

Code of practice for accurate bills

Back-billing scenarios for domestic customers

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Background guidance

This document is all about back billing, how it works in the domestic energy market, what commitments suppliers have and the responsibilities of customers. This document is provided for guidance only and does not contain a full list of scenarios.

What is a back bill?

A back bill is often called a 'catch-up' bill. It shows your charges either when your energy supplier hasn't billed you at all, or when you've been billed incorrectly for the energy you've used. Back bills can be for any amount. However, if suppliers have made a mistake, they have agreed to limit when and how far back they can charge you to no more than one year.

So, if your supplier is at fault and hasn't sent you an accurate bill, when they do send a 'catch-up' bill, they won't ask you to pay any extra for any energy used more than one year ago. When working out any adjustment to your bill, suppliers will take off any payments or other financial credits already applied to the account. By doing these things, suppliers are helping to make sure their mistakes aren't causing you to get into more debt or financial hardship. If your supplier is not at fault for not billing you, there could be instances when your bill will have charges on it which are for a period 12 months ago. It is important that you are aware of expectations on customers.

General guidance

- The back-billing principles described in this document apply to domestic credit customers. Although prepayment customers are not specifically covered by this clause, suppliers will use similar principles for debts which are over 12 months old. This includes circumstances where a customer has agreed to pay an energy debt by having a prepayment meter installed and a supplier has failed to send a debt message to the meter within 12 months.
- If it applies, suppliers should be applying the back-billing principles automatically. This includes:
 - when meters are replaced for routine maintenance;
 - during the roll-out of smart metering;
 - as a result of changes to billing systems; and
 - when customers move between billing systems.
- If your supplier needs to make a back-billing adjustment, they will take account of any government payment schemes you were entitled to when working out the back-billing adjustment (for example, the Warm Home Discount).

The time periods relate to a period of continued supply with the same supplier.

Suppliers' responsibilities

Your supplier will automatically check whether the back-billing principles apply to any charges over 12 months. This document provides some guidance on how the back-billing principles should be followed. Your supplier has to:

- bill their customers accurately and in a timely fashion; and
- investigate and sort out potential billing errors in a timely fashion.

Suppliers are the experts in this relationship. As a result, the expectation on customers to identify or become aware of any problems and then make efforts to sort out the situation should be reasonable. In circumstances where the customer has not taken all reasonable steps but the supplier was equally responsible or mainly at fault, back billing should apply.

Your responsibilities

You should pay for energy used and the back-billing principle is not intended as a means for avoiding payments. You will have to pay for all the energy you have used if you:

- have been using the supply but have made no attempt to contact your supplier to make or arrange payment, including moving into a property and making no attempt to let a supplier know you are the new tenant;
- have deliberately avoided payment;
- have not co-operated with attempts by your supplier to record meter readings or deal with queries, including allowing access to your premises or failing to respond to requests for more information (for example, giving them meter details such as the type of meter and what rate it is).

If there are billing problems, you should pay a reasonable estimate of your usage to help avoid a debt building on your account whilst the problem is resolved. Once an accurate bill is produced, suppliers will use your payments or credits to go towards any extra charges or allowances. If you are not sure about your own consumption costs, please contact your supplier. If you do have billing problems, or have not received a bill as expected, you should contact your supplier as soon as possible. If you have a dispute with your supplier and you pay for your energy by Direct Debit, you should not cancel your Direct Debit payments until you have agreed a solution with your supplier.

If you are paying one supplier for your energy and it later becomes clear that your supply should have been with another supplier, you may have to pay any payments refunded to you as part of the process of correcting the mistake to the other supplier for the energy used. Suppliers will contact you to agree payment arrangements.

Section 1: Common scenarios where back billing may apply

Every case will be assessed on an individual basis.

Initial checks that should be considered:

- Is the bill for a period over the allowed 12-month back-billing period, as worked out from the date of the bill? If a bill is produced on 4 January 2017 for the period from 1 April 2015 to 4 January 2017, the period from 1 April 2015 to 4 January 2016 is beyond the 12 months.
 - Does the bill increase your debt for the period beyond the 12 months allowed? If not, then back billing doesn't apply.
 - Have you been using the supply but made no attempt to contact your supplier to make or arrange payment? If so, then back billing doesn't apply.
 - Have you deliberately avoided payment? If so, then back billing doesn't apply.
 - Have you failed to respond to attempts to record meter readings or answer your supplier's queries? If so, then back billing doesn't apply.
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The following are scenarios where you may be eligible – this is not a full or final list. You would not be eligible in any of the following scenarios if you have not met all of your responsibilities.

Inaccurate bills

This includes circumstances where a supplier has failed to set up or maintain accurate metering data, or where a supplier has ignored actual readings and has continued to bill based on estimated or inaccurate readings without investigation.

Depending on the exclusions below, these are scenarios where back billing may apply.

- If you have provided correct readings but a supplier has rejected them as invalid without investigation, for example, you (or the meter reader) have provided correct five-dial readings but your supplier believes the meter to be a four-dial meter and ignores this without further investigating the matter.
 - Meter readings or meter details are swapped round on the billing system, for example, night readings recorded as day readings and vice versa, and your supplier had the opportunity to spot this but did not investigate further.
 - If meter details are mixed up and your supplier had the opportunity to spot this but did not investigate further.
 - If meter details have not been updated following an exchange of meters.
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Suppliers may not be at fault if:

- they have tried to get a valid reading by more than one method such as by phone, text, email or meter-reader visits (depending on your agreed terms in your energy supply contract);
- you have not allowed them access to the property or to the meters to read them; or
- you have not responded to queries (even if they are marked for the attention of the occupier) about the meter reading or about the type of meter at the property.

Failing to bill

This would include circumstances where a supplier has failed to set up an account, or bill an account where they have clear instructions that a customer is using an energy supply.

Scenarios where back billing may apply include:

- if you are a new customer and have told your supplier that you have moved to the property but your supplier still believes the property is empty; and
- if you have told your supplier that a new supply has been made to a property and your supplier fails to update their records to show this.

Suppliers may not be at fault if:

- they have tried to communicate with you to see who is living in the property and you have not responded; and
- they have been billing in the name of the occupier without any more details.

Payment arrangements

This includes circumstances where a supplier has failed to reassess a payment arrangement (for example, Direct Debit).

Scenarios where back billing may apply include:

- where a reassessment is not made within 12 months of starting a regular payment arrangement or the date of the last reassessment.

Suppliers may not be at fault if:

- they have reassessed the payment within the last 12 months of starting a regular payment arrangement or the date of the last reassessment; or
- they have made a reassessment based on a reasonable estimate.

If suppliers are found to be at fault, an adjustment will be made to reflect any shortfall in payments over 12 months old.

Failing to apply a debt to a prepayment meter

Although prepayment customers are not specifically covered by the back-billing principles, suppliers will apply similar principles for transferring debts which are over 12 months old. This includes circumstances where a customer has agreed to pay an energy debt through a prepayment meter and a supplier has failed to send a message to the meter to apply the debt within 12 months.

Scenarios where back billing may apply include:

- where your supplier has never sent the debt message or has taken more than 12 months to send the message; or
- where your supplier has sent a debt message but you did not pick up the message and your supplier fails to contact you to let you know the debt has not reached the meter.

Suppliers may not be at fault if:

- they have tried to communicate with you to let you know that a debt message has failed to reach the meter but you have not responded; or
- you have not topped-up your meter during the period.

Back billing would not apply if your debt is associated with fraudulent activity or a non-energy debt.

This scenario confirms your supplier's commitment to treat customers fairly and places limits on the circumstances where you will have to pay part of your debt which you would have reasonably expected was being collected. If suppliers apply back-billing principles to prepayment meter debts, they will not collect the part of the debt that would have been collected during the relevant period, had the debt been applied to the meter when the repayment plan was originally agreed. The relevant period is the 12-month period from when the debt should have been applied to the meter. In correcting the situation and applying the debt to your account that can be collected, your supplier should consider your current ability to repay when agreeing the ongoing collection rate. This debt will be applied to your meter.

Back-billing sub-clause 1

You have used the supply but have made no attempt to contact a supplier to make or arrange payment.

Scenario	Would your supplier consider applying the back-billing principle?
1. You moved into a property in December 2014, but did not tell the supplier about the change. You did not respond to any contact from your supplier either in your name or in the name of the occupier. The situation came to light when you decided to change supplier in January 2017.	No. You are legally responsible for your energy usage from December 2014, because you did not contact your supplier when you moved into the property or after receiving more contact from your supplier.

Back-billing sub-clause 2

You have been deliberately avoiding payment.

Scenario	Would your supplier consider applying the back-billing principle?
1. Since February 2015, your supplier's meter reader has not gained access to your property, but you have provided meter readings that have been used for billing. In January 2017, the meter reader does get access to your property, and the reading taken is far higher than those you have provided.	No. You are legally responsible for all of your energy usage from February 2015, because you have provided readings that were then used for billing, but which were less than what was actually used.
2. Your usage has been underestimated and you have provided meter readings which are consistent with this underestimated usage.	No. If your supplier can prove that you have not responded to attempts to read the meter but you have given incorrect information, you are legally responsible for all of your energy usage, and the back-billing principles do not apply.

Back-billing sub-clause 3

You have not provided meter readings, or co-operated with attempts by your supplier to get meter readings (for example, by phone, email, text or meter-reader visits or cards).

Scenario	Would your supplier consider applying the back-billing principle?
<p>1. From January 2015, your supplier tried to read your meter every three months, but could not get access. You did not respond to requests from them to provide a meter reading, either by phone, or meter-reading cards. In January 2017, the meter reader was able to get a reading, which was higher than the estimates you have been billed for.</p>	<p>No. Because your supplier had billed you using the information they had available and had tried to get a meter reading.</p>
<p>2. From March 2015, your supplier has received meter readings from you that do not match the historic information they have on their billing system. Your supplier contacts you to ask for more information about the meter, which you refuse to provide. You agree to a number of special visits to check the meter, but then are not available to let the meter reader in. In January 2017, your supplier gets access and confirms the meter details. This shows that a meter exchange was completed but the details were not updated by your supplier, and that the recent readings are correct. When these are used for billing, your debt increases</p>	<p>No. Because your supplier had tried to deal with queries about the meter, but had been prevented from doing so.</p>
<p>3. You changed from supplier A to supplier B on 1 February 2015. The information you provided at the time you changed supplier is not the same as the industry information. Your supplier has used various methods to contact you to get the information needed to set up your account and bill you. They do not receive the information from you until 20 January 2017.</p>	<p>No. Because your supplier had tried to sort out queries about the meter, but had been prevented from doing so.</p>

Back-billing sub-clause 4

Your supplier has failed to use valid meter readings that you, the meter reader or the data collectors provided. (Valid meter readings includes a reading provided by you, an actual meter reading from a meter reader, or a meter reading collected remotely from a smart meter).

Scenario	Would your supplier consider applying the back-billing principle?
<p>1. Your supplier has received regular meter readings from the meter reader, but over the previous two years they did not use these to bill you as they were higher than expected in relation to the previous information on your supplier's systems. Your supplier did not check whether the meter readings you provided were correct. Your supplier has now recognised that the previous readings were correct and they should have used them.</p>	<p>Yes. Because using the correct reading will increase your debt, the back-billing principle would apply.</p>
<p>2. Since moving into the property on 23 July 2014, you have regularly provided 5-digit meter readings to your supplier, which they have not used as their records show that there is a 4-digit meter at the property. On 15 January 2017, your supplier confirmed that there is a 5-digit meter at the property and that your readings should be used on the account to bill you.</p>	<p>Yes. If applying the correct customer readings increases your debt, the back-billing principle would apply.</p>
<p>3. You signed up to manage your account 'online' with your new supplier on 24 August 2014. You receive communication from your supplier by email only, your chosen communication method. You receive requests for meter reading from your supplier, and you provide valid meter readings every six months. You receive your first bill from your supplier on 7 January 2017.</p>	<p>Yes. The first bill that you can receive should be limited to no more than 12 months (in other words, you should not be charged from 24 August 2014 to 7 January 2016).</p>

Back-billing sub-clause 5

Your supplier did not try to get a valid meter reading from you during the previous 12 months.

Scenario	Would your supplier consider applying the back-billing principle?
<p>1. From January 2015 to December 2016 your supplier did not attempt to read or try to get a valid meter reading, leading to estimated bills being produced. When your supplier did send a meter reader in December 2016, the reading taken was higher than the estimated usage. (Valid meter readings includes a reading provided by you, an actual meter reading from a meter reader, or a meter reading collected remotely from a smart meter).</p>	<p>Yes. Because the back-billing principle says that suppliers must try to get a valid meter reading at least once every 12 months. The correct reading when taken (in this example) shows that you have been undercharged.</p>

Back-billing sub-clause 6

Your supplier has received the necessary industry notices but has failed to set up your account or record on their billing system.

Scenario	Would your supplier consider applying the back-billing principle?
<p>1. You changed from supplier A to supplier B on 1 February 2015. Despite receiving all the information they needed, your account was not created until 1 December 2016, and so you were not billed for 15 months.</p>	<p>Yes. The first bill that you can receive should be limited to no more than 12 months (in other words, you should not be charged from 1 February 2015 to 1 December 2015). As this is due to supplier B not creating your account, the back-billing principle would apply.</p>
<p>2. You move into a new-build property in January 2015. You do not receive a bill until you contact your supplier in December 2016. This happened despite you contacting your supplier on a number of occasions since January 2015.</p>	<p>Yes. The back-billing principle would apply if you can prove that you tried to contact your supplier.</p>
<p>3. You move into a new-build property in March 2014. You do not receive a bill until you contact your supplier in August 2016. You did not contact your supplier before August 2016.</p>	<p>No. The back-billing principles would not apply as you have not told your supplier that you have taken over responsibility for the premises from the builder or other organisation. If you do not know who your supplier is, there are a number of different ways to find out this information. For more details, please see our website.</p>

Back-billing sub-clause 7

Your supplier has failed to reassess your regular payments within the previous 12 months based on accurate information available to them, or has failed to let you know that you need to provide a reading to help to work out an accurate payment amount.

Scenario	Would your supplier consider applying the back-billing principle?
<p>1. Your supplier received valid meter readings from both the meter reader and you from January 2015 to April 2016, but had not used these to reassess your regular payment amount. In May 2016, when they used the readings to bill you, the amounts you had paid did not cover the energy used. The Direct Debit should have been £100 per month rather than £75 per month. (Valid meter readings includes a reading provided by you or an actual meter reading from a meter reader.)</p>	<p>Yes. The back-billing principle would apply as the failure to reassess your regular payments means that you now have a debt of £400 (16 months at £25 per month). A back-billing credit of £100 (four months at £25) would apply to the reassessment on your account.</p>
<p>2. Your supplier has tried to get a valid meter reading from you since August 2014. They have not been able to access your property and you have not provided any meter readings. As a result, estimated bills have been sent to you, and your regular payment amount has been reassessed on the basis of an estimate. In April 2016, your supplier got access to read your meter and when this was applied to the account, the estimated bills were less than the actual value of energy used.</p>	<p>No. Because your supplier had tried to get accurate information from you, in other words, asked for meter readings from you, tried to read the meter themselves, and issued estimated bills as a result.</p>
<p>3. You are a dual-fuel customer and have been paying for both electricity and gas by Direct Debit for several years, however your supplier failed to bill you for one fuel.</p>	<p>Yes. The back-billing principle would apply if your payments were not enough to cover your energy usage and this creates a debt on the account. Your supplier will have to show the split of fuels and how your Direct Debit payments have been used against the unbilled fuel.</p>

Back-billing sub-clause 8

Your supplier has failed to set up or maintain accurate meter and metering information on your account.

Scenario	Would your supplier consider applying the back-billing principle?
<p>1. Your meter was changed on 31 March 2014. However, the new meter details were not updated in your supplier's system. When meter readings were received, your supplier rejected these as being out of line with the account and meter history, and they billed you using an estimate. This was sorted out on 30 November 2016, when your supplier updated the correct meter details and used the meter readings.</p>	<p>Yes. Your supplier has not updated their system with the new meter details. So, as long as the estimated bills to you were lower than the actual energy you used (meaning that your debt has increased), the back-billing principle would apply.</p>
<p>2. You moved into a new-build property on 15 June 2014. However, the meter details held by your supplier for the property related to your next-door neighbour. Your supplier spotted this meter crossover in November 2016, and made corrections to the account, including updating the correct meter readings.</p>	<p>Yes. As long as the revised bills were for a higher amount than previously billed (meaning that your debt has increased), the back-billing principle would apply.</p>
<p>3. In March 2014, due to your supplier holding incorrect meter details, they have rejected meter readings they received and you have been billed based on an estimate. Your supplier has used various methods to contact you to ask for more information about the meter, which you have failed to respond to. Your supplier is finally able to gain access to the meter in November 2016 and sorts out the situation on 30 April 2016 by updating the correct meter details and using the correct meter readings.</p>	<p>No. If your supplier can prove that you have not responded to their attempts to get more information about the meter, the back-billing principle would not apply.</p>

Back-billing sub-clause 9

Your supplier has failed to send a bill to you or the billing address during the previous 12 months, unless they have agreed this with you beforehand.

Scenario	Would your supplier consider applying the back-billing principle?
<p>1. You signed up with a new supplier on 1 December 2014. Despite receiving all the information they needed, your supplier did not create your account until 1 November 2016, and then you were not billed until 1 December 2016.</p>	<p>Yes. The first bill that you receive should be limited to a period of no more than 12 months. You should not be billed for the period of 1 December 2014 to 1 December 2015.</p>
<p>2. You switched supplier on 8 December 2014, and signed up as a Direct Debit customer. Your supplier created the account for you, but did not set up a Direct Debit with your bank and did not bill you until 25 January 2017.</p>	<p>Yes. Because your supplier had not billed you during the previous 12 months, you should not be billed for the period of 8 December 2014 to 25 January 2016. If your supplier had collected agreed Direct Debits and these had covered the cost of energy used, there would be no need to apply the back-billing principles as there would not be any extra debt.</p>
<p>3. You signed up with a supplier on 10 January 2015. You agreed to an 'online' tariff, which meant that you agreed to receive bills by email (to the email address you gave to your supplier). In December 2016, you contacted your supplier to provide a meter reading and to say that you had never received a bill. Further checks show that you changed your email address shortly after signing up with your supplier. The bills sent to you by email were in line with the meter reading provided.</p>	<p>No. Because the agreement between you and your supplier was for bills to be issued by email, which your supplier did. It is your responsibility to keep your supplier updated with any changes to the email address that you provided.</p>

Back-billing sub-clause 10

Your supplier has failed to apply a debt to your prepayment meter within 12 months and has made no attempt to let you know.

Scenario	Would your supplier consider applying the back-billing principle?
<p>1. You have built up a debt of £600 and asked for a prepayment meter to be installed. On 1 March 2015, you agreed to pay £5 a week towards the debt through the prepayment meter. The meter was installed on 1 April 2015. In March 2016 you received an annual statement which displayed an identical outstanding balance. You contacted your supplier who identified that, due to an administrative error, the debt had never been sent to the meter. Your supplier then sent a message to the meter on 1 January 2017, which you picked up immediately.</p>	<p>Yes. Your supplier had not applied your debt to your prepayment meter within 12 months from 1 April 2015. It took your supplier 21 months to apply the debt to your meter, so when applying the back-billing principles your supplier will not try to collect the part of the debt which would have been collected between 1 April 2015 and 1 January 2016 and will only send a debt of £405 to the meter (a reduction of £195 = 39 weeks at £5).</p>
<p>2. You built up a debt on your gas account of £400 and after discussions with your supplier asked to have a prepayment meter installed. On 5 March 2015, you agreed to pay £10 a week towards your debt. The meter was installed on 5 April 2016 and the supplier sent a debt message to the meter on 1 May 2016. You only used gas for heating so did not need to top-up your meter between May and October 2016.</p>	<p>No. Your supplier was able to apply your debt to the prepayment meter within 12 months of installing the meter and had made many attempts to apply the debt to your meter and to contact you.</p>
<p>Your supplier sent three messages to your meter between April 2016 and July 2016 but you did not pick up each message as you didn't need to top up your meter. Your supplier then phoned you and sent you a letter explaining that the debt was not being collected. Your supplier sent another message to the meter in December 2016, which you picked up. In January 2017 you received a statement showing a debt of £360 still owing.</p>	

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