

BRIEFING NOTE

Ofgem Energy Price Cap Rise – Additional Advice for Accommodation Providers

25/11/2022

Dear All,

This Briefing Note follows on from one on the Ofgem Energy Price Cap Rise on 23 September 2022. Subsequent to this advice a number of developments have taken place that relate to the Energy Crisis and the landlord tenant relationship.

Students not putting the heating on

We have received a number of reports from landlords of students refusing to put on the heating because of the fear of the cost. Such actions will have not only a detrimental impact on the health of the tenants but also on the property. Condensation and mould growth are a likely consequence of not heating a property. You will need to act sensitively as students have received no increase in maintenance loan payments and have not benefitted from any of the support schemes (prior to the Energy Prices Act) so will be particularly anxious about additional costs. However, you can assist by:

- **providing regular updates on energy consumption to enable the student to make an evidence-based choice**
- **share energy savings tips to support students making the best use of their cap**
<https://energysavingtrust.org.uk/hub/quick-tips-to-save-energy/>
- **share advice on controlling mould with your tenants**
<https://www.liverpoolstudenthomes.org/DocumentStorage/Condensation%20Mould.pdf>
- **share advice and support that students can access if they have money worries:**

University of Liverpool <https://www.liverpool.ac.uk/student-support/book-appointment/teams/money-advice-and-guidance/>

Liverpool John Moores University <https://www.ljmu.ac.uk/discover/fees-and-funding/moneyadvice>

Liverpool Hope University

<https://www.hope.ac.uk/gateway/students/student-development-and-wellbeing/health-at-hope/financial-wellness/>

Liverpool Institute for Performing Arts <https://lipa.ac.uk/applying/finance/student-finance-and-bursaries>

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Energy Prices Act 2022

You will be aware the Government introduced the Energy Bills Support Scheme which provided for a £400 non-repayable discount to help with energy bills over this winter. This is being paid to account holders in monthly instalments from October 2023 to March 2024 or through separate arrangements where pre-paid meters are installed. This Scheme has now been updated by the **Energy Prices Act 2022**. The Act provides for pass-through regulations to be made requiring third-party intermediaries (relevant intermediaries are any individual or organisation that holds an electricity and/or gas contract and passes on the costs of the energy supplied under this contract to an end user of the energy supplied), such as landlords or agents, to pass the discount on to their tenants in a just and reasonable way. Where tenants are shielded from the impact of the energy price rises, such as with an all-inclusive rent, then as no detriment is experienced then the discount may not need to be passed on.

Where applicable the pass-through benefit should be passed on as soon as reasonably practical. The pass-through benefit must be provided via the following methods, as set out in the pass-through regulations:

- **application of a credit in the next invoice, statement of account or similar document provided by the relevant intermediary to the end user**
- **a payment in cash or by any other means, including a bank transfer**
- **tariff adjustment on tariff equipment**
- **adjusting the amount of money taken pursuant to a direct debit or the amount of a standing order**
- **set off against an amount or part of an amount which was owed by the end user to the relevant intermediary at the time at which the scheme benefit was provided to the relevant intermediary**
- **or a combination of the methods set out above**

Increasing the utility cap by £400 may have the same impact as the set off listed as bullet point 5. If a landlord or agent was to apply the pass-through benefit by this means then there was unlikely to be any breach of the LSH Standards.

In addition, it is the responsibility of the intermediary to take reasonable steps to notify the end user in writing that they have been provided support and how much they are intending to pass on. This includes relevant intermediaries notifying end users if no benefit will be passed through. These reasonable steps could include a letter, email, or other type of message sent directly to the end user.

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A general notice on a website would not normally be sufficient unless that is the primary method that the intermediary and end user use to communicate.

This information must be shared within 30 days once the benefit is provided to the intermediary or within 30 days of the regulations coming into force for scheme benefits provided to relevant intermediaries before the Pass-through Regulations came into force. It must set out:

- **how much benefit has been provided to the intermediary**
- **how much will be passed through to the end user**
- **if applicable, when and how this will be passed on**
- **if applicable, any steps the intermediary is taking to correct an error in previously passed-through scheme benefit**
- **how end users can appeal to the relevant intermediary**
- **that if end users do not receive the scheme benefit it is entitled to recover as a civil debt**

The Act can be viewed at <https://www.legislation.gov.uk/ukpga/2022/44/contents/enacted>

Energy Price Guarantee

The Government has announced an extension of the Energy Price Guarantee from April 2023 until March 2024, albeit at an increased rate. The cost of electricity and gas has been set so that the typical family home will spend £3000 per year on these utilities. It is agreed that a typical student property is likely to consume more and therefore further consideration might be given to the level of a utility cap.

Being prepared - power outages

National Grid has warned that power outages may be imposed between 4pm and 7pm on particularly cold winter evenings if there is a shortage in gas supply. It is expected that should this come to pass then outages will be pre-warned and by postcode area. The universities and student unions will be issuing guidance to students on keeping safe during a power outage but we would be grateful if you could also promote such messages. In particular **warnings on the use of candles** will need to be emphasised. In preparation for the potential of such outages it will be worth checking the battery back up in your various alarms.

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Thank you for your continued support in this and other matters.

Kind Regards

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