

PREPAYMENT AND SMART METERS

Prepayment meters

Being on a prepayment meter is more expensive than a standard credit meter (2% on average) and there are fewer tariffs to choose from; although at the moment, the standard price capped tariff is the cheapest. It can be a helpful way of budgeting for some people, but it comes at a cost.

It's often the case that energy companies will have insisted on a prepayment meter if a person has arrears. In order to change to a standard credit meter those **arrears will need to be repaid and, additionally, a satisfactory credit check will normally be required**. If you are successful in changing a prepayment meter for a standard credit meter remember to arrange your payments via direct debit because it's the cheapest means of paying.

Your supplier may want to move you to a prepayment meter if you have arrears but there are certain circumstances where they aren't allowed to do that. Those are where a person is disabled or has a chronic illness and they would be harmed if their energy supply was cut off. Citizens' Advice has more information on the rules that energy companies must follow: <https://www.citizensadvice.org.uk/consumer/energy/energy-supply/complain-about-an-energy-company/check-the-prepayment-rules-your-supplier-has-to-follow/>

Remember that if you rent your property you must ask the landlord for permission to change from a prepayment meter to a standard credit meter.

If you have a prepayment meter you can still request a smart meter from your energy supplier and this can work on a prepayment setting. It would have the usual benefits of a smart meter (see below) and give you more options for topping up, such as online, rather than having to add credit at a local shop or Post Office.

Smart meters

There's plenty of information available on these meters, which are being rolled out to all households, with the aim being that everyone will have been offered one by mid-2025. The Energy Savings Trust https://energysavingtrust.org.uk/advice/guide-to-smart-meters/?gclid=EAlaIQobChMItr38vpzZ9gIVlu7tChOL8gvHEAAYAAEgLOFPD_BwE has a good section on the topic.

The meters got a bad press when the original models were installed because they often went dumb when the energy supplier changed, but that isn't the case with the second-generation ones which have been fitted over the last few years (SMETS 2).

In summary, the advantages of having them are:

- They are free.
- Readings are sent wirelessly to your energy provider so you don't need to supply meter readings.

- Accurate regular readings mean no more estimated bills.
- They come with a home energy display showing live data on the amount of gas and electricity used. This helps you to understand your consumption and make changes.
- In the future, they will allow you to access 'time of use' tariffs (when available) where the cost of energy is re-calculated every 30 minutes based on variable wholesale rates. This enables you to plan when your use of appliances to avoid peak rates. However, for the moment, with wholesale energy prices so high, these tariffs are not advisable.

You can request the meters via your energy supplier and all the larger ones should be able to respond, but some of the smaller ones only fit in certain areas at a time. **If you rent your property you should obtain the landlord's permission first** and if your rent includes energy then it will be the landlord who will need to apply for the new meters.