an individual that we had not been able to establish contact with before the warrant. When we arrived with the warrant, we identified that the customer was present. She had three children plus a newborn baby, so our agent walked away, and that was reported in that press article also. It happens very regularly.

Q80 **Maria Eagle:** Can you give us a slightly more precise percentage or get back to us with one?

**Debbie Nolan:** I will very happily get back to you with something in writing.

Q81 **Maria Eagle:** Thank you. You had 300,000 right-of-entry warrants between January 2019 and December 2022. Can you give us any figures about how many vulnerable customers you identified out of those and therefore did not proceed with? Mr Johnston, you have had 130,000. It sounds like you have some figures in your head already if you can say 25%—a suspiciously round number, but none the less.

**Les Johnston:** It is a fact.

Q82 **Maria Eagle:** Okay. It would be nice to have some precise information from your management systems about how many vulnerable customers were identified at this stage. One of the concerns I certainly have is that the vulnerability of the customer is not actually being focused on in the way it ought to be. Whether that is your responsibility or the licence holder's responsibility—the companies you work for—that is none the less somebody's responsibility. It would be interesting to see the figures you have.

**Chair (Sir Robert Neill):** If you are happy to, perhaps you could write to us.

**Les Johnston:** Can I comment on that point because it might be helpful? We classify almost half the warrants we are issued with as walk-aways—we do not action because things happen—and we identify 25% of those on visit as a vulnerability. It is a round number.

**Maria Eagle:** So 25% of the half, or half of the half?

**Les Johnston:** Yes, 25% of the half of those we carry out. If we as a collection agency were ignoring vulnerability at the doorstep, we would be flooded with complaints and court cases. To give you some accurate figures, last year we had 209 complaints out of the numbers you have quoted.

- Q83 **Maria Eagle:** I do not necessarily accept the premise of what you are saying. Do you understand that part of vulnerability in many instances is the incapacity to act? I therefore do not think it is fair to say, “we would be flooded with complaints”. People just think, “That’s one more thing weighing me down.” That is the concern: many people with vulnerabilities are not capable of acting for various reasons, or they do not feel able to or they do not act. Is that not one of the concerns?

**Les Johnston:** I can accept that point.

- Q84 **Maria Eagle:** You—Richburns—have given us a sequence of how you go through things, and you have referred to some of it today. You refer to customers being sent a human rights letter, which informs them of the application process. What is in this human rights letter? It is a funny description for a letter that you are sending to customers you are about to chase for money.

**Les Johnston:** We are required to do that. That is the regulation that we are required to act on. It informs the customer of the situation, what they must do and the timetable. It asks them to make contact with us or the energy company. Again, it goes back to what I explained earlier: we are trying to get dialogue, communication. That is how most cases are resolved.

- Q85 **Maria Eagle:** Why do you refer to it as a human rights letter?

**Les Johnston:** It is just the terminology that exists.

- Q86 **Chair (Sir Robert Neill):** Perhaps you could supply us with an example.

**Les Johnston:** Yes.

- Q87 **Karl Turner:** You mentioned, Mr Johnston, in answer to my colleague’s questioning that you would be flooded with complaints. You have answered that to a degree and accepted what was put to you. You also mentioned that you would be flooded with court cases. How do you propose that one of the vulnerable people we are speaking about here might bring an action against your hugely powerful business? Do you think that is possible?

**Les Johnston:** Sorry, I don’t understand your question.

**Karl Turner:** How do you expect a vulnerable person who is having their

door smashed in, and having one of these prepayment meters installed against their will, to take an action against your business? I think that is what you said in answer to questions from my colleague.

**Les Johnston:** I was just giving facts. We don't smash doors in, firstly.

Q88 **Karl Turner:** You force entry, don't you? You have a warrant to enter the property—

**Les Johnston:** Lawfully.

Q89 **Karl Turner:** Lawfully, I accept—but against the will of the occupant of that property, you install a meter. By virtue of that, we can assume those persons are vulnerable. How do you expect those vulnerable people to bring an action against your big business?

**Les Johnston:** I can't answer that, obviously. I cannot answer that question.

Q90 **Karl Turner:** You cannot, or you do not want to answer it?

**Les Johnston:** No, I can't answer it. You are asking me the impossible. I can't answer for every individual.

Q91 **Karl Turner:** Okay, let's move on then. When you apply for a warrant, how do you decide which court to use? That is to either of you.

**Debbie Nolan:** We are nominated a bulk court, which is Portsmouth.

**Karl Turner:** Sorry, say that again.

**Debbie Nolan:** We are assigned a court.

Q92 **Karl Turner:** Right. And who assigns that to you?

**Debbie Nolan:** I must say, I don't know. I would need to check.

**Karl Turner:** You don't think it might have been worth asking the question, if you are assigned a court?

**Les Johnston:** It is the court system that assigns it to us at an—

Q93 **Chair (Sir Robert Neill):** Is it HMCTS—His Majesty's Courts and Tribunals Service?

**Les Johnston:** I think so.

**Debbie Nolan:** I think so, yes.

Q94 **Karl Turner:** And who applies for the warrants?

**Les Johnston:** We apply—the collection agency applies on behalf of the energy company.

Q95 **Karl Turner:** And what information are your agents asked to attest to under oath?

**Les Johnston:** That all the checks—the prescribed checks—have been carried out and that we have not, at that stage, identified any vulnerability.

Q96 **Karl Turner:** Just remind us again, what are those prescribed checks that you talk about?

**Les Johnston:** That we have sent the human rights letter, that we have visited, that we have attempted to contact, that the debt is legitimate and valid, and that we have not identified any vulnerability or any other reason that we should not apply for the warrant.

Q97 **Karl Turner:** And I think I am right in saying that, in September 2019, the system changed to the bulk upload procedure for the warrants. How did that affect your approach, if at all? Did it affect your approach—the way that you do your business?

**Debbie Nolan:** It certainly has not affected the approach in terms of the checks that we undertake before we go to that warrant application.

**Les Johnston:** I would answer the same, yes.

Q98 **Karl Turner:** After a warrant is obtained, what further steps are taken before a prepayment meter is forcibly installed?

**Les Johnston:** A prepayment meter is not installed with every single warrant. I may have a statistic for you: in terms of the prepayment meters, it is only in a percentage of the warrants actually carried out that PPMs are fitted. In our case, Richburns, of all the files we receive, right from the very beginning, it is less than 4% in which prepayment meters are fitted.

**Debbie Nolan:** It is the same for us; we have 4%.

Q99 **Karl Turner:** Okay. Help me with this, then: how many prepayment meters did you forcibly install in 2022?

**Les Johnston:** At Richburns, we fitted about 14,500, to my knowledge.

**Karl Turner:** So 14,500.

**Les Johnston:** Yes.

**Debbie Nolan:** My numbers are 58,000 since 2020.

**Karl Turner:** Fifty-eight thousand since 2020.

**Debbie Nolan:** Yes, since 2020, but we don't fit the prepayment meter. Our energy providers do that. We arrange for the warrant.

Q100 **Karl Turner:** How do you ensure that your agents comply with the standard licence conditions on vulnerability and safety?

**Debbie Nolan:** We receive instructions from our clients that set that out specifically so that we can make those checks. There are a number of checks along the process to ensure that everything has been covered and checked.

Q101 **Karl Turner:** You will no doubt be familiar with *The Times* investigation. Have you read those reports?

**Debbie Nolan:** Yes.

**Karl Turner:** You took a proper interest in that, no doubt.

**Debbie Nolan:** Of course.

Q102 **Karl Turner:** That report suggested that agents had acted in breach of the standard licence conditions relating to customers' vulnerable situations. Do you agree with that?

**Debbie Nolan:** No, because one of the cases that was reported in the press was specifically around an individual who clearly had a vulnerability, but we identified that on the visit and then walked away, so that is exactly in line with the conditions.

Q103 **Karl Turner:** So it must have been upsetting for you to be criticised by those that were instructing you—British Gas, et al.

**Debbie Nolan:** Well, British Gas, at that point, did not know that that customer had any vulnerability that we were aware of. That was the first time that any of us had managed to make contact with her.

Q104 **Karl Turner:** Tell me, Debbie Nolan, what is the most rewarding part of your business?

**Debbie Nolan:** The most rewarding part is that we do get plenty of "thank yous" from individuals and customers who have found that the visit to their property has been helpful to them. As has been mentioned earlier, sometimes people, particularly in vulnerable situations, are not able to make telephone calls or understand letters, so the first initial visit is actually very helpful to some people.

**Karl Turner:** Plenty of "thank yous".

**Debbie Nolan:** Yes.

Q105 **Karl Turner:** Mr Johnston.

**Les Johnston:** I wouldn't say there are "thank yous", but we do resolve most of the cases. As I said to you, it is less than 4% that goes to this extreme level, and a lot of it gets resolved well before through the processes that I have already explained. We don't just turn up with a warrant. There is a long tail to it.

**Ian Lavery:** Can I ask a question?

**Chair (Sir Robert Neill):** Yes, one or two people want to come in. Mr Brown caught my eye first, Mr Lavery.

Q106 **Alan Brown:** I was going to ask about the numbers of prepayment meters, but my question seems to have been answered. Did you say that 4% of warrant applications result in installation of prepayment meters?

**Les Johnston:** No, 4% of all the files we receive—it ends up as less than 4% that we go to.

Q107 **Alan Brown:** How many of the 130,000 warrant applications end up with prepayment meters?

**Les Johnston:** I have given you that figure already—that is the 14,500 last year.

Q108 **Alan Brown:** So, Debbie, can you say, percentage-wise, how many of your warrant applications end up in the installation of a prepayment meter?

**Debbie Nolan:** The same—4%.

Q109 **Alan Brown:** Because you said 58,000 prepayment meters were installed.

**Debbie Nolan:** That figure was since 2020.

Q110 **Alan Brown:** By my figures, you applied for 285,000 warrants from 2020, so surely that is 20% that end up with prepayment meters for Arvato, rather than 4%.

**Debbie Nolan:** It is 4% of the accounts that we receive, as Mr Johnson explained.

Q111 **Alan Brown:** But 20% of the warrants you applied for ended up on prepayment meter schemes.

**Debbie Nolan:** I don't have that number to hand, but I can confirm that to you writing, if that is helpful.

**Chair (Sir Robert Neill):** Yes, please.

Q112 **Ian Lavery:** Very briefly, I am absolutely amazed at what I have just heard, by the way, with both Mr Johnston and Ms Nolan suggesting that one of the best parts of the job is "thank you" letters from some of the most vulnerable people in our communities.

I am pleased to hear that they don't smash the doors down, Mr Johnston, but I'm sure you haven't got keys to get in. I am sure that people don't welcome you and open the door and say, "Come in. Put the meter where you might want it." These are the most vulnerable people in our communities. That is why your companies are making fortunes from the energy companies that, in turn, are making fortunes at a time when people can barely put bread on the table because of the cost of living crisis. Yet you are sitting in front of the Committee suggesting that the most rewarding part of the job is the "thank you" letters you get from individuals. I find that absolutely unbelievable—I just leave it there.

**Chair (Sir Robert Neill):** It is more a comment than a question, but you can come back, if you want.

**Les Johnston:** May I respond, Chair?

**Chair (Sir Robert Neill):** Yes, of course.

**Les Johnston:** I did not say that was the most rewarding part—I did not say that. We do not smash doors in.

Q113 **Ian Lavery:** How do you get in?

**Les Johnston:** Mostly, we enter with agreement from the customer. We don't smash doors in.

Q114 **Chair (Sir Robert Neill):** Otherwise, you've got a locksmith.

**Les Johnston:** Yes.

**Chair (Sir Robert Neill):** I see. We need to come towards the end of this topic. Ms Eagle, do you want to come in?

Q115 **Maria Eagle:** Given that Lord Justice Edis, the senior presiding judge, has put a stop to warrants being granted at the moment in the courts, because Ofgem has become sufficiently concerned at the operation of suppliers to ask all energy companies to suspend forced installation, are you conducting retrospective checks to establish how many prepayment meters have been installed in the homes of customers with vulnerabilities? Are you doing that, Debbie Nolan?

**Debbie Nolan:** We can certainly look into the accounts where we know a prepayment meter has been installed and review the account to see if there has been any vulnerability identified at any stage of the process.

Q116 **Maria Eagle:** No—are you going back retrospectively and looking, where you have installed a meter, at whether or not there are vulnerabilities? I am not asking: are you checking your files to see whether you had identified vulnerabilities?

**Debbie Nolan:** We don't install the meter; that is why I am answering in that way.

Q117 **Maria Eagle:** You are present when the meter is installed because you are executing the warrant.

**Debbie Nolan:** Yes.

Q118 **Maria Eagle:** Are you doing any retrospective checks where there is a meter installed? Has British Gas asked you to do any retrospective checks on vulnerabilities?

**Debbie Nolan:** British Gas has asked us to provide all the information that we have on our accounts, which includes any information that we have on vulnerability. We have sent that to them, so yes, we are providing that.

Q119 **Maria Eagle:** But that is just providing them with information that they have already had during the process. That is not a retrospective check on vulnerability where a meter has been installed, is it?

**Debbie Nolan:** It depends on your assessment for vulnerability. It is very difficult to assess that retrospectively because quite often it is transient and there are different things that happen that we are not aware of because it is on our client's systems. We can only answer for the information that we have on our files, but we are very happily sharing that with our clients, including British Gas.

Q120 **Maria Eagle:** Would you say that providing extracts or the whole copies of your existing files amounts to a retrospective check to establish

whether there is vulnerability?

**Debbie Nolan:** That is the very start of the process, yes—to understand it.

Q121 **Maria Eagle:** As far as you are aware, is any proactive work going on to go to places where these meters have been installed and check whether the people there are vulnerable?

**Debbie Nolan:** My understanding is that that is under way at the moment. We are not doing that work for—

Q122 **Maria Eagle:** You are not doing that.

**Debbie Nolan:** No.

**Maria Eagle:** But it is happening.

**Debbie Nolan:** We have been instructed by British Gas to return all their accounts and not to act on their behalf at the moment, so at the moment we are not doing anything for British Gas.

Q123 **Maria Eagle:** I understand. Mr Johnston, I put the same question to you.

**Les Johnston:** We have not been asked by any energy company to do what you suggest, nor would we have the information. Once the warrant is executed, that relationship is between the customer and the energy company.

Q124 **Maria Eagle:** So you wouldn't be able to do that even if you were asked.

**Les Johnston:** We wouldn't be involved beyond that point, no.

Q125 **Chair (Sir Robert Neill):** A final thing: if a prepayment meter is installed, what is the typical cost of enforcement that is passed on to the customer? Can you help me with that?

**Debbie Nolan:** I don't know that, I'm afraid, Chair.

Q126 **Chair (Sir Robert Neill):** I should think it would be quite an important bit of information to have in your records, wouldn't it?

**Debbie Nolan:** It wouldn't be us that applies that charge to the customer—

Q127 **Chair (Sir Robert Neill):** I see. Who would?

**Debbie Nolan:** It would be the energy provider.

Q128 **Chair (Sir Robert Neill):** Okay, so it is the energy provider we want to ask. Fair enough. Is it the same with you, Mr Johnston?

**Les Johnston:** Yes, the energy company would do that.

**Chair (Sir Robert Neill):** One very last question, Mr Turner, because we then need to hand over.

**Karl Turner:** Thank you, Chair. If, after several visits, the vulnerable single mother—very often—allows your agents in to fit the meter, or indeed a locksmith perhaps doesn't smash the door down but forces entry

and the meter is fitted, that is a costly process, isn't it? Do you not bother to inquire about how much of that cost is passed to the consumer? Do you not bother to ask those who instruct you how much of that cost is passed on to that vulnerable person? Do you not do that? Why ever not?

**Les Johnston:** To the best of my knowledge, I believe the fee is £150, but I would have to confirm that in writing to the Committee.

**Karl Turner:** I wonder if that's the thing those vulnerable people are writing to you to thank you about.

Q129 **Chair (Sir Robert Neill):** If you could confirm that to us, we would be grateful. Ms Nolan, Mr Johnston was able to give a figure; can you?

**Debbie Nolan:** I can't, but I can certainly come back to you in writing.

**Chair (Sir Robert Neill):** If you can find out and come back to us, we would appreciate it. Thank you both for your evidence; we are very grateful to you. We will now suspend briefly so that I can hand over the Chair to Mr Jones.