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**Fuel Bank Foundation**

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By Email

**Fuel Bank Foundation response to Ofgem's "Resetting the energy debt landscape: the case for a debt relief scheme."**

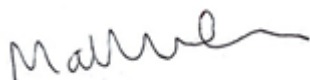
Dear debt consultation team,

Here is Fuel Bank Foundation's response to the above consultation.

- We support these proposals, particularly as they will be cost neutral against a counterfactual of continuing to use the debt allowance through the price cap to fund bad debt costs. Our clients are already struggling with affordability and so anything that adds costs to energy bills should be avoided.
- We recognise that the energy debt issue needs to be addressed - in the interests of both consumers and suppliers - as it is very unlikely to be re-paid in full (or, even, partially) now. Any indebtedness could flow through to more PPM meters being installed in the homes of people who don't want them or for whom they're not suitable. Given the ongoing issues with affordability, these households could ultimately struggle to keep their prepayment meters topped up, leading to periods of self-disconnection.
- Being continually chased for repayment of a debt you can't afford to repay is also draining and stressful, so this is the right outcome for this group of consumers.

- We also think that the offers of debt write-off and debt matching will help to increase engagement with this cohort of consumers and could help to re-build trust in the sector more generally. Current methods of attempting to engage customers in debt don't always work so it's good to see innovative alternatives being tried.
- Providing two types of support (debt write-off and debt matching) means that no particular type of consumer is excluded from the scheme.
- We agree that this should be a one-off intervention for the reasons you set out in the consultation.
- We support the proposal that consumers should be encouraged to contact debt advice agencies to access this support as going down that route may also help them to get advice regarding any other debts they may have. However, you do have to be mindful that these organisations will need sufficient funding to meet this additional demand.
- As you state in the consultation, we are not convinced that "Do not install involuntary PPM" is necessarily the right group to use to target support at. It may well be that some people in this group do not necessarily struggle with affordability. That said, they have obviously built up debt and we should assume it's because they can't afford to pay for their consumption, as opposed to not wanting to pay for it . So, we think that further thinking is needed to completely ensure that support is targeted at the right group.

Yours sincerely,



Matthew Cole,

CEO, Fuel Bank Foundation.