

# **Ofgem: Consultation to review the Energy Industry Voluntary Redress Scheme**

## **Response from Hope 4U**

March 2021

Carol Arnold

Director

[carol@hope4u.co.uk](mailto:carol@hope4u.co.uk)

[www.hope4u.co.uk](http://www.hope4u.co.uk)



## Introduction

Hope 4U Ltd welcomes the opportunity to respond to this consultation to review the Energy Industry Voluntary Redress Scheme.

Hope 4U provides a variety of services to energy suppliers and their consumers, especially those who are in a vulnerable situation and require support.

## Response

**Question 1. Do you consider the funding split between the Main Fund, Innovation Fund and Decarbonisation Fund to be appropriate?**

*We would like to see the Innovation Fund receive more than 15% of funding allocation. Supporting the development of more innovation on services (rather than products) is vital for future developments.*

**Question 2. Do you consider the proportionate funding split between vulnerable consumers and all energy consumers to be appropriate? i.e. 70% to vulnerable consumers and a total of 30% to all energy consumers.**

*Hope 4U believe that this split is appropriate as 30% non-vulnerable consumers may form part of the innovation services fund.*

**Question 3. Should a fuel voucher fund remain a permanent feature of the overall Energy Redress Scheme, so that it can react quickly to specific crises?**

*Guidance states ...' ...to ensure maximum long-term consumer benefit from the overall funds' and also to deliver maximum impact. Therefore, Hope 4U does not agree that the fuel voucher fund should remain as a permanent feature.*

*We understand that the fund was set up in response to COVID, and has provided a critical support in these times, but in our view does not return a long-term solution. Our view is not to continue this support in isolation but to include this funding as an 'add-on' to an overall project that is able to fully appraise the individual/family's situation, giving the appropriate advice and support to work towards a sustainable outcome.*

*Hope 4U would like to see data that explains how much of the funding allocation goes to the individual/family in the form of a voucher after the administration and processing fees are deducted and also would like to investigate if there is a more cost-efficient process that could be introduced in delivering this feature. Feedback suggests that there are numerous issues especially with consumers redeeming their voucher.*

**Question 4. If a fuel voucher fund is set up, what type of consumer should be eligible to apply for these vouchers? E.g. vulnerable consumers, pre-payment meter consumers.**

*Please see answer to question 3 in that Hope 4U does not agree to the fuel voucher fund remain in isolation.*

*If the fund is set-up, then all consumers should be eligible to apply, with an assessment to ensure they are in a situation where they are not able to afford their energy costs.*

**Question 5.** What are your views on expanding the applicant scope beyond charities and organisations that partner with charities? If you think the scope should be expanded, do you have any suggestions for how eligibility should be defined? (e.g. what legal structures/status should qualify? Should there be other qualifying criteria?)

*It is difficult to say, what organisations should be able to apply, as there will always be demand against the available budget.*

*Under the present status, although a registered charity needs to be the lead, it does allow other organisations to 'partner'.*

*Maybe the process should not concentrate on the type of organisations that apply but the overall impact a project can deliver.*

**Question 6, 7 and 8 – no comment**

**Question 9.** Should we consider any other areas regarding the Energy Redress Scheme? If so, please provide an outline explanation of your suggested area(s). If possible, please outline any associated benefits and costs with your suggestion(s).

*Hope 4U believes that the main areas are covered but would like emphasis on the pro-active identification of vulnerable consumers together with all-round support and advice.*

**Question 10.** Do you have any other general comments or feedback you would like to provide?

*Is it interesting to read that 750 charities have registered with 130 projects awarded, with some charities receiving multiple awards. It would therefore be interesting to read the % success rate together with the size of the charities that apply and are rejected. Larger charities do have access to 'bid' writers and is this giving them an advantage?*

*In the evaluation report it states 'word of mouth within a small community has often been found to be the most effective way to promote projects'.*

*Hope 4U would suggest that the 'main pot' of funding to be split by % for small and larger grants with a less stringent application for the small grants available making it easier for smaller charities to apply.*

*Hope 4U considers the funding period of two years to be appropriate and is in line with the majority of funding pots available.*