VULNERABLE CUSTOMERS AND CODES INITIAL CONSULTATION

Debt and Disconnection

Q1. The current licence requirements would be effective if some suppliers would take on board customers who contact them to try and set an amount that they can reasonably afford to pay in order to clear their arrears. And not try to force them in to agreeing to amounts that they find difficult to maintain.

Which in most cases happens as suppliers don’t read the meters but have estimated bills too low for a period of time before reading the meter, when a true reading is taken the client is then sent letters asking for the bill to be paid within a short space of time? If they cannot afford to pay then the only option is the supplier will say that they will have to fit a PPM in order to get their money.

Q2. No, as there are still a number of customers who refuses to pay utility bills, but there are also clients, who need help in sorting out their bills, so needs to be educated in how to read their meters, that is if it is located where it can be read and they are able to see the dials. How would they be able to define the can't pay from the so called won’t pay, this could still lead to vulnerable clients being disconnected.

Q3. Yes, because the most of vulnerable do not have accounts and cannot remember to pay the bills, particularly those who are suffering from depression and mental illness, bills are not a priority to them so if the payments can be deducted from source this will help to stop disconnections. It may also help the frail and elderly who cannot get out to have this method of payment. Although supplier may disagree as the payment comes to them in arrears.

Q4. It should have a formula for those that are receiving benefits, this will give a better indication on how much the client is able to pay, and if they can afford to pay more they would be able to say how much more they can afford.

Q5. The moratorium should be extended, because all clients during the winter months are vulnerable if their supply is loss.
Q6. Quite a number of suppliers use PPMs as a means of recouping arrears, however if the price of fuel goes up the suppliers take their time in recalibrating the meters. When they do eventually get round to doing this client are in even more arrears and when they charge their key/cards an even bigger amount is taken out for the arrears. If a new family moves into the property and ask for the meter to be changed back to a standard meter Suppliers are reluctant to change the meters. One advantage is that some clients use them quite effectively to budget their energy consumption.

Q7. They are assuming that all customers can get out and will be able to charge they keys and cards, and are able to use the meters correctly. Also assuming that the charge points are in the locality, even in large cities the charging points are diminishing, where local petrol stations used to have the points where clients could top up late in the evening many of those are now closed. So I am this is leading to a lot more self disconnection. Suppliers needs to look at this more closely, and should supply the clients with a list of local charging points near to them.

Priority Service Register

Q1. At present the PSR set up is not meeting the needs of those it suppose to support, as many of them are not even aware of it, the Suppliers do not advertise this service enough, and some customers advisors are telling clients that the service is not available. So if the customers are not aware any change would not affect them until they are made aware of what is out there to assist them. They should advertise the services more and put it on the front of the bill rather than hidden in small print at the back.

Some vulnerable clients would not accept the gas safety checks, because of the fear that their boiler would be condemned, so rather than be without heat they would risk CO₂ poisoning that have no heating at all.

Q2. This should be made broader so that those that require some form of help can be picked up, but those with more severe needs can have access to more help.

Q3. A reminder note to clients who are changing suppliers that they need to re-register on the new supplier PSR or the new supplier could ask the client that’s changing over if they are on any current PSR. This should be mentioned when client first register that if they change supplier the information will be passed on to the new supplier to same them having to re-register on the PSR.

Q4. The PSR services are not being flagged up to vulnerable clients by the supplier’s customer service advisors, or are not pointed in the right direction about how to get on the register. Some clients have been told that there is no such service when they have enquired.

Q5. No, its aimed mostly for the over60’s and disabled, but children under 16 are also vulnerable so the service should extend to low income families.

Q6. Suppliers should be using the DDA Act to adapted to changes in their service delivery, therefore it may not be useful to make it a part of the licence obligations, and as the Disability Right Commission has issued guidelines to the Suppliers, maybe we should be getting them to report yearly on what they have done in regard the DDA.
Q8 The additional services should be included as a specific licence requirement, because of the cost factor, if not included then some suppliers may not see it as a duty to their vulnerable customers or improve on the way they communicate about the register to customers, at present it is not flagged up enough, and maybe instead of a small note on the back of the bill it should be on the front of the so that the customers are able to read about it and not just the cost of how much energy they have used. All suppliers should be using the same name for the register, therefore if a client changes supplier it becomes obvious to them, whereas if each supplier has a different name the same vulnerable client is looking for a familiar name and cannot see it so they think that their new supplier does not have a register.

Q9 Suppliers will deliver what they need to hit targets, and try to keep it to a level that looks good but at the end of the day they have shareholders to satisfy, so it would be very difficult to say that they are not doing enough unless they report back at the end of the year what they have done to improve on their PSR delivery and communications of this service to customers.

Q10 All suppliers should have a PSR, it is vital to showing that they are aware of whom most of their vulnerable clients are and the service that is offered is to both their benefits. The present obligations, seems to be a burden on suppliers, particularly as some staff seem to know about the service and others do not, this gets the client frustrated, because they all work for the same company but are getting different information on the services provided. It has been said to clients that the company does not provide such service. If there is confusion within the supplier organisation, this is not helping the vulnerable who would like to register for the service but are unable to do so, due to being given wrong information.

Q11 The present arrangement is not working as if the appliance is condemned as unsafe, some suppliers do not give the client a chance to get a second opinion, the fact that all gas appliances needs to be checked for Health and Safety reasons, and not everyone can afford to pay for this service. Maybe a portion of the EEC pot should be set aside for safety checks to gas appliances. This would offset the amount are having to pay under the present PSR. Although the present EEC is a carbon saving scheme, this way we will be reducing the amount of vulnerable clients who are dying unnecessarily due to lack of appliance maintenance.

Q12 The HSE leaflet on gas appliances could be expanded to explain in more detail about gas appliances and the different types. We also have to remember that, not everyone in this country has English as a first language. This leaflet comes in several languages, but its how to distribute it to all customers it also makes references to PSR for the gas safety checks. Our organisation gives this leaflets out to clients who attends our surgeries and when out on visits to clients.

Q13 Suppliers are reluctant to move meters so that clients can read the meters, it is very difficult to get them to agree to do adaptations, particularly for those who have very arthritic hands and cannot turns of appliances properly. They could do more in that area.

Q14 There is not much available from suppliers at present.
Q15 Quarterly reads are arranged, but they are not necessarily being done, as one supplier informed me their meters readers are provided by a contracted out service and they do not arrange for the readers to call. And that they are only obligated to read the meters once every 2 years they do not feel that it’s a priority.

Q16 Suppliers should do more to encourage the take up of these services, and as stated previously, it should be printed on the front of the bill and not on the back, they should also simplify the bills more, so that customers know exactly what they are paying for.

Structure of Obligations, Communication, Compliance and Reporting

Q1 Option 1 would ensure that all suppliers have the same code of practice but may be more restricted in what can be offered where as Option 2 would be more flexible to suppliers and hopefully more beneficial to customers as to what’s on offer.

Q2 Option 3 would be better; I cannot see that self regulation form suppliers would be to the customer’s advantage, we need to safe guard the vulnerable clients at every stage, whilst with their chosen supplier. Although some suppliers are better at delivering others are not so good so where do we get the balance?

Q3

Q4 Suppliers when communicating their code but it is printed so small that if you have sight problems then it becomes almost impossible to read, but it should be on their websites with different size fonts so that it maybe viewed and read, although not everyone will have access to the internet. The code usually contains the minimum that a supplier offers to it’s customers.

Q5 If as Ofgem say that it’s a duplication of information already provided, then it would not be necessary to as suppliers to provide this information under code SLC26(3). Or is it Ofgem’s way of giving back to the supplier’s.

Other Licence Conditions

Q1 All suppliers should have a complaint handling arrangements in place, to deal with their customers, all other organisations do have a complaint procedure why not the energy industry? Energywatch at present provides the channel for putting in complaints, but if the Ombudsman Scheme is also being considered, then its in the supplier's interest to have clear lines to be able to complain. On the other hand if it turns out that customer complaints were not being handled to their satisfaction then the Ombudsman would be very busy indeed.

Q2 All suppliers should offer a range of payment methods, as their customer based would be of varying level as to those with bank accounts, low incomes, PPMs, customers should be offered a full range. They will pick the one that is best suited to their needs and pockets. The present arrangements works in some cases not all, therefore new methods should be added under the review. However even when a client ask to make payments that will clear their arrears, the suppliers do not make it easy to do this, and some staff are just not helping particularly if it’s a vulnerable client, in the end a lot just give up trying to sort out the bills as its such a hassle to resolve the matter.
Q3 If an exemption was made for smaller suppliers, then this would be restricting the choice for vulnerable clients to which supplier they choose or even getting a cheaper rate for their energy.

Q4 If SLC45 was changed to PPMs what provision would Ofgem put in place for vulnerable clients who cannot get out and rely on others to recharge their keys or cards. Would suppliers be providing more outlets that are local to clients? As mentioned previously, local petrol stations were initially very good sources for charging as they would be opened quite late or some even 24 hours. As quite a lot have now closed clients are having to go further to recharge and cannot always find somewhere late in the evening to do this.

SLC45 should still contain the option for security deposits no matter that the numbers have dropped, it is vital and will reduce the number of self disconnections which happen with PPM.