

# UK courts/energy companies told to stop the forced installation of energy pre-payment meters after popular outrage

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13 February 2023

Magistrates in England and Wales have been ordered to stop issuing warrants that allow energy firms to force entry into a person's home to fit a pre-payment meter.

Generally targeting the poorest, this has been a mechanism for energy companies to retrieve outstanding debt while still taking payment for ongoing use of gas and electricity.

Customers have to go to a local shop to top up their meter and rates are generally more expensive than a regular monthly payment. British Gas then takes, on average, another £6.50 a week for debt repayments. On top of the charge for customers' current use and debt recovery, they are liable for up to hundreds of pounds more to cover debt collectors' costs.

After a surge of popular outrage over the brutal treatment of vulnerable households, Lord Justice Edis, one of UK's most senior judges, told the courts on February 7 to stop issuing warrants. He said magistrates must "act proportionately and with regard to the human rights of people affected, [in] particular any people with vulnerability."

Warrant applications can still be made by energy companies, however, if they provide details of their procedures relating to vulnerable occupants. The moratorium will be lifted following investigations by energy regulator Ofgem and the government. Moreover, the ruling did not cover the many households who have a smart meter who get into debt, and who can be switched remotely to pre-payment without the need for a warrant.

On February 10, the Conservative government noted that "after concerns were raised about the sharp rise in companies seeking warrants to enter people's homes to forcibly install prepayment meters... all energy suppliers

have now committed to ending the forced installation of prepayment meters in vulnerable customers' homes."

Edis's intervention followed reports in *The Times* that thousands of people were being forced to have a pre-payment meter fitted, gathered by an undercover reporter working for debt collection agency Arvato.

On one occasion, debt agents went to the home of a single father of three young children to forcibly fit a prepayment meter in below-freezing weather. One of them is heard saying to the *Times* reporter as a locksmith is about to force entry into the single father home, "This is the exciting bit. I love this bit."

On another occasion, British Gas sent agents with a court warrant to the home of a young mother with a four-week-old baby. The mother's bills had shot up sevenfold in recent months.

While being interviewed for the job, the *Times* reporter said the Arvato debt collection manager was dismissive about those customers who claimed to be too vulnerable to top up meters. "People say all sorts of shit... You'll hear every excuse you've ever heard in life about why they haven't paid this bill".

Job notes seen by the *Times* showed that other British Gas customers, who had pre-payment meters forcibly fitted included: a woman in her fifties described as having "severe mental health bipolar"; a mother whose "daughter is disabled and has a hoist and [an] electric wheelchair"; a woman who "suffers with mobility problems and is partially sighted."

Arvato debt collectors were incentivised with bonuses. One, reported the *Times*, claimed that single mothers were their most common targets, adding: "If every single mum that's starts getting a bit teary you're

going to walk away from, you won't be earning any bonus".

The *Times* added, "A manager overseeing debt collectors for British Gas told of manipulating customers by saying the police would kick in their doors and search their homes if they did not comply."

Citizens Advice, which assists people with legal, debt, consumer, housing and other problems, estimates that 600,000 people were forced onto pre-payment meters for debt in 2022, a huge increase on the 380,000 people in 2021. They estimate that a further 160,000 people could be moved onto pre-payment meters by the end of this winter.

Front-line advisers providing debt advice have consistently seen evidence of people considered to be vulnerable being moved onto prepayment meters, in breach of energy suppliers' own regulations. These harmful practices continued even after the energy regulator wrote to the suppliers, in mid-November 2022, reminding them of their obligations.

This system of company-authored, state-sponsored violence and intimidation has been used to enforce conditions of appalling social crisis.

Use of forced entry and fitting of prepayment meters has soared as millions of people have been left unable to afford to pay for gas and electricity amid surging energy prices, with increasing numbers getting into arrears. Households are having to spend on average an extra £1,200 a year for gas and electricity since the war in Ukraine began and a further hike in the price cap this April will see the average bill rise from £2,500 to £3,000.

Charities and the energy industry estimate that up to 40 percent of households are spending more than 10 percent of their income on energy, as Ofgem's figures show that nearly one million people are in arrears for gas, with no agreed plan in place to manage their debt. Industry sources have said that the collective debt book stands at £2.5 billion of which £2 billion is considered bad debt.

Being forced onto pre-payment meters has led to many people being cut off. Citizens Advice estimates that 3.2 million people—the equivalent of one person every 10 seconds—were left in the cold and dark last year after their credit ran out on a pre-payment meter.

According to the BBC based on a leak from a senior magistrate, warrants were freely handed to energy

companies, waved through by the courts. Roughly 1,000 a day were issued in 2022, almost all of them authorised electronically or over the phone, via specific magistrates courts that are allocated to each energy company. Agents for energy companies apply by phone and send in large spreadsheets that include between 100 and 1,000 cases.

Evidence from pilots shows that the warrant hearings will sign off, issue and send all the electronic warrants in "a maximum of 15 minutes".

Robin Cantrill-Fenwick, a former justice of the peace and magistrate, stepped down after being left in a position where he was unable to check if vulnerable people were being protected. He told the BBC's *Newsnight* that changes to the court system meant magistrates "were doing nothing more than rubber stamping" warrants.

British Gas parent company Centrica is the largest domestic provider of gas and electricity in the UK. Its profits for the year 2022 rose sevenfold to more than £1 billion. Combined operating profit for the Big 6 energy corporations operating in Britain topped more than £7.6 billion in the five years to the beginning of 2022, ahead of the 54 percent rise in the price cap for household energy bills last April.

Meanwhile, workers and their families are freezing to death in their homes. Last month, an inquest at Rochdale Coroners' Court heard that 87-year-old Barbara Bolton died on January 5 after she developed hypothermia. In an article on the case, the *Manchester Evening News* reported, "hospital notes indicate her illness was linked to the fact she could not afford to put her heating on."

This month, York's Director of Public Health Sharon Stoltz reported that there were at least two examples of small infants in the city being taken to hospital with hypothermia.



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