

**ENERGY  
RETAIL  
Association**



Code of Practice for Accurate Bills

**Back Billing for  
Domestic Customers**

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# Background Guidance

The Code of Practice for Accurate Bills (the Code) has been developed by the Energy Retail Association (ERA) with British Gas (including Scottish Gas), EDF Energy, E.ON, npower and Scottish Power; these companies all support the independently-audited Code of Practice and are committed to the Code as a minimum standard of service for customers. Scottish and Southern Energy has a Domestic Customer Charter which includes similar standards of service in relation to billing and back billing. This document reflects the principles which all of the major energy suppliers apply in relation to back billing.

Under the Code, from 1 July 2007, where the suppliers are at fault in not billing a domestic customer, they will not send a bill which includes unbilled energy consumed more than 1 year previous to the bill being issued.

This clause confirms the suppliers' commitment to bill customers regularly and accurately, and imposes limitations on the circumstances where customers can be billed for previously unbilled energy that is more than 12 months old. Where suppliers issue a bill which has these principles applied, they will credit the account with the value of the unbilled energy consumed over 12 months ago, taking into consideration any payments already made by the customer or credits applied to the account, so that the customer is not required to pay any additional sums towards this previously unbilled energy consumption.

## General guidance

- The clause relating to back-billing within the ERA Code of Practice for Accurate Bills applies to domestic credit customers, as defined in the supplier licence agreement. Although prepayment customers are not explicitly covered by this clause, suppliers will apply similar principles in relation to debt over 12 months old.
- The clause relating to back-billing within the ERA Code of Practice for Accurate Bills and commitment in Scottish and Southern Energy's Customer Charter does not apply to customers whose express terms and conditions exclude them from receiving bills or statements.

# Customer's responsibilities

Customers should pay for energy used and the Code is not intended as a means for avoiding payments. Customers have an obligation to assist suppliers and can expect to pay for all energy consumed if they:

- Have been using the supply but have made no attempt to contact the supplier to make or arrange payment, including moving into a property and making no attempt to let a supplier know they are the new tenant.
- Have wilfully avoided payment.
- Have not co-operated with attempts to obtain meter readings or resolve queries requested by the supplier, including allowing access to the premise or failing to respond to requests for meter details or meter readings.

In the event of billing problems, customers should be encouraged to pay a reasonable estimate of their consumption with the understanding that once an accurate bill is produced, suppliers will use payments or credits to offset any additional charges or allowances.

In the event of a customer paying one supplier for their energy and it later transpires that their supply should have been with another supplier, any payments refunded to the customer as part of the process of correcting the error, may be required to be paid to the other supplier for the energy used. Suppliers will contact customers on an individual basis to agree payment arrangements.

# Common Scenarios where back billing may apply

It is important that customers are not informed that they will be eligible for any write off without the supplier completing an investigation first. Each and every case will be assessed on an individual basis.

Initial checks that should be considered

- Does the bill exceed the permitted 12-month back billing period, as calculated from the date of the bill? If a bill is produced on 4 May 2009 for a period of 1 April 2008 to 1 May 2009, then from 1 April 2008 to 4 May 2008 is beyond the 12 months.
- Does the bill increase the customer's debt for the period beyond the permitted 12 months? If not, then there is no back billing consideration.
- Has the customer been using the supply but made no attempt to contact the supplier to make or arrange payment? If not, then there is no back billing consideration.
- Has the customer wilfully avoided payment? If so, then there is no back billing consideration.
- Has the customer failed to respond to attempts to obtain meter readings or resolve queries requested by the supplier? If so, then there is no back billing consideration.

The following are scenarios where customers may be eligible - this is not a full or final list. Customers would not be eligible in any of the following scenarios if they have not satisfied all of the customer responsibilities.

## Inaccurate bills

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

[Subject to the exclusions below, scenarios where back billing clause may apply include:](#)

- Where a customer has provided correct readings but a supplier has rejected them, without investigation as invalid eg. the customer or the meter reader has provided correct 5 dial readings\* but the supplier believes the meter to be 4 dial and ignores without further investigation.

- Meter readings or meter details are transposed on billing system, eg. night reads recorded as day readings and vice versa and the supplier had opportunity to recognise but did not investigate further.
- Where meter details are crossed and the supplier had opportunity to recognise but did not investigate further.
- Where meter details have not been updated following an exchange.

\* the failure to utilise correct readings needs to be considered on a case by case basis taking all relevant factors into account, especially whether the supplier had proper opportunity to recognise the error but did not investigate further. The failure to use a single correct reading in itself does not necessarily mean the back-billing clause will apply.

#### Suppliers may not be at fault if:

- They have attempted to obtain a valid reading.
- Consumer has not allowed access to the property/meters to read meters.
- Consumer has not responded to queries (even if they are marked for attention of occupier) about the meter reading or regarding 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 a supply.

#### Scenarios where back billing clause may apply include:

- Where a new customer has advised the supplier that they have moved to the premise but the supplier still believes the premise to be empty.
- Where a customer has advised the supplier that a new supply has been made to a property and the supplier fails to update records to show this.

#### Suppliers may not be at fault if:

- They have attempted to communicate with the customer to establish occupancy and the customer has not responded.
- The supplier has been billing in the name of the occupier in the absence of further detail.

## Payment Arrangements

This would include circumstances where a supplier has failed to reassess a payment arrangement (eg. direct debit).

Scenarios where back billing clause may apply include:

- Where a reassessment is not made within 15 months.

Suppliers may not be at fault if:

- They have reassessed the payment within the last 15 months.
- 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 deficit of payments over 12 months old.

section  
**2**

# Individual Detailed Scenarios

## Does Back Billing Apply or Not?

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### Back Billing sub-clause

- 1 Use of supply has been made by a customer but that no attempt has been made by a customer to contact a supplier to make or arrange payment
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#### Scenario

1 A customer moved into a property in December 2007, but did not notify the energy supplier of the change. The customer did not respond to any contact either in their name, in the name of the occupier or in the name of the previous occupier. The situation came to light when the customer decided to change supplier in January 2009.

#### Would the supplier consider applying the Back Billing clause?

**No** As the customer did not contact the supplier upon moving into the property or upon receiving subsequent contact.

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### Back Billing sub-clause

- 2 The customer is wilfully avoiding payment
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#### Scenario

1 Since February 2008, a supplier's meter reader is unable to access the customer's property, but the customer has submitted meter readings that have been used for billing. In April 2009, the meter reader accesses the property, and the reading taken is far higher than those provided by the customer.

2 A customers' consumption has been under-estimated and the customer has provided meter readings which are consistent with this under-estimated consumption.

#### Would the supplier consider applying the Back Billing clause?

**No** As the customer had provided readings that were then used for billing, which were less than actual consumption.

**No** If the supplier can demonstrate that the customer has not been co-operating with attempts to read the meter and has provided incorrect information then the back billing clause does not apply.

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## Back Billing sub-clause

### 3 The customer has not co-operated with attempts to obtain meter readings or resolve asset queries required to facilitate accurate bill production

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#### Scenario

**1** From January 2008, a supplier tried to read the customer's meter every quarter, but was unable to get access. The customer did not respond to requests for them to provide a meter reading. In March 2009, the meter reader was able to get a reading, which was higher than the estimates.

**2** From March 2008, a supplier has received meter readings from the customer that do not match the historic information it holds on its systems. The supplier contacts the customer to request further information about the meter, which the customer refuses to provide. The customer agrees to a number of special visits to check the meter, but then is not available to let the meter reader in. In April 2009, the supplier gets access and is able to confirm the meter details. This shows that a meter change was completed but the details were not updated to the supplier, and that the recent readings are correct. When these are used for billing, the customer's debt increases.

**3** A domestic customer changed from supplier A to supplier B on 1 February 2008. The asset information provided by the customer at the point of transfer conflicts with the industry information. The supplier has repeatedly contacted the customer to obtain necessary information to set up the customer's account and bill the customer. It does not receive the information from the customer until June 2009. The supplier can demonstrate that the customer has not co-operated with attempts to obtain meter readings or resolve asset queries.

#### Would the supplier consider applying the Back Billing clause?

**No** As the supplier had billed the customer as accurately as possible.

**No** As the supplier had attempted to resolve queries about the meter, but had been prevented from doing so.

**No** As the supplier had attempted to resolve queries about the meter, but had been prevented from doing so.

**4** In March 2007, due to the supplier holding incorrect meter details, meter readings received by the supplier have been rejected and the customer has been billed based on an estimate. The supplier has contacted the customer to request further information on more than one occasion about the meter and a meter reading, to which the customer has failed to respond or has provided inaccurate information. The supplier is finally able to gain access to the meter in 2009 and resolves the issue on 30 April 2009 by updating the correct meter details and applying the correct meter readings.

**No** If the supplier can demonstrate that the customer has not co-operated with attempts to obtain meter readings or resolve asset queries then the back billing clause would not be applicable.

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## Back Billing sub-clause

**4** The supplier has received the necessary industry notifications but have failed to set up a record on their billing systems

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### Scenario

**1** A domestic customer changed from supplier A to supplier B on 1st February 2008. Despite receiving all required information, the customer's account was not created until 1 May 2009, and subsequently the customer was not billed for 15 months

**2** A customer moves into a new build property in January 2008. They do not receive a bill until they contact supplier A in June 2009. This happened despite the customer contacting supplier A on a number of occasions since January 2008.

**3** A customer moves into a new build property in March 2008. They do not receive a bill until they contact supplier A in August 2009. The customer did not contact supplier A prior to August 2009.

### Would the supplier consider applying the Back Billing clause?

**Yes** The first bill that the customer can receive is for no more than 12 months. As this is due to supplier B not creating the customer's account, then the back billing clause would be applicable.

**Yes** The back billing clause would be applicable where the results of the supplier's and customer's investigations were able to demonstrate the contact attempts.

**No** The back billing clause would not apply as the customer has not informed the supplier that they have taken over responsibility for the premises from the builder/other third party organisation.

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## Back Billing sub-clause

### 5 The supplier has failed to set up or maintain accurate meter and metering data

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#### Scenario

**1** A supplier completed a meter change for a domestic customer on 31 March 2007. However, the new meter details were not updated in the supplier's system(s). When meter readings were received, these were rejected as being out of line with the account and meter history, and the customer was billed on an estimate. This was resolved on 30 April 2009, when the supplier updated the correct meter details and applied the meter readings.

**2** A domestic customer moved into a new-build property on 15 June 2007. The meter details held by the supplier for the property, though, related to the customer's next-door neighbour. This meter crossover was recognised by the supplier in May 2009, and the corrections made to the account, including updating the correct meter readings.

#### Would the supplier consider applying the Back Billing clause?

**Yes** As long as the estimated bills to the customer were lower than the actual energy used, meaning that the customer's debt has increased.

**Yes** As long as the revised bills to the customer were for a higher amount than previously billed, meaning that the customer's debt has increased.

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## Back Billing sub-clause

- 6** The supplier has failed to use valid readings provided by the customer or data collectors

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### Scenario

**1** The supplier has received regular, correct meter readings from the meter reader, but over the previous 2 years these were not used to bill the customer as they are higher than expected in relation to the historic data on the supplier's system(s). The supplier has now recognised that the historic system data is wrong, and that the correct readings should be applied.

**2** A customer has regularly submitted 5 digit meter readings to their supplier, which have not been used by the supplier as their records show that there is a 4 digit meter at the property. The supplier has now confirmed that there is a 5 digit meter at the property and that the customer's readings should be applied to the account.

### Would the supplier consider applying the Back Billing clause?

**Yes** As applying the correct reads to the account will increase the customer's debt.

**Yes** As long as applying the correct customer readings will increase the customer's debt.

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## Back Billing sub-clause

- 7** The supplier has failed to reassess regular payments within the previous 15 months based on accurate information available to them, or have failed to communicate the need for and use of a customer own reading at this time

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### Scenario

**1** A supplier had received valid meter readings from both the meter reader and the customer from January 2008 to April 2009, but had not used these to reassess the customer's regular payment amount. When the readings were applied to the account, the amounts paid by the customer did not cover the energy used.

**2** A supplier has attempted to obtain a valid reading since August 2007, but has not been able to access the premises, and the customer has not submitted any meter readings. Consequently, estimated bills have been sent to the customer, and the customer's regular payment amount has been reassessed on the basis of the estimate. In April 2009, the supplier got access to read the meter, and when this was applied to the account, the estimated bills were less than the actual value of energy used.

### Would the supplier consider applying the Back Billing clause?

**Yes** As the failure to reassess the regular payments means that the customer will now have an increased debt.

**No** as the supplier had attempted to gain accurate information (attempted to read, requested customer readings, issued estimated bills).

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## Back Billing sub-clause

- 8** The supplier has failed to attempt to obtain a valid reading during the previous 15 months

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### Scenario

**1** From January 2008 to May 2009, a customer's energy supplier did not attempt to obtain a valid reading, leading to estimated bills being produced. When the supplier did send a meter reader in May 2009, the reading taken was higher than the estimated consumption.

### Would the supplier consider applying the Back Billing clause?

**Yes** As the Code requires suppliers to attempt to obtain a valid reading, (includes customer or actual meter reading) and when a correct reading is taken, the customer has been undercharged.

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## Back Billing sub-clause

- 9 The supplier has failed to send a bill to the customer or billing address during the previous 12 months, unless their express agreement with the individual customer allows for this
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### Scenario

1 A customer signed up with a new supplier on 1 December 2007. Despite receiving all required information, the customer's account was not created until 1 March 2009, and subsequently the customer was not billed until 1 April 2009.

2 A customer switched supplier on 8 December 2007, and signed up as a Direct Debit customer. The supplier created the account for the customer, but did not set up a Direct Debit mandate and did not bill the customer until 25 March 2009.

3 Customer signed up with a supplier on 10 January 2008. The customer agreed to an "online" tariff, which meant that they agreed to provide regular readings and receive bills via email (to the address provided by the customer). In March 2009, the customer contacts the supplier to state that they had never received a bill. Further investigation shows that the customer changed their email address shortly after signing up with the supplier.

4 A customer paid a supplier for a period of time after which it is identified that the supplier who has been receiving payment is not the supplier who is supplying the property. The supplier who has received payment pays back the total amount to the customer. The supplier who has been supplying then bills the customer for the whole period.

### Would the supplier consider applying the Back Billing clause?

**Yes** Because the supplier had not billed the customer in the 12 months prior to 1 April 2009.

**Yes** Because the supplier had not billed the customer during the previous 12 months. If the supplier had taken agreed Direct Debits and these had covered the cost of energy consumed, then there would be no need to apply the back billing clause as there would not be any additional debt.

**No** Because the agreement between the customer and the supplier was for bills to be issued via email, which the supplier did to the email address that the customer provided.

**No** If the customer does not incur additional debt then the back billing clause would not apply and the customer is required to pay the charges levied by the new supplier.



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