



Prepay power plans: Are they right for you?

This fact sheet* explains all you need to know about prepay plans – how they work and what your power company must do to support you.

What's a prepay plan?

On a prepay plan, you pay for power before using it. It's like topping up a mobile phone. If your credit runs out, your power will be cut off until you top up again.

What to expect before signing up?

Your power company must:

- Explain all the plans you're eligible for and help you find the best fit
- Tell you all the pros and cons (for example, no monthly bills or credit checks, but the risk of losing power if you run out of credit)
- Explain price differences between their prepay and postpay plans (where you pay for power after you've used it)
- Make sure you understand you would lose power if your credit runs out, the warnings you would receive before this happens, and how to purchase credit.

If you sign up online, all this information must be easy to find and understand.

* This fact sheet is for residential consumers

How do you know when your credit gets low?

Your power company must warn you when your balance drops below what you'd normally use in 2 days.

The warning must include:

- Your current balance
- A recommendation to top up to avoid disconnection
- A clear statement that your electricity will be disconnected if your balance hits zero or your approved limit.

What are the rules of disconnections?

Your power company can only disconnect your power if:

- You've run out of credit for electricity, not for other services like internet
- The prepay service can safely disconnect and reconnect the property
- The timing of disconnection does not put you at risk or make it difficult to seek rapid reconnection (for example, not disconnecting your power during extreme weather, or on a weekend or public holiday).

What happens when you top up after a disconnection?

Your power must be reconnected within 30 minutes, unless:

- Your power company needs to send a technician because they cannot connect remotely
- A technical issue causes delay
- Your power company needs you to confirm it's safe to reconnect.



Are you medically dependent on power?

Your power company must not recommend prepay plans if you, or someone at home, rely on power for critical medical support. For example, if you use critical electrical medical equipment such as a ventilator or a dialysis machine.

If you still choose a prepay plan, your power company must:

- Guide you to choose safer options
- Explain any risks clearly
- Encourage you to talk to a health provider or support agency first.

What if you need support?

Your power company must offer extra support if you experience:

- Disconnections often (for example, every week)
- Disconnections for long periods
- Sudden, unexplained increases in power use.

In these circumstances, your power company must:

- Offer to talk to you about ways to stay connected
- Refer you to budgeting or support services (if appropriate and with your consent).

Do you need more help?

It's OK to ask for help if prepay plans are not working for you.

- Contact your power company for more information or support
- Talk to budgeting or energy advice services for free support.



Consumer Care Obligations —
a guide to your rights

ea.govt.nz/your-power/consumer-care-obligations