From Compliance to Connection

Mastering the Involuntary Prepayment Journey

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The challenge: Regulations meets reality

What started this all?

The Key Points

- **February 2023** undercover investigation into British Gas contractors triggered industry crisis
- **Core issue** = treatment of vulnerable customers
- Focus shifted from **legal right to recover debt** to whether suppliers were **acting fairly and safely**
- Warrant execution process became central to criticism
- Ofgem response
- Wider market context amplified the issue

The challenge: Regulations meets reality

So what changes were needed?

In a Nutshell: The aim was to make specific changes to the prepayment part of the customers journey to add additional layers of protections for certain groups of customers.

Vulnerability categories

Do Not Install (DNI) and Further Assessment Needed (FAN) characterisation was introduced.

Contact attempts

A minimum of ten, across varying methods, including a site welfare visit, required within the 90 days preceding the involuntary move to prepayment.

Independent assessment

These were required before any move to prepayment by an independent team.

Recorded visits

It became mandatory for field agents to record all visits to properties doing this work.

Initial credit

Applying £30 credit onto each meter that had been moved to prepayment.

Ongoing suitability

Where a move to prepayment was successful, as part of ongoing suitability checks, there was an additional one added specifically for when customers had repaid the debt on prepayment.

The challenge: Regulations meets reality

What did the pause, cause?

The unintended consequences

01 Suppliers lost a very important way to collect. Removing the consequence, removed the need to engage.

02 Debt ballooned in the industry from **£2.2b** in early 2022 to **£4.4b** in 2024.

03 Other methods were used for recovery, that could be argued were more aggressive.

04 The new rules around the DNI category specifically increased the non engagement post restarting.

Why are the stakes so high?

Customer impact if we get it wrong

Legal and regulatory ramifications

By not collecting debt in volumes, it drives up cost for all

Understanding the engagement barrier

The Engagement Challenge

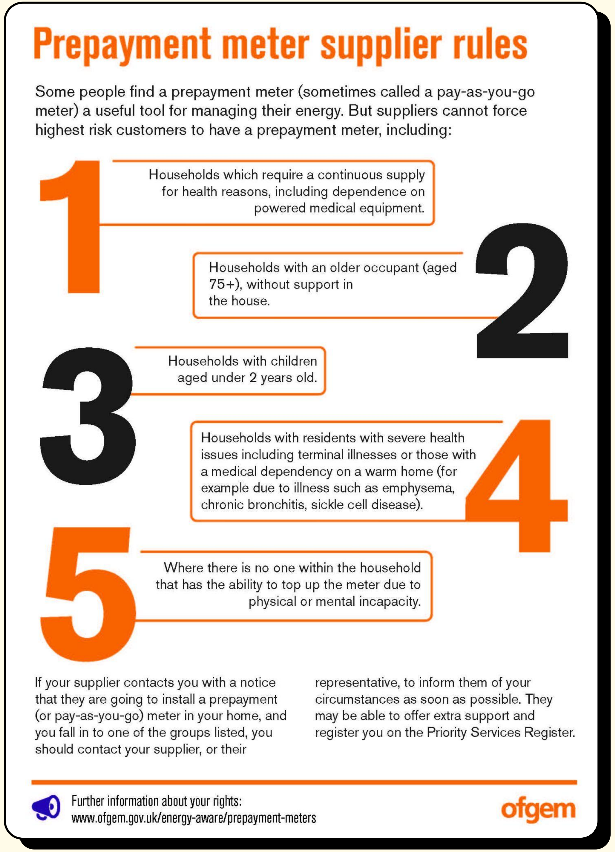
Understanding the engagement barrier

Who is not engaging and why?

In the debt world there is always a challenge with engagement.

However… the 2023 changes removed the consequence of the prepayment actions to a specific and prescribed group of customers.

The wall of silence that already existed in this space became a lot taller.



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A New Approach

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The Vulnerability Admin Team

Creating a dedicated engagement model for customers who could no longer progress through the traditional prepayment journey.

Why

Two fold, the ensure that we had proactive **ongoing engagement with the DNI cohort** even without the prepayment journey and to **collect what we can from this group.**

Who

Team of 10 agents sitting within the Payment Solutions Team at Utility Warehouse.

What

Their role was to review every single DNI customer and put them through a **cycle of engagement.**

How

They used **data to identify accounts** and would send letters, arrange outbound calls and site visits.

Outcomes

Between January 2024 and December 2025, **£12m was collected** because of this process.

Challenges

Comms and process fatigue.

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The DNI account review trial

01

Why

Although collections where really good through the Vulnerability Admin process, we were seeing the indebted DNI group **grow in volume.**

02

What

The trial looked at three things: Children under 2, medication in the fridge and possibility of a vacant site.

03

How

We used a mixture of data and manual cleansing and reviewing of accounts to identify we could safely put through the trial. A total of **669 accounts** with a **value of around £1.3m** were identified and put through the trial.

The results

A total of **388 (58%) engaged,** that hadn't done previously

We recovered around **6% of the debt overall**

94 customers set up a payment plan, third party deductions or moved to prepayment voluntarily for debt **totalling over £200,000**

Thats **15%** of the original arrears balances

What's next?

Building the next generation of customer engagement

- Working with Ofgem to improve Change of Occupier (CoT) processes and reduce debt build-up at property transitions
- Using earlier intervention strategies to engage customers before arrears become entrenched
- Exploring AI and advanced analytics to better identify risk, vulnerability and engagement opportunities
- Leveraging data to target the right intervention at the right point in the customer journey
- Supporting industry-wide analysis with Ofgem to identify weaknesses in current rules, processes and customer outcomes
- Using evidence-led insights to shape future vulnerability and debt management policy

Key takeaways

Looking Back

What can you implement right now?

Practical actions that make immediate impact

- **Build proactive engagement journeys** before customers become fully disengaged
- **Combine data insights with human review** — avoid relying purely on automation
- Introduce **ongoing suitability reviews** instead of treating vulnerability as permanently static
- Use tailored communication strategies across **multiple channels** and **welfare touchpoints**
- Separate **support conversations** from **collections conversations** where possible
- Identify and prioritise **customers cycling repeatedly** through disengagement
- **Measure customer engagement quality**, not just collections performance
- **Build stronger collaboration** between operations, vulnerability, compliance, and field teams

Thank you!

Any questions?

Appendix

Original / Old slides

The Challenge:
Regulations Meets Reality

So What Changes Were Needed?

In a Nutshell: The aim was to make specific changes to the prepayment part of the customers journey to add additional layers of protections for certain groups of customers.

- **Vulnerability Categories:** Do Not Install (DNI) and Further Assessment Needed (FAN) characterisation was introduced.
- **Contact Attempts:** A minimum of ten, across varying methods, including a site welfare visit, required within the 90 days preceding the involuntary move to prepayment.
- **Independent Assessment:** These were required before any move to prepayment by an independent team.
- **Recorded Visits:** It became mandatory for field agents to record all visits to properties doing this work.
- **Initial Credit:** Applying £30 credit onto each meter that had been moved to prepayment.
- **Ongoing Suitability:** Where a move to prepayment was successful, as part of ongoing suitability checks, there was an additional one added specifically for when customers had repaid the debt on prepayment.

The Challenge: Regulations Meets Reality

What did the Pause, Cause?

The Unintended Consequences:

- Suppliers lost a very important way to collect. Removing the consequence, removed the need to engage.
- Debt ballooned in the industry from £2.2b in early 2022 to £4.4b in 2024.
- Other methods were used for recovery, that could be argued were more aggressive.
- The new rules around the DNI category specifically increased the non engagement post restarting.

Why are the Stakes so High in this Journey?:

- Customer impact if we get it wrong
- Legal and regulatory ramifications
- By not collecting debt in volumes, it drives up cost for all

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The Vulnerability Admin Team

- **Why:** Two fold, the ensure that we had proactive ongoing engagement with the DNI cohort even without the prepayment journey and to collect what we can from this group.
- **Who:** Team of 10 agents sitting within the Payment Solutions Team at UW
- **What:** Their role was to review every single DNI customer and put them through a cycle of engagement.
- **How:** They used data to identify accounts and would send letters, arrange outbound calls and site visits.
- **Outcomes:** Between Jan 2024 and Dec 2025, £12m was collected because of this process.
- **Challenges:** Comms/process fatigue

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The DNI Account Review Trial

The Trial

- **Why:** Although collections where really good through the Vulnerability Admin process, we were seeing the indebted DNI group grow in volume.
- **What:** The trial looked at three things: Children under 2, medication in the fridge and possibility of a vacant site.
- **How:** We used a mixture of data and manual cleansing and reviewing of accounts to identify we could safely put through the trial. A total of 669 accounts with a value of around £1.3m were identified and put through the trial.

The Results

- A total of 388 (58%) engaged, that hadn't done previously.
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