

Residential Credit Control and Debt Management Policy and Procedure



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1 Aim

- 1.1 The aim of this policy and procedure is to make sure that we proactively manage and reduce exposure to debt risk arising through non-payment of bills by residential customers, whilst at the same time being sensitive to, and understanding of, each individual customer's personal circumstances.
- 1.2 Having a robust approach to credit control and debt management will allow us to operate efficiently and make sure we provide a fair and equitable service to all customers.

2 Scope

- 2.1 This policy and procedure set out our approach to credit control and debt management for customers who we bill for heat services. This includes customers who we bill through our fully managed service and customers who we bill on behalf of our metering and billing clients.
- 2.2 Some customers pay for their heat services using Pay As You Go (PAYG) meter, whilst others are billed in arrears by issuing monthly bills. This policy and procedure will mainly apply to credit billed customers. Due to the nature of PAYG meters, debt risk is inherently lower for PAYG customers, there may however still be times when elements of this policy and procedure will apply to PAYG customers.
- 2.3 Where customers pay for their heat services using a PAYG meter we do not offer the option to switch to credit billing.



3 Policy Statement

- 3.1 We will:
 - At all times treat customers fairly and with the respect they deserve.
 - Make sure we bill customers accurately based on actual meter readings.
 - Adopt a fair and consistent approach to credit control and debt management.
 - Make sure all our staff are trained to listen for clues that a customer may be experiencing financial difficulty or vulnerable circumstances.
 - Make sure our staff are trained on how to offer suggestions to reduce consumption or signpost customers to third-party organisations who may be able to help if a customer is experiencing financial difficulty.
 - Be understanding of our customers individual circumstances by offering flexible and affordable repayment plans, so making sure that debt recovery will not unnecessarily disadvantage customers already experiencing financial difficulty.

4 Credit Control Procedure for Residential Customers

- 4.1 The below credit control procedure applies to residential customers billed monthly in arrears. i.e. credit billed customers.

4.2 Stage 1: Late Payment Reminder Notice

- 4.2.1 The day after a bill becomes overdue, we will send the customer a late payment reminder notice. This will be sent using the same method (email or post) that they receive their bills. The late payment reminder notice will inform the customer that the debt exists and should be paid immediately. The notice will provide information on:
 - The amount of heat consumed by that customer.
 - The amount owed by the customer.
 - The date of the relevant heat bill and the original due date for payment.
 - How to pay the amount due.
 - Actions that may be taken if the amount due is not paid.
 - The deadline by which the customer must pay the amount due
 - How to contact us.
 - Third-party services that can help those in financial difficulty.
- 4.2.2 The customer will be given 14 calendar days from the date of the late payment reminder notice to settle their outstanding balance in full.

4.3 Stage 2: Final Late Payment Reminder Notice

- 4.3.1 If the account remains outstanding after 14 calendar days, we will issue a final late payment reminder notice. This will be sent using the same method (email or post) that the customer receives their bill. The final payment reminder notice will include information on:
 - The amount of heat consumed by that customer.
 - The amount owed by the customer.
 - The date of the relevant heat bill and the original due date stated for payment.
 - Information on how to pay the amount due.
 - The deadline by which the customer must pay the amount due,
 - If applicable, in accordance with the terms of our Residential Heat Supply Agreement, the date when we will disconnect the customers heat supply, should full payment for monies owed not be received.
 - Next steps we will take to pursue any outstanding bills as a debt, for example as a claim via the court system, by escalating to our metering and billing client, Managing Agent for the development or to the landlord if the property is rented and the account holder is the tenant.
 - Additional charges that may apply should the customer not contact us about their debt before the final payment date, including but not limited to, any disconnection and reconnection charges and interest owed on overdue payments.
 - How to contact us.
 - Third-party services that can help those in financial difficulty.

4.3.2 Customers will be required to make payment within 14 days of the final late payment reminder notice.

4.3.3 In addition to issuing the final late payment reminder notice, we will attempt to contact the customer by telephone to discuss the outstanding balance. The call will confirm the current outstanding balance on the account and check if payment has recently been made. If payment has been made the customer will be asked to confirm how the payment was made and when. If receipt of payment is confirmed, the Customer Care Advisor making the call will thank the customer for the payment and apologise for the call.

4.3.4 If no payment has been made, the customer will be reminded that the outstanding balance should be paid immediately by either logging in to their online account or using our automated telephone payment service.

4.3.5 If not in a position to pay the outstanding balance, the customer will be asked if any problems exist with the account or if they are having difficulties making payment.

4.3.6 If the customer is having difficulty making payment alternative payment terms will be discussed and, wherever possible, a mutually agreed repayment plan set up to recover any debt within a 9-month period. This recovery should be a fixed amount per month. During this time we will still require payment for all future charges/bills.

4.3.7 All communication with the customer will be recorded in our customer relationship management database, noting the date and time of the call and a brief explanation of the purpose and outcome of the call.

5 Supply Disconnection for Fully Managed Customers

5.1 If a customer living in a home connected to a Watkins Energy fully managed heat network still hasn't made payment within 14 days of having received a final late payment reminder notice, or hasn't made contact to discuss alternative payment arrangements, we reserve the right to disconnect their heat supply the next working day after the payment due date in the final late payment reminder.

5.2 As per the terms of our Residential Heat Supply Agreement, if we need to disconnect a customer's heat supply, we will charge a disconnection fee. The amount charged will depend upon whether we are able to remotely disconnect the supply or if we need to send an engineer to site. The disconnection fee will always be set out in the final payment reminder notice.

6 Supply Disconnection and Customers in Vulnerable Circumstances

6.1 We will never disconnect heat supply during the heating season (from 1st October - 31st March) to credit billed customers registered on our Priority Services Register as vulnerable to the cold, or where we have reason to believe the property includes an occupant who is a heat customer in a vulnerable situation. However, we will still require full payment for any heat used during the heating season and will require customers to enter into a manageable payment plan to maintain supply.

6.2 We will always check our Priority Services Register before disconnecting a customer's heat supply.

7 Supply Reconnection for Fully Managed Customers

7.1 On payment by the customer of the outstanding balance or on satisfactory establishment of a repayment plan, if during normal working hours and we can reconnect the supply remotely, we will reinstate heat the same working day.

7.2 If an engineer needs to attend site to restore the supply, provided it is during normal working hours, we will reconnect the supply within 24 hours. Reconnections will not take place outside our normal working hours, if a customer wants their supply reconnected outside our normal working hours an additional charge will apply.

7.3 As per the terms of our Residential Heat Supply Agreement customers will be charged a reconnection fee. The amount charged will depend upon whether we are able to remotely reconnect the supply or if we need to send an engineer to site. The reconnection fee will always be set out in the final payment reminder notice.

7.4 Before reconnecting heat supply, we may collect an advance payment or security deposit to cover potential default on future payments.

7.5 If we decide to take an advance payment or security deposit to cover potential default on future payments, we will review the customer's account after six months of taking the security deposit. If the customer has paid all their bills on time during this period, we will refund the security deposit in full. If this is not the case, the security deposit will be retained, and a further review carried out after another six months has passed.

8 Our Right to Switch Credit Billed Customers to Pay As You Go (PAYG)

8.1 On our fully managed sites, for credit billed customers who refuse or fail to pay their bills when due, we reserve the right within the terms of our Residential Heat Supply Agreement to install a PAYG meter and ancillary equipment to measure and control the provision of heat to their supply address.

8.2 When the PAYG meter and ancillary equipment has been installed any debt will be recovered as a percentage of any top ups which the customer makes to their meter.

8.3 If a customer requests to be switched back to credit billing this will be actioned, subject to:

- All outstanding debts being cleared.
- The customer satisfactorily passing any relevant credit checks.
- Collection of an advance payment or security deposit as security for future payments.

9 Credit Control and Debt Management for PAYG Customers

9.1 For customers with PAYG meters we offer both friendly hours and emergency credit facilities.

9.2 Friendly hours credit means that if a customer runs out of credit outside the hours of 9am to 5pm on a weekday, at any point over the weekend, or on a Bank Holiday, their supply will not be suspended. However, if they do not top up before 9am the next working day, when friendly hours credit ends, their supply will be immediately suspended until they top up and have available credit on their meter.

9.3 Emergency credit must be activated by the customer and will allow the customer a £5 debt facility before their supply is suspended. This gives customers some flexibility if they do not immediately have the funds to top up their meter.

9.4 As soon as a customer makes their next top up, any debt built up whilst either in friendly hours or emergency credit mode will be recovered immediately. For example, if a customer uses £2.50 of their emergency credit and then decides to top up their meter with £10, £2.50 of this will be deducted straight away to pay off the debt, leaving £7.50 available credit on their meter.

9.5 If a PAYG customer runs out of credit, including their emergency credit facility, and does not top up their meter, their heat supply will automatically be suspended. The daily standing charge will however continue to accrue. If the customer begins to build up debt on their meter, we will contact the customer to discuss the monies owed and agree a manageable repayment plan. If unsuccessful in doing so this may lead to us asking a debt collection agency to help recover any monies owed or to us taking court action.

9.6 Any costs for recovering monies owed may be passed on to the customer. Interest may also be charged on any monies owed.

10 PAYG Exception Review

10.1 For customer accounts operating in PAYG mode, we will perform a monthly exception review to identify those customer accounts where exceptions exist. As part of this review the following exceptions will be highlighted:

- No consumption.
- High credit balances.
- Heat meters continuing to clock usage despite no credit being available.
- Customers who haven't made further payment following their heat supply being suspended due to all credit, including any emergency credit, having been used up.

10.2 Where exceptions are identified these will be investigated and appropriate action taken.

11 Customers with Payment Difficulties

11.1 Customers are encouraged to get in touch with our Customer Care Team as soon as possible if they are having payment difficulties. We will be understanding of the situation and will work with you to create an affordable payment plan.

12 Monitoring, Review and Evaluation

12.1 As a minimum this policy and procedure will be reviewed once a year or in response to changes to Heat Trust Scheme Rules, or the introduction of new regulation directly affecting the services we provide.

13 Diversity and Inclusion

13.1 We are committed to valuing and promoting equality and diversity and will treat all customers fairly and with respect.

14 Associated Documents

- Watkins Energy Residential Heat Supply Agreement (if applicable)
- A Helping Hand Policy

Policy Statement Owner

Victoria Keen, Managing Director

Approval date

2 8 0 4 2 0 2 5

Date of next review

2 7 0 4 2 0 2 6

Contacting us

Whatever you need, we're here to help.

Get in touch today to talk to one of our friendly Customer Care Team



0330 324 0018 (local rates apply)
Monday to Friday 8am - 5pm



help@watkinsenergy.co.uk



www.watkinsenergy.co.uk



By writing to us at;
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For more information about our services check out our website which has lots of useful information, tips and answers to frequently asked questions.

