cyngor ar bopeth advice

Kept in the dark (Wales) January 2023

Thousands of prepayment meter users in Wales can't afford to keep the power on

In 2022, local Citizens Advice offices across Wales helped **more people who can't afford to top up their prepayment meter (PPM)** than in the whole of the **last 10 years combined**.

The difficulties many PPM users are facing is confirmed by our new research¹. Almost **1 in 3 PPM users in Wales** (equivalent to around **140,000 people**) ran out of credit on their PPM last year because they **couldn't afford to top up**.

In normal times, prepayment or pay as you go is a useful payment method that helps people budget and stay in control of their energy use. But these are not normal times. The cost of living crisis has increased people's essential bills and energy prices have more than doubled since October 2021. Prepaying for your energy is also more expensive. When people struggle to keep their meters topped up it can lead to them being disconnected from an energy supply, unable to turn the heating on, cook a hot meal or even keep essential medical equipment going. Our latest evidence² shows:

32% of PPM users in Wales have been disconnected from their energy supply over the last year because they can't afford to top-up



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23% have been disconnected **at least once a month**, with **1 in 10** saying they've been **without energy for more than 24 hours** at least once

71% of PPM users are worried about keeping their PPM topped up until April Ō

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Since March 2022 we've helped more than **5,000 people** in Wales access **fuel vouchers** so they can top up, with 1,300 in December alone.

If you have questions or would like more information on the content of this briefing, please contact: <u>policy.cymru@citizensadvice.org.uk</u>

Other key issues for policy makers

1.	People struggling to top up are also going without other essentials ³
•	22% of PPM users in Wales who have temporarily been disconnected because they ran out of credit have skipped meals , while 24% didn't wash or shower . 29% have used blankets, hot water bottles or have gone back to bed to keep warm during the day.
•	 74% who have disconnected said it had negatively impacted their mental health, while half (51%) said it had negatively impacted their physical health. The consequences of going without heat or electricity can be particularly dangerous for people with disabilities or long-term health conditions.
2.	More and more people are being forced onto PPMs
•	Worryingly during 2022 local Citizens Advice offices in Wales have also seen three times as many people who have been moved onto a PPM (including having their smart meter switched to prepay mode) as a result of falling behind on energy bills , compared to 2019.
•	Based on Ofgem figures ⁴ , Citizens Advice estimates that 27,000 people in Wales were
	forced onto a PPM in 2022 because they couldn't afford their energy bills.
•	We predict 7,500 more people in Wales could be moved onto a PPM by the end of winter if no further action is taken.

What needs to happen

In September 2022 Citizens Advice called for a temporary <u>winter ban</u> on the installation of prepayment meters (including remote switches) for debt. **We no longer believe this is sufficient.** While energy prices are expected to fall from their current level, they are forecast to remain significantly higher than they were before the recent spike in prices until the end of the decade.

Citizens Advice is now calling for:

³ Ibid

- a total ban on forced prepayment meter installations until new protections are introduced that ensure households can no longer be fully disconnected. This ban must include legacy prepayment meters and remote switches for smart meters.
- a **review of all users of prepayment meters**, with a commitment to replace them with credit meters where this is necessary to remove the risk of disconnection.

Further details can be found in the Citizens Advice report Kept in the Dark

¹ Survey data based on a representative poll of 4,384 adults (18+) in the UK conducted by Yonder Data Solutions for Citizens Advice, with a boosted sample for Wales (Total = 724 adults; 290 PPM users). Fieldwork was conducted between 6th and 15th December 2022. ² Ibid



 4 See reference 3 in Kept in the Dark for details of the methodology used .