

Mencap - Ofgem Consumer Standards Statutory Consultation

About Mencap

Mencap's vision is for the UK to be the best place in the world for people with a learning disability to live happy and healthy lives. We do this by supporting the 1.5 million people with a learning disability in the UK and their families, improving access to health and care services, education, and employment. A learning disability is caused by the way the brain develops before, during or shortly after birth. It is always lifelong and affects intellectual and social development.

Background

1. Mencap survey evidence shows the drastic action that people with a learning disability have been forced to take because of recent energy affordability issues; over a third (38%) of survey respondents said they hadn't put their heating on despite being cold and over a quarter (26%) reported not switching the lights on to save money.¹
2. Good customer service from suppliers is vital in ensuring that these customers gain access to the support they are entitled to. Licence conditions are already in place that require companies to support their customers in vulnerable circumstances however, overall industry customer satisfaction has declined.²
3. Many people with a learning disability have experienced barriers to adequate customer service from their supplier due to inaccessible information and a lack of targeted advice which accounts for their increased energy use and specific needs. In a recent Mencap web survey, 49.5% of survey respondents said they found speaking to their energy supplier difficult.³ Some have had to wait long periods for their call to be answered; other calls aren't answered at all.
4. The ease with which someone with a learning disability can reach their supplier has very real consequences such as the length of time that they are sitting in a cold home after disconnection (particularly as they are more likely to be impacted by the health consequences of fuel poverty and cold homes.)⁴
5. Furthermore, the disproportionately high numbers of disabled people in energy arrears suggest that suppliers are not providing adequately tailored help and support when it is needed.⁵ Given that 57% of disabled people report that their income does not, or only just, covers their energy bills,⁶ it is more important than ever that suppliers are able to offer tailored, compassionate, and accessible advice.

Summary of response

6. We support Ofgem's aims to improve consumer standards and customer service, areas that are currently a major issue for many disabled customers and households. However, we do not want suppliers to improve contact ease at the expense of overall customer satisfaction. Ofgem should monitor this issue to ensure that the proposed licence changes do not lead to unintended consequences, particularly for disabled customers who may require lengthier or more specialised support.
7. We accept that market conditions have been challenging for suppliers, however, high-quality standards and ease of contact are fundamental components of a well-functioning market and current performance and support for disabled customers and their carers are insufficient. Therefore, we do not consider that suppliers should receive additional funding to provide basic levels of customer service.

¹ Mencap, Cost of Living web survey, Dec 2022

² Consumer Perceptions of the Energy Market Q4 2022 | Ofgem

³ Mencap, Social tariff web survey, Jan 2023

⁴ Alice Lee, Ian Sinha, Tammy Boyce, Jessica Allen, Peter Goldblatt (2022) *Fuel poverty, cold homes and health inequalities*. London: Institute of Health Equity.

⁵ <https://www.jrf.org.uk/blog/our-social-security-system-must-support-households-disabled-person-afford-essentials>

⁶ <https://www.scope.org.uk/campaigns/research-policy/cost-of-living-report/#:~:text=Household%20finances%20and%20debt&text=Many%20disabled%20people%20cannot%20do,winter%2C%20unable%20to%20afford%20essentials>

8. Accessible information and ease of contact are a matter of safety for many people with a learning disability and Ofgem's Consumer standards should therefore explicitly reference accessible information at every stage.
9. Disabled people are more likely to be in energy arrears and those arrears are likely to be higher than those of non-disabled people. As such, high-quality accessible debt support must be offered across the energy market. More clarity is needed as to how compassionate engagement is monitored and regulated, and how consistency across suppliers will be achieved.
10. We would also urge Ofgem to make the proposals more targeted to disabled people and the specific issues they face through greater prescription in the licence conditions and licence drafting.

Response to the Statutory Consultation questions

1. Do you have any comments or questions on our proposed licence changes to improve supplier contact ease?

2. Do you have any comments or views on our proposed contact ease guidance document?

Contact details

11. We are broadly supportive of proposals that ensure contact information is easy to locate. Suppliers were already obligated to do this under Standard Licence Condition 0 but we note that this has not been the case, which should reflect the need for more proactive enforcement from Ofgem.
12. In the proposed contact ease guidance, Ofgem notes that they '*expect suppliers to regularly seek feedback from their customers about how to make it easy to find methods of contacting them, and to act on the feedback received.*'⁷ Ofgem and suppliers should ensure that insights from disabled people are included in this feedback so that they can collect representative views on how easy it is to find supplier contact details.

Method of contact meeting different customer needs

13. We welcome licence condition 31G.3A and the proposed requirement that suppliers' enquiry service offers a range of contact methods that meet the needs of their customers. There should also be further clarification on what '*meet their needs*' means by adding an explicit reference to accessibility/ additional communication needs to the drafting of licence condition 27.8A B ii)⁸
14. In the guidance (1.18), Ofgem notes that they expect suppliers to provide at least one non-digital method of contact, one digital method of contact and methods which are appropriate for customers with special communication needs (e.g. customers with a visual or hearing impairment).⁹ Accessibility requirements should already be met within existing licence conditions but many suppliers provide inappropriate formats for people with a learning disability e.g. braille, large print, and BSL. We would welcome an explicit reference to the provision of EasyRead information, similar to that which is included in Ofgem's new PPM Code of Practice.¹⁰

Free enquiry services

15. We are supportive of the introduction of freephone lines and free alternative methods of contact. We consider that not adding costs for customers that already struggling to pay their bills will help ensure that contacting a supplier does not worsen a customer's financial situation.
16. We welcome Ofgem's recognition in the guidance that it is best practice to offer freephone services to customers who are not financially vulnerable but who are digitally excluded and their intention to do further work to determine how best to meet the needs of these customers. However, we would urge Ofgem to go further on these measures by requiring suppliers to offer freephone services to disabled people as they are disproportionately affected by digital exclusion¹¹ and poverty.

Identify and prioritise customers in vulnerable situations

⁷ Ofgem, Consultation on framework for consumer standards and policy options, May 2023

⁸ *ibid*

⁹ *ibid*

¹⁰ Ofgem, PPM Code of Practice

¹¹ Bridging the Divide, Fabians Society

17. We are supportive of new licence requirements which require enquiry services to prioritise customers in vulnerable situations that require immediate support due to their circumstances or characteristics and/or representatives acting on their behalf. However, we urge Ofgem to include an explicit reference to people with a learning disability, as they have done in the proposals on PPM forced installations.¹²
18. We also welcome the prioritisation of representatives acting on behalf of vulnerable customers. Consumer representatives, families, friends and carers can play a critical role in supporting people with a learning disability with their energy bills.
19. Suppliers must be mindful of the accessibility barriers that many people with a learning disability face when exploring how to operationalise this licence requirement and when designing processes that will prioritise vulnerable customers. We would broadly prefer options that involve automatic selection based on account data that is on the PSR register so people with a learning disability don't have to self-select.

Opening hours for all

20. We welcome the new proposal to extend supplier opening hours based on the needs of supplier's customers and think that this will have positive impacts on the voluntary and charity sector from customers being able to contact their supplier more easily out-of-hours.
21. We would highlight however that our main concern regarding contact is quality of support and call wait times - appropriate staffing and training of customer service staff needs to go alongside this.

3.Do you have any comment or questions on our proposed licence changes to better support customers struggling with their bills?

22. We welcome Ofgem's focus on improving the identification of customers who are struggling with their bills or who are in payment difficulty through '*customer interactions*' and '*proactive engagement through a range of communication needs*'.¹³ There should be more guidance issued on how to make communications accessible e.g. EasyRead (as there is in the PPM Code of Practice) so that people with a learning disability feel able to share information about their circumstances and financial vulnerability.
23. The poor data collection on disabled customers is a structural barrier to improved customer service - if suppliers do not know who disabled customers are and record their needs, they cannot adequately provide customer service standards that ensure that disabled consumers are not disadvantaged. Staff at all points of the customer retail journey should be trained so that they can support people with a learning disability.
24. We are supportive of plans to require suppliers to engage and offer support for those struggling to pay bills at the earliest opportunity but stress that this engagement needs to be supportive –the tone of communication is vital. There is a risk that proactive (inaccessible) communications may be seen as excessive if not managed well by suppliers.
25. We would like to see more guidance for suppliers on how they can and should proactively engage disabled customers to understand their ability to pay and offer debt repayment plans at the earliest opportunity in an accessible manner. Therefore, we propose that Ofgem add in '*proactive and supportive engagement*' to the licence conditions, to embed more empathetic language and to attempt to address the adversarial nature of the supplier-consumer relationship.
26. We welcome the removal of licence drafting references to minimum repayment, as many disabled people are in negative budgets and minimum payments compound their hardship. This should offer more flexibility for disabled customers/households in energy debt and could potentially support the ability of disabled households in financial difficulty to maintain consumption of other essential needs. However, it needs to be reiterated in guidance that any repayment values that are resumed must be in line with customer's ability to pay.

¹² Ofgem PPM Code of Practice

¹³ Ofgem, Consultation on framework for consumer standards and policy options, May 2023

4.Do you have any comments or questions on our proposed SLC changes to require suppliers to publish information on their customer service performance, as measured by Citizens Advice?

27. We support proposals to require suppliers to publicise the Citizens Advice customer service star rating at a prominent location and in a format that is readily accessible for consumers. This will allow consumers to better understand which suppliers are delivering a good service, improve transparency and will hopefully deliver better outcomes for all consumers, especially those in vulnerable circumstances.
28. We also welcome Ofgem's intention to put in place an Ofgem led measure of customer experience. We encourage Ofgem to directly engage with people with a learning disability to ensure that feedback is representative and that the measure is inclusive.
29. We are concerned that many people with a learning disability who do not use the internet will be shut out of the reputational incentive if it is solely displayed on websites. Ofgem should require suppliers to provide a non-digital alternative touchpoint that could work better for digitally excluded consumers.
30. We strongly feel that this measure should exist alongside a more robust enforcement programme from Ofgem for suppliers who breach licence conditions or provide poor customer service.

5.Could you provide any further, detailed evidence on the potential costs and benefits of our revised proposals?

31. Suppliers should already be providing a good service to customers, for example, suppliers should already have an adequate number of call centre representatives to meet demand. Suppliers alone should therefore absorb any extra costs that come with improving consumer standards and customer service, therefore it is our view that supplier costs resulting from the proposed SLC changes are proportionate.
32. Furthermore, the financial impact of increased customer contact on debt advice and disability charities offering support due to poor supplier customer service should also be taken into consideration.

6.Could you provide detailed evidence or information on the proposed timescales for implementation of our revised proposals

33. We note that Ofgem is proposing for the new measures to be in place for the coming winter and welcome the urgency with which they have addressed this issue. However, given that the decision on licence changes is planned for early October we have concerns about how feasible it will be to implement necessary system changes and for customers with a learning disability to see their impact.