VULNERABLE CONSUMERS

Staying connected

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Prepayment energy meters require consumers to pay for their energy consumption before it takes place. This arrangement can help vulnerable consumers control their energy spending and avoid being indebted to their service provider. However, prepaid metering also presents a risk: if a household exhausts all available credit and is unable to top up, they will be left without an energy supply. Marta Rocha from Universidade Nova de Lisboa, alongside colleagues from the University of South Australia and the University of Cambridge, surveyed British Gas prepayment customers to determine their preferences for potential energy saving plans that could minimize the risk of this so-called self-disconnection.

Respondents that reported topping up throughout the year were less likely to have self-disconnected, but this self-determined regular top-off behaviour did not eliminate the risk entirely. Households that reported to have experienced a disconnection were more likely to accept a savings plan. A plan in which regular, equal payments set by the utility provider are made throughout the year was preferred over those that involved additional payments during the summer to cover higher winter consumption, voluntary savings targets, ad hoc extra payments, and the option of receiving regular consumption feedback. This suggests that consumers have an insight into their own vulnerability — while the preferred plan is the least flexible, it is likely to be the most effective.

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