

## **OFGEM CONSULTATION ON CONSULTATION ON FRAMEWORK FOR CONSUMER STANDARDS**

### **SUBMISSION FROM THE SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS (SFHA)**

**MAY 2023**

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#### **Introduction**

SFHA is the membership body for, and collective voice of, housing associations and co-operatives in Scotland.

We exist to represent, support and connect our members. Our purpose has never been as important as it will be over the next three years, as we work together following the coronavirus pandemic.

In these unprecedented times, our vision is that our members are central to Scotland's social and economic recovery and renewal. It is everyone's right to live in a safe, warm and affordable home, in a thriving community. Our members are uniquely positioned as community anchors across Scotland, supporting people and their communities.

Our mission is to sustain and strengthen the impact our members have on people and communities across Scotland.

#### **Response**

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##### **1. Do you agree with our assessment on what good looks like for the issues consumers are facing relating to the priority issues of contact ease and identification and support/advice for consumers struggling with their bills. Are there any issues missing?**

We agree that these are priority issues which require further action and welcome the proposals to improve both the ease of contact with suppliers and the support offered to those who are struggling. The evidence reported in the consultation in regard to deteriorating customer service standards is echoed by our members who have been reporting poor customer service experiences, long call wait times and calls being regularly cut off even when they do get through to an agent. Some have reported being on hold to suppliers for most of the working day. This is valuable time which could otherwise be devoted to providing more direct support to tenants.

We therefore welcome the proposals to ensure that customers in vulnerable situations have a dedicated method of contact which suits their needs. However, we would also like to see

the outcomes noted in Table 2 extended to advocates, including our members who are acting on behalf of tenants who may be in a vulnerable situation. With the Extra Help Unit now only covering priority cases from Citizen's Advice Bureaus, other energy advisors and advocates no longer have a dedicated line to help get through to energy suppliers and some have even reported having their calls terminated as soon as they mention that they are a landlord. It has also been reported that other channels, such as email, are ineffective and generally ignored.

The proposals also focus on the communications with call centre agents however many of the negative reports we have received from members relate to sub-contracted engineers. This includes cases where appointments have been cancelled at the last minute or there have been 'no shows' to scheduled appointments. In the case of void properties in the social sector, staff again have to spend valuable time waiting for the engineers and to allow access to the property. These failed appointments, which in some cases happen repeatedly, are an understandable source of frustration. We would therefore like to see this additional aspect of the customer experience appropriately reflected in the consumer standards framework.

On identifying and supporting vulnerable customers, we would also highlight that social tenants in Scotland are at a high risk of fuel poverty and reports from our members suggest increased levels of self-rationing, self-disconnection and energy debt amongst tenants due to cost-of-living challenges. We therefore support the proposals to ensure suppliers make proactive contact with those who are struggling and that they do this with sensitivity and compassion.

On the debt prevention point in Table 4, we note the need for greater accountability where supplier actions contribute towards debt. We have particular concerns about the increasing number of cases of faulty or 'blank' pre-payment meters, where tenants remain on supply but are unaware of their current balance. The delays in replacing or repairing these meters, which based on reports from our members can be several months, is creating anxiety amongst these tenants and could lead to considerable accumulation of debt. There should be recourse and compensation in these circumstances where the supplier has failed to resolve a reported issue in a timely manner and this results in a 'shock bill' for the consumer.

**2. Do you have any views on potential options to address priority issues and do you agree with the extra requirements we are proposing? Please supply evidence to support your response.**

We broadly support these proposals but would reiterate the need for social landlords who are acting as advocates for customers in vulnerable situations to also be given due priority. We have previously called for a dedicated, emergency helpline or other mechanisms for social landlords to communicate more directly with suppliers to facilitate quicker problem resolution for both individual tenants and groups of properties. It is understood that this remains challenging due to budget constraints, including restrictions by Ofgem which restrict how this could be funded as well as the similar demands from other bodies who wish to have a direct line through to suppliers. However, we would still like to see options explored to streamline the process by allowing our members access to agents who have an understanding of the particular challenges and processes involved in managing issues in the social housing sector (e.g. managing void properties, dealing with multiple accounts, arrange meter upgrades where heating systems are being replaced, arranging new connections for new housing developments).

**3. Do you have any evidence that suggests that we should be considering additional and/or different rules beyond what we have proposed? Please supply evidence to support your response.**

See Question 2.

**4. Do you agree with our proposed approach of introducing reputational incentives in our priority areas? Please supply evidence to support your response.**

We support the ambition to use reputational incentives as a means to create a positive shift in supplier culture and welcome the plans to make customer service survey results more widely available. However, we would query how much of an impact this will make in circumstances where consumers already have limited choice. For example, our members who operate in the Highlands and Islands already report difficulties in supporting their tenants with switching due to the high proportion of restricted meters. It could also have a limited impact if results show that the performance of suppliers is found to be similar. Reports from our members suggest that the recent poor customer service experiences have been apparent across the board and so this has eroded the incentive to switch to an alternative.

**5. Do you agree with what we have set out in the assessment chapter? Please provide supporting evidence with your views. For evidence regarding additional costs, please provide quantitative data.**

We agree with the point noted around the contact ease intervention potentially leading to a lower burden on third party organisations and charities. Social landlords also provide energy advice and advocacy services to vulnerable tenants and so we would hope that the proposed improvement on contact ease will also help our members in getting through to suppliers.

**6. Using the list of prospective data items we present in the monitoring chapter as a guide, what other additional data items could we aim to collect and from what data sources? Do you consider there are any challenges you may face when collecting/providing these? If so, please provide any supporting evidence you have.**

Additional items could include the number of repeated phone calls needed where issues are not resolved first time as well as the number of missed/cancelled engineer appointments where required to support vulnerable customers with metering issues.

**7. Do you have any comments on the factors that should be considered in determining whether to use principle-based or rule-based approach to setting standards?**

No specific comments

**8. Do you agree with our early view of reputational based incentive options for winter 2023 and the potential incentive options for development over the longer-term? Please provide explanations to support your responses.**

No specific comments