

Gas and electricity arrears

If you're in arrears with your gas or electricity, it's important to try and sort out the problem straight away. If you don't pay your gas and electricity (fuel) debts, you risk being cut off. Because you risk being cut off, you should deal with fuel arrears before other, less important debts like credit card or catalogue debts, overdrafts, loans or money borrowed from family and friends.

If you have other debts as well as fuel arrears, you should try and sort out all of them. You should get advice to do this from an experienced debt adviser.

Ways to pay off your arrears

If you're having difficulty paying your electricity or gas, contact your fuel supplier straight away and come to an agreement about how to pay off the arrears.

A fuel supplier must follow standard licence conditions, which set out how it deals with customers who have problems paying.

This means that you should be offered an arrangement to pay off the arrears at a rate you can afford. The supplier must offer you the method of payment which is the most suitable for your personal and financial circumstances. They must take into account your ability to pay.

If the fuel company insists that you pay back more than you can afford, it may be going against its licence conditions.

Work out how much you can afford to pay. To do this, you'll need to draw up a budget, listing all the income and outgoings of your household. You can use the Budget sheet to help you do this (see below). Don't agree to pay an amount you can't afford. If you make an arrangement you can't keep to, you may be forced to accept a prepayment meter instead.

Short term arrangements

If you haven't had any problems paying your fuel bills before, or if your financial problems are likely to be temporary, you may be offered a short-term arrangement. This means that you'll be allowed to pay your bill in instalments as long as the outstanding bill is paid before the next one arrives. However, you shouldn't be expected to pay off your arrears in this way if you can't afford to.

Paying in monthly instalments

You may be able to arrange to pay off your arrears in monthly instalments. This is called a **payment plan**. With a payment plan, you usually have to pay for the fuel you're currently using through a credit meter. However, some suppliers will allow a payment plan along with a prepayment meter which is set to pay for your current fuel use only.

Your supplier will work out the amount you have to pay on a weekly, fortnightly or monthly basis. This will include an estimated amount for the fuel you currently use and an amount for the arrears. Your supplier shouldn't try to get you to clear the arrears any faster than you can afford to pay.

Prepayment meters

If you're facing disconnection, or haven't been able to keep to a payment plan, the fuel supplier may offer to install a prepayment meter. If you're in this situation, you may have to accept a prepayment meter if you want to keep your gas or electricity supply.

A prepayment meter will allow you to pay a fixed amount off your arrears at the same time as paying for the fuel you're currently using.

You pay for the fuel with a token or key (electricity) or a smart card (gas), which you have to get charged at local stores or garages. If you don't recharge your token, key or card, you will run out of fuel.

The fuel supplier must make sure that they collect your arrears at a rate which takes into account your ability to pay.

If you're on benefits, you should be allowed to have your arrears deducted from your benefit instead of through a prepayment meter, if this would work better for you.

Deductions from your benefits

If you're on certain benefits, you can arrange to pay your fuel arrears in small weekly amounts which are deducted from your benefit. This is called **third party deductions**. You must be getting income-based Jobseeker's Allowance, Income Support, income-related Employment and Support Allowance or Pension Credit. The amount deducted is fixed by the Department for Work and Pensions (DWP). This method of paying off your fuel arrears may be cheaper and more convenient for you than using a prepayment meter. Also, it means you can't run out of gas or electricity, which can happen if you use a prepayment meter.

If you want to have deductions made from your benefits to pay off your fuel arrears, you should get in touch with **Jobcentre Plus** and your fuel supplier. Jobcentre Plus will contact your supplier to check that they agree with you paying this way. If you want to pay off your fuel arrears by third party deductions, you may want to get help from an experienced adviser to arrange it.

Grants to pay off your arrears

Some gas and electricity companies have set up independent charitable trusts which can give grants to some of their customers to help them pay for gas and electricity arrears. For more information, visit www.edfenergytrust.org.uk or get the Utility Trusts and Schemes booklet from www.britishgasenergytrust.org.uk .

Disconnection

Your fuel supplier can't cut you off without sending you a disconnection notice first. They can't send you a disconnection notice until at least 28 days after they send your bill. They must give you at least seven days notice, in writing, before they disconnect you. In practice, it's unlikely you'll be disconnected, as long as you can pay for your fuel and agree to pay something off towards the arrears. You may have to accept the instalment of a prepayment meter.

If you are threatened with disconnected or have actually been disconnected and you can't sort out the problem with the supplier directly, contact Consumer Direct. This also applies if the disconnection is through a failure of your prepayment meter. Where appropriate, Consumer Direct will refer the problem to Consumer Focus. If you are not happy with the result, you can contact the Ombudsman Services: Energy.

Disconnection – vulnerable customers

Some groups of customers may have extra protection from being disconnected. This may apply to you if you:

- are of pensionable age
- have long-term ill-health
- are disabled
- have severe financial problems.

If you're in one of these groups of people, make sure the fuel company knows this when you get in touch with them.

If you can't understand or act on the advice given, for example, because of personal circumstances or the complexity of the problem, you are considered to be a vulnerable customer. If you're considered to be a vulnerable customer and can't sort out the problem with the supplier directly, contact Consumer Direct. Where appropriate, they will refer the problem to Consumer Focus. If you are not happy with the result, you can contact the Ombudsman Services: Energy.

Further help

Citizens Advice Bureau

Citizens Advice Bureaux give free, confidential, impartial and independent advice to help you solve problems. To find your nearest CAB, including those that give advice by e-mail, click on [nearest CAB](#), or look under C in your phone book.

Consumer Direct

Consumer Direct can give you help and advice about all energy issues. You can make a complaint about your supplier to them if you are vulnerable, threatened with disconnection or have actually been disconnected. Their phone number is: 0845 404 0506 or go to their website at: www.consumerdirect.gov.uk.

Consumer Focus

Consumer Focus is the consumer watchdog responsible for protecting the interests of electricity and gas consumers. They have useful information on their website at: www.consumerfocus.org.uk.

Ombudsman Services: Energy

If you have a complaint about your fuel supplier and you have not been able to sort it out directly with them, you can contact the Ombudsman Services: Energy. on: 0330 440 1624 or go to their website at: www.ombudsman-services.org/energy.

The Home Heat Helpline

The Home Heat Helpline offers advice on energy efficiency and fuel debts to people on a low income. The Helpline can also make sure that if you're in one of the groups of people who should get extra protection from disconnection, you're not at risk of being cut off. You can contact the Home Heat Helpline on 0800 33 66 99.

Other information on Adviceguide which might help

- Help with debt
- Dealing with people you owe money to
- Budget sheet
- Gas supply
- Electricity supply
- Fuel costs and saving money

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