



Consultation Response:

Ofgem Tackling energy debt in the supplier home moves process

Response by the Money Advice Trust

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Introduction

About the Money Advice Trust

The Money Advice Trust is a charity founded in 1991. Our mission is to help prevent financial difficulty and remove problem debt from people's lives.

In 2024, our National Debtline and Business Debtline advisers provided help to 156,100 people by phone and our digital advice tool, and 47,600 people by webchat, with 2.8 million visits to our advice websites. In addition to these frontline services, our Wiseradviser service provides training to free-to-client advice organisations across the UK and in 2024 we delivered this free training to 750 organisations.

We use the intelligence and insight gained from these activities to improve the UK's money and debt environment by contributing to policy developments and public debate around these issues.

Find out more at www.moneyadvicetrust.org.

Public disclosure

Please note that we consent to public disclosure of this response.

Introductory comment

We welcome Ofgem's intention to design a new approach to the change of tenancy rules for energy. This gives the sector the opportunity to design an innovative model that should make it as seamless and straightforward as possible for departing tenants to receive an accurate final bill, and for new tenants to sign up for their account, and to be billed fairly for energy actually used. We note Ofgem's data that change of tenancies account for around 20-40% of debt in the energy market. Attempts to reduce the debt accumulated here, while ensuring the process works for consumers, are something we welcome.

However, we would caution that the new policy needs to be carefully designed to provide robust safeguards for potentially vulnerable new tenants who may be at the risk of self-disconnection.

The priority should be to put in place streamlined systems that allow suppliers and landlords to manage the transfer of tenancy process, ***without the responsibility being placed on new tenants to act***. This helps manage and reduce debt for suppliers caused by the current system.

We are particularly concerned about proposals to automatically move new occupiers onto PPMs when they move in, and the potential for these meters to be left in prepayment mode by default.

We have seen many instances where people are pursued for inaccurate or estimated final bills, bills owed by previous occupiers, and bills addressed to the occupier. Without robust requirements under new rules, suppliers will not be sufficiently incentivised to address these issues.

An automated process for signing up for utilities between landlords, suppliers and tenants ***before the tenancy begins*** might be an answer.

Responses to individual questions

Question 1: Please provide evidence or data with respect to levels of debt or arrears in the sector relating to change of tenancy. Where relevant please include information associated with unnamed accounts such as the number of unnamed accounts, average length of unnamed accounts, average debt and the overall debt associated with these accounts.

We unfortunately do not have data on levels of debt relating specifically to changes of tenancy.

Question 2: Please provide evidence or data you may have about a customer's experience when moving into a new property and setting up their energy account. This may include any common issues such as billing issues or queries that may be experienced in this time, the average duration for a new householder to set up an account, and whether enhanced processes exist for the identification of vulnerable consumers.

We would very much encourage Ofgem to include representatives from social and private landlord bodies into the discussions on how to approach this problem, as well as housing charities such as Shelter. It would be valuable to discover how landlords share information on utilities with both departing tenants and new tenants. It is entirely possible that clear consumer-facing information on responsibilities at the end of a tenancy and the start of a new tenancy could be built into the process. It would be preferable for automation to be built into the process so that there is less onus on the new tenant to go through a protracted process of setting up their new account. Is there any potential for a seamless mechanism to be put in place for landlords to be obligated to report a change in tenancy?

It appears that there are a number of sticking points that need to be tackled, including liability for the departing tenant at the end of the tenancy, at what point the landlord becomes liable for the energy supply once the property is empty, and when the new tenant becomes liable at the commencement of their tenancy. We have seen cases where people do not receive accurate final bills, or where they are held liable for a time period where the property is empty and their tenancy has ended. There needs to be more responsibility put upon suppliers, landlords as well as tenants here.

Suppliers should at the very least be required to offer simple, accessible ways for customers to share essential account details so that they do not have to wait to speak to the supplier for an extended period of time.

Not every home has a smart meter, so this approach means there is inconsistent treatment of customers that move home. Some customers move often, and it can be confusing if they have a different experience based on the type of meter at their new property.

We also wonder if there is any requirement to be placed on landlords working together with energy suppliers to upgrade old-style meters to smart meters at the end of the tenancy, which might help with the ongoing problem of billing accuracy and so on.

It is not always clear if the landlord is responsible for energy bills, e.g. whether they are included in the rent. There are also issues for houses in multiple occupation where it is not always clear who should be liable to pay energy bills.¹ We have also seen cases where new tenants are being billed for periods when they were not liable for utility bills.

We have looked at the cases that have been reported by our advisers as particularly concerning where National Debtline and Business Debtline clients have an energy debt.

Case study

Client moved house in March, and contacted the supplier, but they never changed the account. The supplier said this was an error on their part. Client spoke to them in September and they said to set up a Direct Debit (DD) of £200 a month, but it was never taken. Supplier said client's bank refused DD set up. The client checked with their bank, who said the supplier never asked for a DD to be set up. Supplier's adviser told client she's getting help from government so she should be able to pay the bill. Client offered £127 today but they said no. They want £500 a month DD from today or they'll change to PPM. Client has got a smart meter. Client has a large household, medication kept in the fridge, carer for a child and husband. The supplier is aware of this. Client asked for fuel direct, but adviser said he cannot do it as she isn't house bound, and she can top up a PPM. Client offered to pay over the phone or weekly but they said no.

Case study

Client has two separate issues with their gas and electricity. Client had moved from Scotland to England, and the supplier provided multiple final bills for electricity which has resulted in client owing £60, when the client suspects the supplier owes them £177. With the gas bill, the client has paid the £32 final bill, but the supplier has still sent the bill to a debt collection agency which has now contacted the client. The client has made complaints to the supplier about both issues.

¹ British Gas Energy Trust (2026) [Advisors tackling energy bill liability in HMOs - British Gas Energy Trust](#)

Case study

The client has a disputed debt with their supplier. He has always made his payments on time every quarter to the supplier but is now being chased for a £4,000 debt. The client recently this year had smart meters installed and since then, the supplier has been sending him bills for high amounts. They have admitted to the client that it is incorrect, but are still issuing him reminder letters.

Case study

The client's rental agreement says water and heating included, so the client thought electric is included too. Previous letters were addressed to the previous tenant (who passed away) so client sent all letters back to the sender. Client had two strokes and two heart attacks and is very shocked. Client has got no other debts and supplier transferred her over to get advice. All bills marked estimated from June 2021 up until now. Client let representatives of the supplier into the house and they've taken a reading.

Case study

When the client moved into her home she was being billed at £20 a month by the supplier and maintained her payments on time and up to date. In April, the supplier informed her that she had arrears of £895 which they wanted to collect as a single direct debit payment. This is unaffordable for the client. She raised a complaint with the supplier in return for which they gave her a £50 one-off payment, but the debt stands.

Case study

Client moved out of a property in 2020 and paid the final bill to the supplier. During summer 2025, the supplier has been contacting the client asking them to pay over £6,000 for the previous property. The client sent them proof about when they moved out to the email address they were told to send it to. It appears that the supplier ignored this and obtained a county court judgment in September. The client has no debts at all and couldn't sleep all weekend.

Case study

Client has an energy debt for a previous property which has been passed to a debt collection agency. The first she has heard about this debt is when she received a claim form. She has tried to set up a payment plan, but the agency said it "won't make any difference", telling her to call her supplier (which she has done, and they have told her she needs to speak to the agency), and then they put the phone down on the client. Client has made them aware of their vulnerability which they don't appear to be taking into account.

A welcome pack for new tenants should include instructions on how to set up their utility accounts and outline the consequences of not doing so. This should include sources of free advice, and assistance.

There will need to be substantial thought given to how a new tenant can exercise any choice over their new supplier. Presumably the previous tenant's supplier will be responsible for switching the smart meter to PPM mode and supplying the new tenant at least on a temporary basis. The default position here could be that the new tenant will be incentivised to open an account with the existing supplier at the property, irrespective of whether this is their best and cheapest option. We would query how the process of opening an account with a different supplier would work in practice under these circumstances.

Question 3: Do you have views or preferences regarding the approach we take to enabling the proposed changes to the supplier home moves process? For example, should the approach be set out in SLCs and / or associated guidance or could it be covered through industry rules or elsewhere?

It is very important to ensure there are robust consumer protections in place. We would expect this to include standard licence conditions and an industry code.

The involuntary PPM rules should be front and centre of discussions on how best to achieve the policy aims for these changes. We consider it vital that the protections under the involuntary PPM rules should be transferred to the home move situation as binding rules. Otherwise, there is a risk that suppliers will be starting from an advantageous default position of already having a meter in PPM mode, irrespective of the needs of the household.

- We would suggest that PPM mode should not be allowed for more than a limited and temporary period.
- Suppliers should be required to document their interactions with the customer.
- Consumers should be entitled to move their supply out of PPM mode immediately when they sign up to the contract.

Given the potential risks of the new approach, and suppliers' history relating to involuntary PPM installation, we would like to see the additional safeguard of suppliers being required to seek permission in advance to operate under the new system. They should be required to demonstrate that they meet set standards and have the required consumer protections in place.

Question 4: Do you prefer a outcomes-based approach or something more prescriptive for consumer protections in Change of Tenancy?

We would like to see prescriptive rules to ensure robust consumer protections in the change of tenancy proposals. This is an area where it is vital to put robust protections in place to ensure that new tenants are not left on PPMs when they take on the tenancy. We do not want to see potentially vulnerable new tenants who would not be suitable for a PPM under the involuntary PPM rules, to slip through the net when they take on their tenancy and be at risk of self-disconnection.

Question 5: Do you have any views on the above suggestions for consumer protections or have any alternatives that should be considered?

We do not think the suggested consumer protections are sufficient as they currently stand.

The key issue to be resolved is how to prevent new tenants who are not suitable for PPMs being moved on to a PPM in the first place. This is potentially very risky for anyone reliant on energy due to particular disabilities or illnesses. There need to be strong checks and balances in place to minimise the chance of this happening.

The limitation on supply would come into effect when people are moving house, which is stressful for most people. This will be particularly stressful for vulnerable customers, dealing with competing demands on their time, that are simply unaware that they have a prepayment meter and could end up being disconnected.

In the current proposals, the assessment of whether or not a PPM is suitable will only happen once the new occupier has taken steps to engage directly with a prospective supplier about a contract to supply. This appears to assume a level of upfront engagement from the new tenant which is in no ways guaranteed. Ofgem will be aware that suppliers find it very difficult to engage with consumers and this problem could be compounded where the new tenant is in vulnerable circumstances. We are concerned that, in the proposal, there is too much reliance on the tenant taking action. Presumably the incentive will be that tenants will be without a gas and electricity supply at a certain point once the limited supply runs out. This seems to be a very drastic way of incentivising cooperation. As we have said, this also risks the most vulnerable falling through the gaps and not taking the required action. The new approach needs to be developed with a strong appreciation of the level of risk involved, for example to the health of vulnerable customers, and should be designed in such a way that this risk is eradicated or reduced to the minimum possible level.

An automated process for signing up for utilities between landlords, suppliers and tenants **before the tenancy begins** might be an answer. This would provide a streamlined solution without the onus being solely on the new tenant to take action. We think this option should be explored in detail. It must be possible to resolve potential issues with such an approach as this could be transformative.

As we have said, if the current proposals were to progress, we believe there should be strong rules put in place, requiring suppliers to move new tenants out of PPM mode within a set period of time, and certainly when requested to do so.

It is also unclear if suppliers will be paying for the proposed zero standing charge tariff, and any preloaded credit added to the meter, or if this will be added to the new tenant's bill. This would not be compatible with tenants having the normal option of choosing a different supplier, and will not necessarily result in a fair outcome.

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