# Cost of Living

5 Nov 2022

## Challenging your energy supplier

### Payment difficulties

They must take into account your ability to pay, and variable income patterns.

Ofgem published the results of their review in the way suppliers dealt with those in payment difficulties on 27 September

* They found serious weaknesses in Utilita and ScottishPower.
* E, Good, Green Energy, Outfox and Bulb were found to have ‘moderate’ weaknesses
* Ecotricity, EDF, E.ON, Octopus, OVO, Shell, UW and SO Energy were found to have ‘minor’ issues

<https://www.ofgem.gov.uk/publications/regulatory-expectations-supporting-customers-payment-difficulty?mc_cid=d63cd4af6d&mc_eid=87bf44fe74>

<https://www.ofgem.gov.uk/publications/good-practice-supporting-customers-payment-difficulty?mc_cid=d63cd4af6d&mc_eid=87bf44fe74>

### Back billing

Can’t back bill beyond 12 months, unless you stopped them reading the meter.
See Resources for template complaint letter.

### Who is liable?

Any adult at the address, whether or not they are named on the bill

### Stop them forcing you on to a prepayment meter

If you’ve got a negative budget, or are at risk of self disconnection (ie not using any fuel for fear of the cost). They can only put you on a prepayment meter if it is ‘safe and reasonably practical’

<https://www.ofgem.gov.uk/sites/default/files/docs/2016/03/open_letter_-_authoritys_decision_to_modify_the_safe_and_reasonably_practicable_guidance_-_final.pdf?mc_cid=d63cd4af6d&mc_eid=87bf44fe74>

### Vulnerable clients

If you are vulnerable, they should transfer you to a different team.

<https://www.ofgem.gov.uk/publications/market-compliance-review-customers-struggling-bills>

### Complaints

If you do make a complaint to a supplier and they do not respond satisfactorily, keep escalating the complaint, refusing any goodwill offers, until you reach either the 8 week letter or the Deadlock letter, whichever comes first. Then make a complaint to Ofgem. It is important to make the complaint to Ofgem - not only does it cost the supplier £500 for every complaint, but it also contributes to Ofgem's public quarterly results where they will quote cases and outcomes such as fines for the supplier.

### Fuel vouchers via CALS

Contact them for advice if you are really struggling

Please visit cals.uk.net for more information or contact book an appointment with an adviser on 0116 242 1120 or by email enquiries@advice-cals.org.uk.

### Household Support Scheme

Referral via school, social worker or tenant support. If you are unable to obtain a referral from any of these services, To make a claim for crisis support, you should email your name and contact number to C19support@leicester.gov.uk

### Energy Trusts

Anyone on a low income: <https://charisgrants.com/individuals/#:~:text=Charis%20partner%20with%20UK%20energy,any%20energy%20supplier%20can%20apply>.

### ST Water – The Big Difference

Anyone on a low income

<https://bigdiff.co.uk/login.php>

## Mortgages

### Keep talking to them

Even up to the date of a court hearing for Repossession. Repossession is not in anyone’s best interests: it costs the creditor money, and if the housing market drops, it becomes even less attractive.

They must offer you options:

* Payment holidays
* Reduced payments
* Spread arrears over rest of mortgage term
* Capitalize arrears and maybe increase length of mortgage

### Options

* Take a lodger, rent your driveway, do Airbnb

### Can’t afford to keep house

* Don’t just give back the keys or wait to be evicted: Sell the house yourself – this gives you a lot more control.

## Rent

### Keep talking to them

* Check you are getting any discounts you are entitled to:
* <https://www.leicester.gov.uk/your-community/council-tax/discounts-exemptions-and-reductions/>
* If you are on very low income, try Council Tax Support
* <https://www.leicester.gov.uk/your-community/benefits-and-support/council-tax-support/>
* If on very low income apply for Discretionary Housing Payment and Council Tax Support and Discretionary Council Tax Support

<https://www.leicester.gov.uk/your-community/benefits-and-support/discretionary-payments/>

* If someone in the house is disabled and there have been adaptations to the home, including grab rails and bathroom aids:
* <https://www.leicester.gov.uk/your-community/council-tax/discounts-exemptions-and-reductions/reductions-for-disabled-people>

### Keep paying it - Section 21 is going – but not yet

* Landlord can evict for no reason – that’s Section 21 - on 2 months notice, and can evict for rent arrears if you owe 2 months rent on the day of the court hearing.
* Section 21 is going to be abolished, but not until at least late 2023.

## Budgeting

### The biggest areas of problematic spending we see in Money Matters

* Smoking
* Takeaways
* Cafes
* Guilt spending on children
* Online games and gambling
* Random online shopping

### The biggest reasons why people have problematic spending

* Loneliness
* Feeling hopeless about problems
* Guilt – thinking you are not a good parent
* Being overwhelmed by life
* All adds up to stress, which is the result of the above

### What can you do to relieve stress?

* Tell God
* Tell a friend
* Get out for walks
* Get out and go to things (especially free ones)

### Think about why you spend

* Get to know your spending triggers
* Track your spending
* Work out your reasons for buying something
* Avoid temptation
* Get help from a friend

### Tools to help you stop

* Use MSE Demotivator
* Work out how much you spend on that item in a month and think about what else you could afford instead.

### Stop smoking

* We see clients spending up to £250pcm on smoking – just think what youRent could do with that money.

## Debts

* Work out what you’ve got left at the end of the month and divide it fairly between creditors
* Keep talking to creditors and make offers, even if it’s only £1 a month.
* If you have a persistent overdraft, open another bank account and pay off the old overdraft with a few pounds a month
* If you have loads of debts and no idea what do, come and see us

You can find all these links on the front page of our website [www.moneymattersleicester.org](http://www.moneymattersleicester.org)

## Resources

### Back Billing Template

Dear…

Re: (bill dated …. Account number….for period…)

**I would remind you that you are not allowed to back bill beyond 12 months, as per the Ofgem Standard conditions of electricity supply licence since 1 May 2018:**

'Condition 21BA. Backbilling Part A: application to Domestic Customers Prohibition 21BA.

1 Subject to paragraph 21BA.2, where the licensee or any Representative Issues a Bill to a Domestic Customer or otherwise seeks to recover (including via a Prepayment Meter) Charges for the Supply of Electricity from that customer (hereafter a “charge recovery action”), they must only do so in respect of:

(a) units of electricity which could reasonably be considered to have been consumed within the 12 months preceding the date the charge recovery action was taken; and

(b) where applicable, amounts in respect of a Standing Charge or any other type of supply charge accrued within the 12 months preceding the date the charge recovery action was taken.'
 **You are also required to take a physical meter reading at least once a year, which it appears you have not done.

Also, the onus is on you as the supplier to notify the customer if there are errors in billing:**

See Ofgem's letter to Energy Suppliers 17 Dec 2020:

<https://www.ofgem.gov.uk/sites/default/files/docs/2020/12/open_letter_on_expectations_for_energy_suppliers_undertaking_charge_recovery_action_0.pdf>

'Ultimately, it is the responsibility of suppliers to bill consumers correctly for their usage and to ensure consumer accounts are correctly reconciled. Consumers must not be held responsible for failing to identify errors in their billing or that a debt balance is accruing.'

We request you to credit my account with the value of the unbilled energy consumed over 12 months ago, taking into consideration any payments already made or credits applied to the account, so that I am not required to pay any additional sums towards this previously unbilled energy consumption.

Refusing to do so may suggest non-compliance with SLC 21BA.