

Call for Input Response

Tackling energy debt when moving home

Ofgem

January 2026

Dion.tickner@ageuk.org.uk (or policy@ageuk.org.uk)

All rights reserved. Third parties may only reproduce this paper or parts of it for academic, educational or research purposes or where the prior consent of Age UK has been obtained for influencing or developing policy and practice.

Age UK
7th Floor, One America Square
17 Crosswall
London
EC3N 2LB
T 0800 169 87 87 F 020 3033 1000
E policy@ageuk.org.uk

www.ageuk.org.uk

Age UK is a charitable company limited by guarantee and registered in England (registered charity number 1128267 and registered company number 6825798). The registered address is 7th Floor, One America Square, 17 Crosswall, London, EC3N 2LB.

About this Call for Input

In Great Britain (England, Scotland and Wales), consumers can usually use energy straight away when they move into a new home. Some consumers may even have access to energy for a long period of time without being known to the energy supplier. For example, they might not have set up their own account yet or let the energy supplier know that they have moved in.

This may increase the risk of consumers getting into debt without them realising it. One supplier recently reported that the average notification period, the time from when someone moves into a property to when they set up an account with their supplier, is 56 days. At current energy price levels, that means consumers may be starting their energy account from a position of around £300 in arrears.

Ofgem want to understand the risks and benefits of introducing changes to the home moving process to tackle debt. For instance, introducing a requirement for suppliers to convert energy meters into prepayment mode when they are notified of a consumer moving out. As a consequence, when someone moves into a property, they would have access to a limited amount of energy before being disconnected and being forced to engage with a supplier to regain energy supply. This call for input explores that subject.

About Age UK

Age UK believes every older person should be included and valued. We're working locally, nationally and internationally to change the way we age. Together with our partners, we're changing the day-to-day experience of getting older through essential services and local support. In the UK, the charity helps more than seven million older people each year by providing advice and support, including through our national advice line and our friendship services. It also researches and campaigns on the issues that matter most to older people, aiming to put older people at the heart of public policy and shift the way ageing is treated and represented.

Introduction

Age UK strongly supports efforts to tackle levels of energy debt. The introduction of a debt relief scheme would be a positive and much needed step towards lowering existing debt, however action is needed by both Ofgem and Government to tackle energy affordability. Otherwise, debt levels will continue to climb.

Energy debt can have serious consequences for older people. Many live on low, fixed incomes, which can make large or unexpected bills difficult to manage, while spending more time at home or using medical equipment increases energy use. Reducing heating to manage debt can raise risks of hypothermia or respiratory problems, and lower digital literacy or social isolation can make it harder to access support or engage with repayment options.

Years since the energy price crisis began, it is still the case that older people on the lowest incomes are struggling to afford their essentials. Self-rationing, sometimes to extreme levels, is endemic.

Many older people choose to cut back on their energy consumption to avoid debt but high levels of debt among the general public mean that they still have to contribute a significant amount towards the socialised cost of energy debt. For instance, older people paying by standard credit contribute around £150 per year (equivalent to the value of a Warm Home Discount rebate) to the socialised cost of energy debt.

Recovering unpaid bills through higher prices also reduces their disposable income, increasing financial pressure on households with limited flexibility and driving further self-rationing. It is clear to us that tackling the debt issue will lead to positive outcomes for consumers. That is why we support the efforts being made by Ofgem to reduce debt build up.

We recognise that Ofgem regulatory powers are not designed to address energy affordability. While greater measures are needed to make energy more affordable, there is a need for focus on other ways of tackling the debt problem. The debt relief scheme offers a starting point, and the potential for a reset, but it is also right for consumers that Ofgem looks at how industry might be able to influence consumer behaviour to avoid the accrual of debt in the first place.

Consultation Response

In the Call for Input document, supplier reporting demonstrates that between 20% to 40% (~£0.9bn to ~£1.8bn) of debt in the market is attributable to the change of tenancy process. Some suppliers have reported a 56-day average for how long it takes a consumer to notify them that they've occupied a property. Based on current energy price levels, that would mean a consumer with typical consumption could owe around £300 from the point an account is opened.

Age UK believes that it is right for Ofgem to consider how this process can be reformed. Tackling this issue would be a significant prevention of debt built up. Combined with the impact of a debt relief scheme, there is clear value in reforming this process for consumers.

However, reform must be approached carefully. We agree with Ofgem that the intent of this reform should be to prevent the build-up of supply costs and debt related to unnamed accounts during the home move process. It should also be Ofgem's aim that in addition to reducing the notification period, which is the time from a consumer moving into the property to the date they inform the energy supplier that they have moved in, reform should lead to minimal risk of consumer harm.

The proposal being considered in this Call for Input, which is to change meters from credit to prepayment mode in homes where the occupant has reported leaving, could leave consumers moving into those homes at risk of harm.

Based on our experience with older people, we believe there are several variables to consider in developing policy to address this issue, as well as potential mitigations that will be necessary if a prepayment policy were to be introduced for the home move process. We outline our views on these below.

Options for reform

There are several options for reform. Each of them carries some degree of risk in terms of consumer wellbeing and outcomes compared to a business-as-usual approach.

Option 1 - deter:

The first approach is, as outlined in the Call for Input, to put households in a position of possible disconnection, by remotely switching the meters in that property to prepayment mode, if they do not notify their supplier of having moved into the property. This would deter consumers from delaying their registration with an energy supplier. At the point of disconnection, a consumer would need to contact their supplier in order to regain access to supply. There is value in this approach, since all newly opened accounts would start with a balance of £0, ensuring that debt cannot be accrued prior to their registration.

However, disconnection may disproportionately impact some consumers. For instance, there is no clear way a supplier could know whether or not the new occupier has a medical dependency on energy consumption (for example if they have refrigerated medicine). In that regard, there is potential that this policy directly puts some consumers at risk of harm. Even if it is in a small number of cases, there is no clear mitigation for preventing scenarios such as these from happening.

Option 2 - incentivise:

Under an alternative approach, suppliers could be obligated to incentivise early notification of having moved into a property within a certain timeframe. This might be achieved by offering consumers a credit on their energy account if they notify their supplier in advance of having moved in, or within the first week or two of occupation.

While this approach could help to shorten the notification period for some consumers, incentives of this kind are unlikely to be effective in isolation. In practice, consumers do not always respond to financial incentives in the way that might be predicted, particularly because the process of moving home can be disruptive. As a result, a proportion of consumers may still delay notification despite the availability of a credit, limiting the overall effectiveness of an incentives-only approach.

Used alongside a deterrent, however, incentives could play a complementary role by encouraging earlier engagement among those consumers who are responsive to positive prompts, while the deterrent ensures broader compliance. This combined approach would help to reduce the risk of debt being accrued during the moving process, while avoiding consumer harm arising from disconnection.

Option 3:

The final option would be to implement both reforms. For instance, consumers that notify their supplier that they are due to move into a property in advance could be offered a credit, which would be equivalent to or less than the value of the preloaded credit a supplier would otherwise have to put on the prepayment meter. For instance, if suppliers are required to preload £40 of credit onto each meter in the property, consumers could be offered £30 per fuel as an incentive for registering with a supplier before they move into the property.

Through this approach, fewer consumers would be exposed to the risk of disconnection. Meanwhile, the benefits of the prepayment approach would still be realised. And the cost of implementing this policy would be lower than the prepayment only option.

This is Age UK's preferred approach.

Mitigations

As highlighted above, some of these proposals present risk to the wellbeing of consumers, particularly those with a medical dependence on energy. Ofgem have outlined potential mitigations to prevent detriment to a new occupier prior to their engagement with a supplier, including preloaded credit on the meter, with a zero standing charge arrangement, and an enhanced contact approach from the existing supplier to the premises. Age UK agrees that these consumer protections will be necessary.

In terms of mitigating the risk of consumer harm, there are other areas that need further consideration. These include the customer contact journey, the potential communication challenges for policy change, and the approach to implementing change more generally.

Customer contact journey

Consumers experiencing disconnection are likely to expect urgent support. Age UK is aware that many suppliers already have a bespoke customer contact journey for onboarding new consumers. Suppliers are also required to have emergency contact

lines which are available 24 hours a day. A consumer who is unaware of the cause of their disconnection may approach a supplier through either approach.

As a principle, we think Ofgem should expect suppliers to register a consumer at the first point of contact, no matter how they contact their supplier. In practice, that means Ofgem needs to carefully consider how to ensure that suppliers are equipped with processes that prevent consumers from being disconnected for longer than necessary. Reforming the customer onboarding journey may be one way of achieving that, however we feel there will also need to be a clear principle that disconnected consumers should be a priority for suppliers' support services.

In some cases, we recognise it might not be possible to register a consumer and restore their supply on the first contact. For instance, if a consumer contacts an energy supplier that does not supply the property, the supplier may be able to switch the consumer but would not be able to restore their supply until the switch is complete.

Communicating change

Since many consumers will be familiar with the current process of registering with a supplier, and that after moving into a home there are no restrictions on energy consumption, it is necessary to consider how changes to the home move process might be communicated. Due to the risk of harm that energy disconnection could cause, it is vital that consumers are aware of what will happen if they do not register with an energy supplier at the earliest opportunity.

In communicating how the home move process is changing, there is also the potential to outline to consumers how they can find out which energy supplier supplies the property, and the way to contact them in order to register as a customer. Recently, Ofgem conducted a significant communication campaign in relation to radio teleswitch systems (RTS). A similar campaign, which warns of potential disconnection and the need to act in order to prevent it, will be needed if the home move process changes.

Additionally, for the private rented sector and with social housing, Ofgem could explore, with input relevant stakeholders and Government, whether there is a potential role for landlords and social housing providers in communicating a new home move process.

Test and learn approach

If implemented, the proposed reforms outlined in this Call for Input would result in substantial changes to how consumers set up their energy supply. The scale of the change, Age UK believes, justifies a gradual implementation. Before implementing market wide changes to the home move process, we feel Ofgem should test how reforms would work in practice. A test and learn approach would enable Ofgem to ensure that consumer protections for a new home move process are robust, and properly mitigate the risk of consumer harm.

Conclusion

Age UK recognises the scale of debt that can accrue during the change of tenancy process and supports Ofgem's ambition to reform the home move process in order to prevent avoidable debt building up. Addressing this issue has the potential to deliver meaningful benefits for consumers and suppliers alike, particularly when considered alongside wider measures such as a debt relief scheme.

However, any reform must place consumer safety and wellbeing at its core. Proposals that rely on the risk of disconnection to prompt engagement carry inherent risks, especially for older people and others who may have a medical or practical dependence on continuous energy supply. These risks mean that reform must be carefully designed, supported by strong mitigations, and implemented in a way that minimises the likelihood of consumer harm.

Age UK's preferred approach is a combined model that incentivises early notification while retaining safeguards to prevent debt accumulation. This approach offers a more balanced solution, reducing exposure to disconnection while still addressing the underlying drivers of debt during the home move process. Crucially, any new system must be accompanied by clear communication, robust onboarding and emergency support processes, and a phased, test-and-learn implementation to ensure protections work as intended in practice.

Ofgem has an important opportunity to reform the change of tenancy process in a way that prevents debt without introducing new risks for vulnerable consumers. Age UK urges Ofgem to proceed with caution, prioritise consumer protections, and work closely with stakeholders to ensure that any reforms deliver fair and safe outcomes for all consumers, particularly older people.