

Submission on the Gas PAYG Meter System Replacement Project: Consultation on the High-

Level Design

A response to the Commission for the

Regulation of Utilities

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Introduction

We welcome the opportunity to make an initial comment to the CRU on the planned gas prepay meter upgrade. We look forward to engaging further as the upgrade plan develops. We have a number of concerns about the current system of prepay metering for gas in Ireland and are pleased there will now be progress on upgrading the system to ensure we can provide better connectivity and support to customers.

As an organisation that directly supports people facing poverty and exclusion, we are particularly concerned about customers who are living in energy poverty including those on 'hardship' prepay meters, meaning they had the prepay meter installed as a way of paying back arrears. It is our experience that gas prepay customers we support frequently struggle to keep their meters topped up and manage their credit balances, and that meter capability means it can be difficult to support people either individually, or to roll out systematic supports in events such as the price crisis of recent years.

More widely we are concerned about the levels of self-disconnection and selfrationing prepay customers are experiencing (across gas and electricity) and continue to urge the Regulator to be proactive about this form of disconnection and energy deprivation.

We emphasise our recommendations to commission research to understand the extent and impact of these outcomes (self-rationing and self-disconnection), and to introduce further (and permanent) consumer protection responses.

Priority challenges for prepay gas

From our perspective the priority challenges for gas prepay customers include:

1. If people don't use gas for extended periods over the summer they can unknowingly build-up standing charge arrears, leaving unexpected arrears when gas is first used again in the colder months.

- 2. Lack of ability to top up credit remotely hampers options to provide support to people individually or en masse, as well as clearly limiting a customer's flexibility to stay topped up.
- 3. Lack of ability to change debt ratios or alter credit facilities either individually or system-wide in cases of individual/collective difficulties (eg. Personal financial difficulty, or wider price-spikes). This limits the abilities of the Regulator and suppliers to intervene for a significant group of customers who are already at greater risk of loss of supply due to the nature of prepayment.

We offer commentary on aspects of the high-level design proposals below:

Proposal	Comment
Thin/Connected	This would be a significant improvement for customers,
system	including options for topping up, low balance alerts, remote
	changing of repayment settings, etc.
	Of notable concern is the arrangements for customers with low
	cellular access. Arrangements will need to be considered for
	customers with low cellular access that maintains, if at all
	possible, their choice of payment arrangement (ie. Prepay or
	billpay).
	Customer education will need to be considered to ensure
	people understand how to use their new meter (eg.
	Reconnection process), and that the time lag in balance display
	will mean they have less gas than appears on their portal or
	арр.

System overview	The regulator should specify the format that consumption and
	top-up transaction data must be made available to customers.
	In particular:
	 If a customer states they cannot access a web portal or mobile app, the supplier should supply an in-home display free of charge. The ability to top up via phone should be mandatory, so that customers who aren't confident online can still benefit from remote top up. For many this is a fall-back mechanism in case of lack of data, for others it is a requirement due to digital literacy or access.
	See Citizens Advice UK recommendations on maintaining phone channels for essential services: <u>Future Proof - Customer Service Report.pdf</u> (citizensadvice.org.uk)
Data collection	Meters only communicating with suppliers once a day
from the meter	represents a significant change in service and the detailed
	implications should be workshopped with representative or
	intermediary groups and prepay customers themselves at a
	later date.
	The ability to reconnect by pressing a button, outside of the
	once a day communication, is paramount and customers must
	be fully aware of this.
New gas meter	On balance the customer experience will be significantly
features	improved, with the caveat that those customers who may not
	access a portal/app should be provided with an in-home display
	free of change, and that a solution needs to be reached for
	customers with low cellular access.
Other new	We agree these aspects will need further exploration.
alternative meter	
solutions	

Project costs	A thorough interrogation of the costs and how these are paid
	for must be part of further public consultation.
	A distributional analysis (showing potential financial impacts on
	different customer groups of different cost recovery options)
	must be carried out prior to formal proposals, and published as
	part of the further consultation process, prior to a final decision.

Wider recommendations

1) Research on the experience of prepay customers

As mentioned in our introduction, we recommend the CRU commission research to understand the extent and impact of self-rationing and self-disconnection amongst prepay customers, and to use this research to inform further (and permanent) consumer protection responses.

2) Engagement and consultation

We commend the CRU for publishing an early consultation to give notice of upcoming changes. As this is a significant changeover, we urge the CRU to invest the time in exploring these options with relevant stakeholders and prepay customers themselves.

As things stand, we would be concerned that customers and representative/intermediary organisations that will be significantly affected by the changes (including the cost implications) may not be able to engage with the consultation process due to materials being presented for a technical audience. While that may be appropriate for this first stage, we hope that there is further 'translation' for future stages.

This could be done through:

- Creating alternate consultation materials in everyday language focused on the customer experience.
- Facilitating opportunities to engage with the consultation beyond online written responses which could be through in-person or online workshops.
- Direct proactive engagement with intermediary/ representative organisations.
- Where there is a gap in consultation responses, we suggest the CRU
 commissions research or proactively seeks feedback to fill the gap: for
 example, hearing directly from prepay customers themselves, representative
 of different customer groups, etc.