



Director, External Affairs

HM Coroner  
The Town Hall  
Town Hall Square  
Leicester  
LE1 9BG

25<sup>th</sup> November 2013

Dear Mrs Brown,

**Re: Mr Michael Joseph Hirrell**

I write with reference to your report in connection with the death of Mr Hirrell, made in accordance with Regulation 28 Coroners (Investigations) Regulations 2013.

First I should stress that, as stated at the inquest on 23 September 2013, we were deeply shocked and saddened to learn of Mr Hirrell's death. I take this opportunity to express our condolences to the family and friends of Mr Hirrell. When we were made aware of Mr Hirrell's death by your office, we immediately launched an investigation into the circumstances surrounding the disconnection of the electricity supply at the property. This letter covers our procedures for dealing with disconnections affecting domestic consumers, across both our domestic and non domestic businesses.

The steps taken by npower, as described to you at the inquest, are permanent. The only measure not yet formally adopted on a permanent basis is our trial to assess the impact of not disconnecting shared commercial and domestic supplies during the winter months.

**Domestic**

Suppliers are required to abide by provisions set out in electricity and gas supply licences. Domestic customers generally (for the sake of clarity in this response, customers who reside in domestic premises and contract with their supplier direct for electricity and gas are known as 'domestic customers') are afforded certain protections under the supply licences, in particular where they are classed as being part of a particular vulnerable group and in debt. These provisions, together with Energy UK's Safety Net, provide significant protection for vulnerable domestic customers in debt.

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The supply licences prohibit the disconnection of *any* domestic customer in debt unless the supplier has taken all reasonable steps to recover the money owed through fitting a prepayment meter, where it is safe and reasonably practicable to install one.

Suppliers are explicitly prevented between 1 October and 31 March from disconnecting premises where the customer is a pensioner and lives alone, or lives only with other pensioners or persons under 18. Furthermore, suppliers must take all reasonable steps to avoid disconnecting between 1 October and 31 March a domestic customer's premises where one of the occupants is a pensioner, is chronically ill or is disabled.

In addition to this, the Energy UK Safety Net (which has been in existence since 2004 and to which npower is a party and abides by its provisions) prevents the disconnection, knowingly, of any vulnerable domestic customer at any time of the year. Under the Safety Net:

***“A customer is vulnerable if for reasons of age, health, disability or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household”***

As can be seen, the definition is extremely wide and, so, can encompass a variety of circumstances.

Finally, npower applies its own winter moratorium, whereby between 1 October and 31 March, no domestic customer who has a debt will be disconnected.

The Energy UK Safety Net's domestic customer provisions are independently audited every year by an outside firm of auditors appointed by Energy UK. The results of the supplier audits are shared with Ofgem and the statutory consumer body that deals with energy matters - Consumer Futures.

Our staff in the field are trained to look for signs of vulnerability when visiting domestic customers' premises; where vulnerability is identified, no disconnection will take place.

The interlocking and overlapping provisions set out above provide robust protection for vulnerable domestic customers. The licence provisions cited are enforceable by Ofgem, a breach of which can lead to a significant financial penalty being levied against a supplier, along with the adverse publicity that will inevitably follow.

#### **Non domestic**

Before covering the changes we have implemented, I should remind you that, prior to this incident, we had in place well established procedures for identifying and safeguarding vulnerable consumers from disconnection, as was demonstrated by the call to action briefing of 19 December 2012 which you referred to at the inquest. To clarify, where I refer to a 'customer' throughout this letter, this also includes the end user, regardless of whether or not they are the registered account holder.

As you are aware, we have signed up to Energy UK's Safety Net, and, in 2009, we made a voluntary commitment to never knowingly disconnect a vulnerable person.

Our policy and processes in this area are well documented and supported by local working procedures for advisers. Where there is any doubt about potential vulnerability, we instruct our staff to err on the side of caution and to halt any disconnection.

The issue of shared commercial and domestic supplies is a complex one which affects all energy suppliers nationwide. Although it may appear easy to resolve this type of scenario, in practice this involves the co-operation and co-ordination of a number of parties, including the landlord of the property and the local distribution company. Where a vulnerable consumer has been identified in an adjoining domestic flat and where there is no alternative solution our process is to pursue any outstanding debt via other means, such as court proceedings, to prevent the supply from having to be disconnected.

Following our review of Mr Hirrell's case, which was carried out at a senior level within the organisation, we agreed a number of further enhancements to our procedures within npower's non domestic division. These enhancements, which are all now in place, are as follows:

- The warrant officer on site now has the ultimate authority not to proceed if he/she is uncomfortable with the disconnection of a supply. This means that, should there be any concern over the consumer's welfare or personal circumstances, the agent is empowered to walk away without proceeding with the disconnection. Previously, the Npower debt team handling the call made the final decision; however, it is clear that those on the ground are best placed to make this assessment;
- A clear, procedure has been introduced so that, should a debt collection agent be concerned about the welfare of a customer, he/she can escalate the case to one of a number of senior managers within Npower;
- When we attend a property at either the PDV (pre disconnection visit) or at a warrant stage, additional checks have been introduced, whereby Npower debt advisers ask further probing questions to identify shared commercial and domestic supplies, including asking for details of any potential vulnerability at the site. Our approach to recording this information has now been standardised using a new checklist, which includes asking the field agent to look for adjoining flats, shared meter cut-outs, etc. Where such a situation is reported, we then carry out further investigations within Npower, prior to proceeding with any disconnection action. In the past, we were reliant on the agent in the field to proactively report any potential vulnerability to us, whereas, now, we ask further questions as a matter of course;

- We have strengthened the audit trail on any accounts which proceed to an escalated stage of the debt collection process, so that all decisions and details of how they were reached are clearly documented throughout. We do this via a checklist which all of our advisers have access to, along with (for electricity customers) some enhancements to our system, which provide a clear, chronological sequence of events and those responsible at each stage. For gas customers, due to system constraints, this information is recorded in a standard template; however, all of the same information is captured. As you will recall, on this occasion there was inconsistency between our records and the evidence provided by the warrant officer, and these additional measures are designed to remove such a risk in the future;
- In July 2013 we carried out a face to face briefing with all of our debt collection agencies (internal and external), setting out our amended policy and procedures for dealing with shared supplies and vulnerable customers, and clearly explaining the part they have to play in this. Further details were then provided to the agencies in writing, to ensure clarity and consistency, and we intend to repeat this at least annually;
- All affected teams within npower's debt management area have already received a briefing on the changes to our process, and we are in the process of organising a face to face training session to reinforce these important messages. We have committed to carrying out refresher training in this area at least annually.

In addition to this, we have introduced a trial period on the cessation of the complete disconnection of shared commercial and domestic supplies during the winter months (i.e. October to March). We began trialling this from 01 October 2013 and, as with any major change of this nature, we intend to review the results and reflect on any learning points, prior to rolling out any permanent change in policy. For the avoidance of doubt, this is in addition to the measures we already have in place to safeguard vulnerable customers throughout the year, by extending the same protections to all domestic consumers during the winter months.

Clearly Ofgem and Energy UK are fully aware of Mr Hirrell's case and we will continue to work with them going forward. We have provided both Ofgem and Energy UK with complete copies of the transcript of the Inquest.

I trust that the information set out above will serve to reassure you that we take the welfare of consumers extremely seriously, particularly those who are vulnerable, and that we have already taken steps to strengthen our already well established procedures as a result of this tragic incident. We are committed to ensuring the safety of consumers.

Should you require clarification on any of the points covered in my response then please do not hesitate to contact me.

Yours sincerely

[Redacted signature]

[Redacted name]

c.c.

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