

Code of Practice on Disconnection

Guidelines for Suppliers - Disconnection Procedure

Suppliers are required to specify conditions for renewal and termination of services or contract (or both) including the connection and disconnection of final customers. The following are the Commission's minimum requirements with respect to a supplier's code of practice on disconnection. The word disconnection in this code refers to locking/unlocking, de-energisation/re-energisation and disconnection for non payment. This code does not apply to customers who are using a prepayment meter or a budget controller to pay for their electricity or natural gas.

General

A supplier should provide in its code of practise that it conducts its business in such a manner that minimises the number of customers that are disconnected. Suppliers must have procedures in place consistent with best industry practice concerning the treatment of customers with arrears. Suppliers must work with the relevant state agencies or state sponsored bodies/recognised charities to assist customers with arrears or a payment plan in the event that difficulties are experienced.

All information on terms and conditions, codes of practice and notices issued to customers in relation to the disconnection of their account should be in plain English.

Disconnection of a customer should only be carried out as a last resort.

Reasons for Disconnection

Suppliers must specify instances which may lead to the disconnection of a customer's supply which may include:

- Failure to pay a bill relating to the supply of electricity/gas;
- Upon request of the account holder. The supplier should clarify that the person making the request is the account holder, or has the permission of the account holder to disconnect the power supply.
- No registered occupant;
- Suppliers should include indication to their customers that their gas/electricity supply may be disconnected by the Gas Network Operator/Electricity Network Operator for safety reasons and/or operational reasons where appropriate. This Code does not apply in these circumstances.

Suppliers must specify where disconnection of a customer's supply will **not** be initiated by the supplier and must include as a minimum the following circumstances:

- Where a customer has entered into a payment plan with the supplier and is honouring that arrangement;
- Where a customer is pursuing a complaint using the complaint handling procedures specified by the supplier and the complaint is related to the reason for disconnection. The supplier may not initiate a disconnection until the complaint process is exhausted;
- In the event that a customer is disputing a bill this clause only applies to the disputed bill and not any previous or subsequent bills which must be paid as normal;

- For failure to pay a bill which is not related to the supply of electricity/gas (e.g. failure to comply with the terms of a hire purchase agreement related to the purchase of an electrical appliance/gas boiler or any service given outside the supply of electricity/gas);
- For failure to pay a bill based on a regular estimate unless it is fair and reasonable in the circumstances¹, (e.g. access to read a meter is refused);
- Where a customer relies on a recognised life support system powered by electricity;
- During the winter months (1st November to 31st March) where a person of pensionable age is living alone, with another person of pensionable age or where minors are dependent on persons of pensionable age and that person has registered with their supplier.
- Where a customer is a member of any category of customer that the Commission may specify from time to time.

Process for Disconnection due to Non Payment

All suppliers must put in place a full escalation process which will be followed in advance of any request to disconnect a customer due to non payment of their account. This process will include contacting and notifying the customer to inform them they are in arrears (by telephone and in writing), providing information on any options the customer has to make payment and providing contact details for customers wishing to enter into a payment plan or where appropriate in the case of domestic customers how to arrange to have a pre-payment meter or budget controller. A supplier may develop different escalation processes for domestic and non-domestic customers should they so wish. The process for each customer category must be clearly set out. Should the customer wish to nominate a third party to represent them this must be facilitated e.g. Money Advisor including MABS, a recognised charity or Social Welfare Representative.

Where circumstances warrant it, the supplier must refer the customer for guidance to his/her local MABS office or an appropriate alternative.

As a minimum, suppliers are required to make the following contact in advance of issuing a request to disconnect a customer:

- At least two attempts to contact the customer by telephone
- At least two attempts to contact the customer by notice in writing (this includes at least one contact in addition to the notice of disconnection and must be in addition to any communication made through the customer's normal bill)
- Each attempt to contact the customer should take place no less than three working days apart

Notice

Any notice sent to a customer regarding disconnection for non-payment of their account must be sent in writing by letter.

¹ By way of example, it is considered reasonable to request a customer's disconnection where long term no access to a premises is an issue and the customer has been informed. However where, as part of the metering cycle, a customer receives an estimated read and this appears not to match the customer's normal consumption pattern the customer may dispute this and should not be disconnected.

Where a supplier has exhausted its escalation process and intends to initiate a disconnection:

- No disconnection calls will be made on a Friday, Saturday, Sunday, eve of a Public Holiday or a Public Holiday.

For the avoidance of doubt, disconnections for safety reasons to prevent injury to persons or damage to property may be made at any time and are not within the scope of this Disconnection Code of Practice.

- The supplier must provide **at least 14 days** notice in writing to the customer of its intention to request the Electricity Network Operator/Gas Network Operator to disconnect supply. The notice must specify the reason for disconnection. Where a registered vulnerable customer has nominated a correspondence re-direction service on their application to be included on the register of vulnerable customers, the disconnection notice need only to be sent to the nominated carer/relative as specified and registered by the customer.
- The notice must specify the **actual cost** to domestic customers of disconnection and reconnection.
- Where a supplier has added an administrative or other cost to the regulated cost for this action, this must be shown separately on the notice.
- For business customers where a set cost does not apply the notice must specify that a cost will apply and customers must be directed to where they will find information on the actual cost in advance of disconnection taking place.
- The notice must highlight any charge which may apply to the customer if the disconnection is cancelled or no access is possible at the premises.
- The notice must highlight that the payment of arrears cannot be made to the persons carrying out the disconnection.
- The notice must provide the contact details for a nominated support agency to be agreed with the Commission as appropriate.
- If a customer opts for disconnection it must be made clear that arrears must still be recouped and that standing charges may still apply.
- The notice must specify the contact details of the supplier's debt handling/ credit control division so that the customer may make contact. The supplier must facilitate customers who wish to pay immediately any bill arrears after the receipt of the notice.
- Where the supplier is aware that a large electricity/gas user (i.e. a customer consuming more than 1 GWhr) has gone into liquidation or receivership the notice period is reduced to 2 days or whatever contractual arrangement the supplier may have with the user.

As set out above, this notice should provide at least 14 days notice to the customer of the supplier's intention to request a disconnection. For the avoidance of doubt, the

Commission requires that suppliers do not process any request for disconnection until after the 14 day notice period has expired.

Financial Hardship

Suppliers must facilitate payment options/plans for residential customers experiencing genuine financial hardship and, where appropriate, engage with a money advisor acting on behalf of the customer. e.g. MABS, a recognised charity or third party. This must include offering the customer a prepayment meter or budget controller if this is possible.

Vulnerable Customers

Where a supplier is made aware that a domestic customer may be at high risk due to disconnection alternative methods of debt recovery should be used. This could be done through offering alternative means of payment, pre-payment meters, budget controllers and payment plans. The use of pre-payment meters or budget controllers may not always be appropriate and the ability of a customer to utilise this technology should be considered with the customer when making a decision to install one. Where a customer has a mobility or sensory impairment, which may cause difficulties when using such a meter, an alternative payment method should be used instead.

Suppliers are expected to use discretion when choosing to disconnect domestic customers and where a genuine vulnerability is demonstrated a supplier is expected not to disconnect that customer.

Payment Plans

Payment plans are a method of assisting customers who are experiencing financial difficulties in paying their bills. Suppliers are required to assist customers in genuine financial difficulty in making a payment plan.

A supplier should take account of the customer's ability to pay when agreeing any repayment arrangement and confirm with the customer that arrangements are manageable. Where a payment plan has been entered into with the customer, details of the payment plan setting out a clear explanation, in writing, of the new payment arrangement and any terms associated with it should be sent to the customer no later than one week after the payment plan has been agreed.

Where a supplier has entered into a payment plan with a customer and that customer fails to honour that plan, the customer may be subject to the supplier's normal disconnection process including receipt of the required notification set out above.

Reconnection

Where a disconnected customer has reached a settlement with its supplier (through payment plan or payment in full), the customer shall be entitled to be reconnected under the standard network terms and conditions offered by the supplier including, where appropriate, the provision of a security bond/deposit or other such measure that is reasonably required to ensure that disconnection for non-payment not will occur in the future may be requested.

Where a supplier requires a security bond/deposit clear conditions associated with this, including how it will be repaid must be provided to the customer in writing. A supplier must

also be conscious of the customer's circumstances when setting the level of any security bond/ deposit.

Where a customer has repeatedly been disconnected, failed to make payments of bills or fails to keep a payment plan that customer may be subject to disconnection and reconnection may only take place after full payment for outstanding bills is made. That customer may also be liable for a higher security bond/deposit or may be required to use a prepayment meter or budget controller.

Records

A supplier must keep and maintain adequate records of all the steps taken and all considerations made in relation to a customer's account and any action in relation to disconnection or reconnection.

Disconnection of a premises with no registered account holder

The disconnection code should include a separate section setting out clearly the supplier's process for handling properties where there is no registered account holder.

Where a supplier is supplying a property and the existing account holder has closed their account, the supplier must issue a notice, in writing by letter, to the property at least 10 days in advance of a request to disconnect the property due to no new account holder being registered.

That notice should set out the actual costs which will be incurred due to the disconnection of the premises and the contact details for the new occupier to open an account. Any additional administrative charges should be displayed separately to the regulated charges for this work.

For the avoidance of doubt the request to disconnect the property should not be made to the network operator until after the 10 day notice period has expired.

