

INFORMATION FOR SELECT COMMITTEE

1. Additional Information (as requested by Committee)

- i. Information on the number of vulnerable customers/households identified by Arvato Financial Solutions (AFS) – before and after the granting of a warrant [During the period January – December 2022, before a warrant, AFS identified potential vulnerability in 30,000 households, which represents 4.4% of the cases that we managed during that time (and 24% of the customers that we had managed to establish contact with).

During that same period, 30,000 warrants were aborted by the Energy Provider before the warrant was executed. The reason for abort is not shared with AFS, but this will include warrants not executed following identification of vulnerability.

AFS identified 3,000 vulnerable households at the warrant stage in this period.

- ii. “Human Rights” letter. I have provided an example to you. This is a letter sent to a customer, prior to the application for warrant, to provide information about the warrant process and to encourage the customer to contact AFS or to contact their energy supplier. Typically, this letter will have been preceded by multiple other attempts to contact the customer, including digital messages, telephone calls, and letters.

- iii. Details about the process of checking whether a customer who volunteers for a prepayment meter (PPM) is vulnerable. Please find below an explanation of AFS’ role in this process.

AFS would not be directly involved if a customer contacts British Gas, or another energy supplier, to request a PPM to be fitted. That would be a direct communication between the customer and the energy supplier.

During the First Visit Stage, undertaken by AFS, the agent conducts a conversation about the customer’s debt. This includes ensuring that vulnerability and ability-to-pay assessments are undertaken and understood.

Based on these conversations, the AFS agent can propose the best outcome to meet the needs of both the customer and the energy supplier. Many resolutions are achieved at this stage, in favour of the customer, and in a manner that avoids any move to a warrant process. These resolutions include:

- Identifying that the customer qualifies for the Priority Services Register, which can provide support for vulnerable customers (many customers are unaware of this support prior to the AFS agent’s visit).
- Explaining options for repayment plans, to allow a sustainable and achievable debt management plan for the customer.

- Helping to process any change of tenancy or mistaken identity.
- Processing a request for a prepayment meter

In the context of AFS' contract with British Gas, this means that any PPM appointment agreed with the customer at First Visit Stage is called through from the customer's property to the British Gas Offshore team to update the British Gas system and confirm acceptance of the agreement.

During a warrant visit, if the customer agrees to a PPM being installed, the AFS agent must only proceed if it would be appropriate for the customer/household, e.g. it is safe and practicable and will not leave them in a vulnerable situation. If there is any doubt, the agent will call the British Gas helpline to discuss the vulnerability and agree the appropriate course of action.

2. Further Information and Data Points

- i. Percentage of AFS 'walkaway'. The Committee discussed the percentage of walkaways (due to vulnerability) that resulted from warrants executed by AFS. For 2022, I can confirm that AFS has recorded walkways for vulnerability in 1,350 warrant cases. For 2023 (up to 30 January 2023) our records show 156 walkaways for vulnerability. It is important to note that there are many other reasons why an AFS agent may walkaway, besides vulnerability.

Payment arrangements agreed with customers. AFS has recorded 2,357 payment arrangements made at the point of a warrant during 2022. AFS has no visibility of cancellation reasons prior to warrant execution, as this information is held by the Energy Providers.

Overall, AFS records show that at First Visit Stage 75,884 payment plans were entered into.

- ii. Installation of PPMs

I was asked **how many PPM's were installed in 2022 and how many warrants were granted.**

In 2022, 92,302 warrants were granted to AFS acting on behalf of British Gas.

In 2022, 49,591 domestic premises were visited under warrant with a view to install a PPM for British Gas.

In 2022, 20,003 PPM installations under warrant took place (where AFS was present), with respect to British Gas account holders.

- i. Costs passed on to customers

The Committee were also interested to understand if any costs are passed on to the consumer (warrant costs/locksmiths etc). Standard Licence Condition ["SLC"] 28B.2 prohibits a supplier from charging any costs associated with a warrant to install a PPM where the customer has:

- a vulnerability which has significantly impaired their ability to engage with the license/their agent in relation to the recovery of a debt owed; or
- a severe financial vulnerability which would be made worse by charging them any costs associated with the warrant.

The total amount of costs associated with a warrant for a particular customer that can be recovered from a customer is capped at £150 (SLC 28B.3).

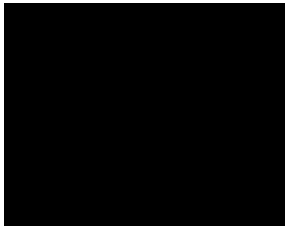
We do not pass any warrant costs to the customer and we have no visibility or insight into whether our client pass on these costs (or parts of them) to the customer.

For context, when OFGEM introduced the cap in 2017, it said that costs were on average £400 for a dual fuel customer but can range up to £900. OFGEM said that this cap was designed to incentivise suppliers to explore alternative debt recovery methods and to only use warrants as a last resort.

ii. "Thank yous"

It is a matter of pride for AFS' 480 staff members, and me personally, that we receive many notifications from customers every year, thanking us. These "thank yous" are linked to our successful track record – 96% of all cases are resolved without the need for a warrant or PPM installation. The "thank yous" most commonly received by AFS are because:

- The customer has been unable to establish a dialogue with their energy supplier. AFS has facilitated this, to allow the customer to reach an immediate resolution
- The customer is eligible for the Priority Services Register - which can provide support for vulnerable customers – but was unaware of this service until AFS' involvement
- The customer is in need of broader debt management support, not only related to energy bills, and has found resolution via a financial advice/support service referred by AFS
- The customer has not been able to understand the letters they have received, and/ or does not have access to a telephone so this is the first time they have been able to communicate in a way that helps them
- The customer has not accepted that they have a form of vulnerability but it can be identified by the agent on the visit
- The AFS agent has helped the customer in other ways such as calling the Emergency Services, the Council, Housing Association, or has ensured that the customer has food.



29th November 2022

We're applying for a warrant to change your meter

Hello [REDACTED]

You still owe us £[REDACTED] for the Electricity you've used and the additional charges mentioned in our previous letters.

You haven't responded to our letters and we haven't received payment. We're now applying to court for a warrant to enter your property. This is to replace your current meter with a pay as you go meter/inspect your meter and switch it to a pay as you go meter. The application for a warrant is under the Rights of Entry (Gas and Electricity Boards) Act 1954.

Having a pay as you go meter will allow you to pay off the money you owe, at a rate we agree with you, and pay for energy as you use it. If this type of meter isn't suitable for you, please get in touch immediately by calling 0333 202 9804*.

What will happen if we don't hear from you

Our application for a Warrant of Entry will be heard at court. You can go to the hearing and make representations against our application.

If you'd like to do this, you have the right to ask for the hearing to take place at a court in your local area and can select one from the list at the end of this letter. If you wish to do this, please call 0333 202 9804* within 21 days from the date of this letter or complete the enclosed form and send it to us at the postal address shown at the bottom of the form. The form must be returned to us within 21 days from the date of this letter. A local court hearing will be arranged.

If you do not ask for a court hearing the case will be heard in your absence without any further notice.

If a court hearing is arranged at your request and you don't go to the hearing, a warrant may still be granted. If you have any queries or disputes about your account, you should request a local court hearing and/or contact us in 21 days from the date of this letter. If the problem is resolved before the hearing, the application for a warrant will be withdrawn.

If granted, the warrant will allow us to enter your property to fit a pay as you go meter/inspect your meter and switch it to a pay as you go meter without giving you any notice. From the date the warrant is granted we have 28 days to do this.

Your customer reference number
[REDACTED]

Your supply address
[REDACTED]
[REDACTED]

Contact us

britishgas.co.uk

0333 202 9804*
Mon–Fri 9am - 5pm

Textphone
18001 0800 072 8626*



Letter reference:
CMN/DCL/WAR/CCT_NV

29th November 2022

PTO >

What will happen on the day of the warrant

If no one answers the door when we visit, a locksmith may have to drill out and replace your locks to let us in. If we have to force entry, we will make sure your property is as secure as it was before we entered. Safety regulations dictate that we must have access to your property before restoring your supply.

If new keys are required to access the property you will need to make contact with our service provider LRP on 0800 408 0304. Valid proof of identity and residency will be requested and checked before keys will be returned.

You can stop all of this happening

If you call 0333 202 9804* before 5pm the night before the warrant visit and pay what you owe no further charges will be added to your account. When you call, we can also discuss ways to manage your account. But, if you call on the day of the warrant visit, we will still carry out the visit to discuss payment and your ongoing energy use. And we may still fit a pay as you go meter/inspect your meter and switch it to a pay as you go meter to help you manage paying for your energy better. If we visit, your account will be charged - you'll see details of these costs below.

Thanks

Your British Gas team.

If you're having trouble paying in full we can help

Call us on 0333 202 9804* as there are lots of ways we can help.

The costs of not paying what you owe could really add up

- £56 for the warrant application
- £94 if we visit your property, or
- £94 if we visit your property and execute the warrant to exchange your meter

These costs include for example, the attendance of our authorised representative and engineer.

Your credit rating is at risk

You're at risk of damaging your credit rating and that can make it harder to borrow money. We share your account status with credit reference agencies. If they see late payments on your account, it will reduce your credit score or rating. A lower credit score or rating can make it harder for you to borrow money and can also result in lenders giving you higher interest rates or stricter rules for borrowing. You can find the details of the credit reference agencies we provide information to in our Privacy Policy at britishgas.co.uk/privacy.

How to get a copy of your credit rating report

Ask for a copy of your credit reference file by writing directly to the agencies. Details of these agencies can be found at britishgas.co.uk/privacy, if any information they hold is inaccurate you can ask that they update your details.

Need help reading this?

If you'd like a large print, Braille or audio version of this letter, call us free on 0800 072 8625*

You should only complete these two pages if you want to attend the hearing about the Warrant of Entry

Please remember you can get in touch about the money you owe and work something out with us. We'll do everything we can to help and you may not have to go to court.

Your name:

Your account number:

Your contact details:

Telephone:

Email:

You must return this notice by 21 days from sending to the designated address below or by calling us on the number provided. If you do not return it, or contact us by this date, or fail to attend court, the Court will decide the application for a Warrant of Entry in your absence.

If you return it, the court will arrange a hearing at the court you choose (see list overleaf). You must ensure you are available and must attend to present your defence.

Please complete the following information so that the case can be dealt with effectively:

I do not believe that the court should grant a Warrant of Entry because:

Put your reasons here. This helps the court decide how to deal with the case.

The hearing for these applications should typically take about half an hour. If you think you will need longer to present your case to the Magistrates, please state how long you think it will take and why:

Time estimate (to within 15 minutes):

Because:

If you are going to be represented by a solicitor, provide their name, address and email address here:

Please give specific dates when you cannot attend court to present your defence:

Mark the courthouse where you want to appear

Your name:

Your account number:



If you ask for a court which appears to be some distance from your address, we may ask for additional information:

Birmingham	Newport (Isle of Wight)
Caernarfon*	Northampton
Cannock	Nottingham
Cardiff*	Peterborough
Carlisle	Poole
Chelmsford	Portsmouth
Cheltenham	Preston
Croyden	Sefton
Derby	Sheffield
Exeter	Stoke-on-Trent
Guildford	Swansea*
Hereford	Swindon
Hull	Telford
Leeds	Truro
Leamington Spa	Uxbridge
Leicester	Warrington
Lincoln	Worcester
Manchester	Wrole, Weston-Super-Mare
Middlesbrough	Wrexham*
Newcastle-Upon-Tyne	York

If you require an interpreter, please state the language: _____

*If you have asked for a hearing in Wales you are entitled to a hearing in Welsh. If you want a Welsh hearing, please tick here.

Return this by post to Warrant Planning Department, Centrica, Millstream, Maidenhead Road, Windsor, SL4 5GD or calling us on 0333 202 9804. We'll let you know when you need to be at the court for the hearing.