

The Centre for Sustainable Energy (CSE) response to Ofgem's Consumer standards statutory consultation



About Us

We're a charity supporting people and organisations across the UK to tackle the climate emergency and end the suffering caused by cold homes. We do this by sharing our knowledge, practical experience and policy insights. For over 40 years, we've supported people to take effective action on energy in their homes. We help communities and local councils to understand energy issues, set priorities, and put plans into action. Our research and analysis focus on making the energy system greener, smarter and fairer. Through our advice line, home visits and one to one support, we support around 15,000 people a year to reduce their bills and make their homes more energy efficient.

We deliver fuel poverty services for two of the electricity network operators and six local authorities. Through these services we support thousands of people of low incomes who often have multiple vulnerabilities. They are unable to navigate the energy market without our support. Our support helps them find an amicable solution to their issue which ultimately helps the energy supplier by lowering their unserviceable debt, reducing customer service enquiries and reducing the number of interventions they face from the ombudsman.

CSE's response

We welcome Ofgem's inclusive approach to this consultation which has sought to hear all voices from the retail market i.e. customers, advocates, network operators and suppliers. We are also encouraged to see an increased focus on changes to license conditions which drive improvements to consumer standards. As an independent charity representing thousands of vulnerable customers each year, we are delighted to see recognition of the role that consumer representatives play in improving outcomes for these customers. However, the supporting guidance needs to go further to ensure suppliers are working in a cooperative manner that reduces the time needed by everyone to find a resolution i.e. the customer, the representative and the supplier.

Our biggest ask in this consultation response is that the contact guidance specifies the following:

1. A consistent approach to gaining authority from energy companies (see below). This would save time and frustration for advisors, customers, and suppliers.
2. A clear place on energy company records for the advisor's name to be added. This would prevent advisors from having to repeatedly call up to be added to vulnerable customers accounts. It also prevents advisors being chased by bailiffs because their details were recorded in the wrong place on the customer's account.

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

It's essential that the improved customer service standards which Ofgem are consulting on are implemented in full. The reduction in call waiting times will dramatically improve customer service as long as the people dealing with the enquiries are equipped to help customers. As noted below people need to be adequately trained and equipped to answer queries, particularly those of vulnerable customers who need a less chaotic customer journey when their enquiry is being dealt with.

Ease of Access – Free enquiry services

CSE provides free impartial energy advice via a freephone number. We do so to ensure no vulnerable or financially disadvantaged customer is prevented from contacting us due to cost. We believe that this is a basic level of provision that all energy suppliers should provide. It also means that customers who are vulnerable, but do not self-identify as such, won't face an additional economic burden if they contact their energy supplier. We commend E.on for providing a freephone general enquiry number, which we believe is good practice.

Ofgem's position (3.31):

"We consider there to be sufficient evidence on user needs and benefits from providing a free point of contact to customers in vulnerable situations, who due to their circumstances or characteristics, may experience detriment if there is a cost to supplier enquiry services. We are therefore proposing to target our proposals, so that suppliers are specifically required to provide free enquiry services for these customers, rather than all customers."

CSE's energy advisors maintain a list of contact numbers for energy suppliers. Many of these numbers route our advisors through to different teams. These can be typically summarised by the following categories:

- General enquiries/customer helpline
- Complaints
- Collections
- PSR/social support
- Metering issues
- Moving home
- Supply issues
- Prepayment meters

We have compiled this list of numbers because the staff on the general helpline numbers are unable to reliably help with our enquiries. We believe this is due to a combination of factors, including limited training and lack of access to internal supplier systems. It is essential that any enquiry service that is designed to support vulnerable customers meets the following criteria:

- Call centre staff are adequately trained to interact with vulnerable customers in a compassionate and appropriate manner (as per 1.66 of the guidance document).
- Call centre staff are able to answer a variety of queries (i.e. metering, billing, complaints) and have access to the correct internal systems to action any necessary changes to people's accounts (some teams are unable to deal with some enquiries leading to vulnerable customers being passed from team to team internally).
- Call centre staff have access to appropriate systems for dealing with representatives of vulnerable customers, such as a consistent approach to forms of authority.
- Customer support must be available for a minimum of 15 hours per day so that vulnerable customers can access help whenever they need it.
- Support from the supplier must be easy to access, both over the phone, and via email, so that vulnerable customers can get the help they need quickly and easily.

We note that some suppliers have implemented systems to better support vulnerable customers. Water companies often have extra care teams dedicated to supporting vulnerable customers. For

example, if you call Thames Water and press option 3, you will be connected directly to their Extra Care Team.

Ofgem ran a number of workshops with consumer groups and suppliers to gain views on the proposed changes to consumer standards. The definition of vulnerability was a focus of debate in some of these sessions. We recognise that vulnerability can be transient and is often reflective of people's circumstance.

We believe that the following should be included as markers of vulnerability:

- Being a member of the Priority Service Register.
- Being financially vulnerable¹ i.e. their income being insufficient to meet their required energy costs to keep adequately warm.
- Being digitally excluded and therefore unable to access other means of communication with their supplier e.g. email or webchat.

We also feel that it's essential that any freephone service is accompanied by an accessible email address with clear instructions of how to contact a supplier on behalf of a vulnerable customer.

Opening hours

In Ofgem's May 2023 policy consultation, there were two proposed policy options; suppliers being open (a) Extended hours (e.g. 07:00-22:00 every day) or (b) 24/7 for all customers. There was a general consensus that extended opening hours should be a requirement, but the timings of this shouldn't be prescriptive i.e. our revised position is to require suppliers to be open and processing enquiries at times that reflect customer needs.

We feel that the proposed position is too open to interpretation and that suppliers can't be trusted to be open at times that genuinely reflect customers needs. We feel that the times should either be set or there should be a minimum length of time that services are open (which could then be flexed). For example, the 07:00 to 22:00 every day or fifteen hours per day.

There are two areas which we feel are missing from the current consultation. Access to language lines and standardised formats for energy bills.

Access to language services

Many of our projects support vulnerable customers whose first language isn't English. For example, on one of our projects focussing on a deprived urban area, over 50% of clients do not speak English as a first language. Many of these clients require a translator to make calls to their energy supplier. Some people have friends or family members who can translate for them, but many do not. Clients are often referred to us when their English is not good enough for them to be able to communicate with their supplier. We use our funding to pay for translators to understand the issue and call the supplier on their behalf. These calls take up a lot of our advisors' time and our charity's limited budget (over £600 per month in direct fees and a further 0.5 FTE equivalent in staff time). Often, issues can be resolved relatively quickly once a translator is involved. If energy suppliers offered translation services to their customers, they would be able to resolve issues more quickly and our advisors would be freed up to support people with complex issues.

¹ As noted in the consultation 14 suppliers, covering over 90% of the domestic retail market are already signed up to the Energy UK Vulnerability Commitment.

The proposed license conditions states: SLC 31G.3C When providing the enquiry service, the licensee must implement appropriate processes to identify and provide the enquiry service free of charge to Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, are likely to experience detriment if there is a cost to the enquiry service.

In this instance there is considerable cost to the organisation representing the customer. In our absence the customer would need to find their own interpreter, via another organisation or community member, this represents a drain on their time and is a clear barrier to good customer service. We would like the license conditions to make the provision of accessible language services a requirement for vulnerable customers. Our case study below highlights this need.

Case study 1

An Arabic speaking client switched to EDF understanding that they would put him on a prepayment meter, and he would only need to top up £24 every fortnight. During this initial call to open his account he explained that he couldn't understand what he was agreeing to and requested an interpreter. His request was denied, and he was told he was understanding the "important bits". The customer never received the payment card he was expecting for his prepayment meter and instead received higher and higher bills from EDF. Each time he received a bill he contacted his supplier and was told that a payment card was on its way, and he should ignore the bill. A year later when the payment card still hadn't arrived, he contacted us for support. Our advisor spoke to EDF and found out he was on a credit meter and had accrued £1,403 debt. Had EDF agreed to him having an interpreter and offered him one on subsequent calls he would have avoided this stress, confusion and debt.

Standardised energy bills

Energy bills contain a lot of useful information, such as your account balance, estimated annual usage, tariff name, unit rate, and whether the meter readings are estimated or actual. However, every supplier's bill is different, which can make it difficult for people to find the specific information they need. Our telephone advisors do their best to describe where on the bill the information might be but often the client can't find it. If the client can send us a photo we can find the information for them very quickly but many of our clients don't have smartphones. In these cases, advisors may have to call the supplier on the client's behalf to get the information, or they may have to wait until the client can find someone with a smartphone to help them. In some cases, we must conduct a home visit to access the information which is far more resource intensive and wastes staff time that could be better spent helping the client access financial support or additional benefits.

A standardised format for energy bills would make it much easier for people to find the information they need. This would be especially helpful for people with disabilities or limited literacy skills. If the format was developed in collaboration with an organisation such as Mencap, it could be made as easy to understand as possible. With a standardised format, we could also provide annotated guidance for clients to help them understand all the information on their bill. This would empower clients to manage their energy usage and save money.

Case study 2

A client was referred to us because his bills were unaffordable. He explained that he had night storage heaters and wondered if they were expensive to run. He hadn't heard of an Economy 7 tariff and didn't know if he was on one. He had a copy of his energy bill, but he couldn't find the tariff information on it. The advisor knew that it would be there and explained how this might be written and where it might be, but the client was unable to find the information. The advisor phoned the

supplier with the customer to confirm the tariff. After almost 10 minutes on hold they spoke to a customer service agent who was able to confirm that he was not on an Economy 7 tariff. The time taken to establish this could have been avoided if energy bills were standardised and clearer.

Question 2: Do you have any comments or views on our proposed contact ease guidance document? We would welcome evidence of ways in which suppliers are already delivering best practice.

Representatives acting on behalf of vulnerable customers

Ofgem's ease of contact guidance does not go far enough to define an appropriate standard of support for those acting on behalf of vulnerable customers.

"We would expect suppliers to have processes in place to easily facilitate a person or organisation contacting a supplier in the interest of and on behalf of a Domestic Customer in a Vulnerable Situation. This includes supportive organisations such as Citizens Advice, Advice Direct Scotland and other customer support and debt advice organisation. Suppliers should have processes to identify and prioritise enquiries from representatives contacting them on behalf of Domestic Customers in Vulnerable Situations that require immediate assistance (1.69)².

We are grateful for the recognition of the important role that representative organisations play in supporting vulnerable customers. It's important that any definition of customer representative is inclusive and allows vulnerable households to access the support they need. DWP use the following definition³:

- advice or welfare rights organisations
- professionals such as social workers, community nurses or doctors
- family members or friends

It's disappointing to note that several suppliers taking part in the workshops surrounding this consultation suggesting limiting this role to Citizens Advice. Whilst this might reduce the amount of support the supplier needs to offer, it would place a huge additional burden on Citizens Advice and make the customer journey even more complex for the vulnerable customer i.e. requiring a further referral between already busy advice agencies. It also excludes carers, family members and friends who all do a vital role in supporting people with the supply issues they face.

We also agree that there is a need for a process to identify and prioritise these enquiries, as we are ultimately trying to resolve issues for both our clients and the supplier. However, we believe that the guidance lacks a fundamental component in the customer journey for this advocacy: gaining authority to act on behalf of the customer.

The advice sector wastes hours every week on hold to energy suppliers, trying to arrange authority to act on behalf of our clients. We often need to do this multiple times because the authority is either (a) not recorded or (b) recorded in an inconsistent way, making it difficult for the customer service agent to find.

² With SLC 31G.3B our expectation is for a supplier's enquiry service to be able to identify and prioritise domestic customers in vulnerable situations who may require immediate assistance, based on their characteristics or circumstances or representatives acting on their behalf and in their interest.

³ <https://www.gov.uk/government/publications/working-with-representatives-guidance-for-dwp-staff/working-with-representatives-guidance-for-dwp-staff>

We recommend that the ease of contact guidance specifies the following:

1. A consistent approach to gaining authority from energy companies (see below). This would save time and frustration for advisors, customers, and suppliers.
2. A clear place on energy company records for the advisor's name to be added. This would prevent advisors from having to repeatedly call up to be added to vulnerable customers accounts. It also prevents advisors being chased by bailiffs because their details were recorded in the wrong place on the customer's account.

In the absence of a central run Ofgem register or a single better system for vulnerable customers, we would like the guidance to specify the two methods described below:

- a) An email from the client's registered email account giving consent for us to talk on their behalf.
- b) A form of authority (FOA) consent form if the client has signed it and we have emailed it to the supplier.

This will mean that representatives acting on behalf of vulnerable customers will have an option for clients who use email and an option for those who don't. We try to keep a record of the methods that energy companies will accept i.e., a) and / or b, here are their positions:

- Would accept a) only: Shell Energy, Ecotricity, Utility Warehouse, British Gas (using their online contact form rather than email), Octopus, EDF
- Would accept b) only: Scottish Power, Utilita, Eon and Eon Next
- Would accept a) and b): Outfox the Market, Good Energy, So Energy, Ovo, Boost and SSE

It is worth noting that only accepting option a) is excluding customers who may not be digitally enabled. If we can make these improvements, then we would be saving a huge amount of time for the advice sector to spend on other things e.g., benefits checks, home visits, trust fund applications.

We've included two case studies to illustrate our request:

Case study 3

A disabled client who was on her supplier SSE's Priority Services Register contacted our advice line because she had been struggling to resolve debt and payment issues with SSE for over a year. Her payment card had stopped working, and she had tried to contact SSE multiple times to resolve the issue, but it often took hours to get through. Once, she waited almost five hours before getting through to an advisor, but the advisor was unable to resolve the issue.

The customer contacted our advice line and spoke to one of our caseworkers. The caseworker called SSE with the client and got named on her account. SSE informed them that the issue would be resolved within 10 working days. However, nothing happened. The caseworker contacted SSE seven times in total to attempt to resolve the issue and during this time opened four separate complaints. Every time (seven in total), the caseworker was told there was no record of her having authority to speak about the account and so she had to get the customer on the call each time. SSE also stated they also had no record of previous complaints, despite the caseworker having complaint reference numbers. Eventually, the caseworker took the complaint to the Ombudsman.

Case study 4

A client with a debt of over £1,000 on his account was due to have a direct debit of £750 taken from his bank account in two days. He could not afford to pay this amount, so our caseworker contacted OVO to arrange an affordable repayment plan. The caseworker was told that he would need to be given authority and nominated on the customer's account by the client's father. After some difficulty, the caseworker was able to get the customer's father on the line and he gave consent for the caseworker to speak on their behalf. Once our caseworker had been nominated the customer service agent explained that the customer didn't need to stay on the call. Once the customer left the call, the caseworker began discussing setting up an affordable repayment plan. However, the customer service agent immediately said that he could not discuss this without the customer being on the line.

This was frustrating for the caseworker, as the customer was unable to afford to pay the direct debit and needed an affordable repayment plan as soon as possible. The caseworker escalated the issue to OVO's complaints department and six months later had still not received a response.

Both of these case studies are examples of us supporting very vulnerable clients who are unable to navigate the energy sector without the support of a representative. We are trying to solve a problem for all parties yet the energy suppliers are being deliberately unhelpful.

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

We broadly agree with Ofgem's proposed license changes to better support customers struggling with their bills. It's important that energy suppliers understand the reality of people's financial situation and set repayment amounts accordingly. As highlighted by Citizens Advice one in two⁴ debt clients now have a negative budget i.e. once spending has been reduced to a minimum their budget can't be made to balance. We would advocate for better training on vulnerability and debt across energy supplier customer service teams, particularly those dedicated to vulnerable customers. We would like to see less blame and more compassion in pursuit of utility debt, we don't approach vulnerable households with an attitude of blame, and neither should suppliers. As a basic step, thorough reading of client's notes, which should cover the case history and the underlying reason for their vulnerability, would help suppliers approach clients in a compassionate manner. Difficult situations are hugely helped by named and empathetic advisors who are clear in their messaging.

We are also supportive of regular repayment reviews which sound great but once again, we note the importance of a compassionate customer centred approach. The worst outcome would be these reviews being used by suppliers to pressurise, penalise and enforce a prepayment meter installation more frequently. Making it as easy as possible to make one off payments toward debt via auto-payment lines, apps, text facilities must be improved and on the supplier side automatic reduction to payment amounts (like Energy Bills Support Scheme reducing your monthly payment) will help with flexible repayment.

We also need to see an end to additional charges and late payment fees. For example, here are Scottish Power's current charges⁵ which do nothing to help vulnerable customers in debt:

- £10 late payment fee if bill is unpaid after 14 days
- £20 additional fee if bill remains unpaid after 28 days

⁴ <https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/households-are-living-on-empty-can-social-tariffs-reduce-the-pressure/>

⁵ <https://www.scottishpower.co.uk/support-centre/payment-methods>

- £33.28 if we need to pass to debt collections agency / visit your home
- £150 if we need to apply for a warrant to fit a prepayment meter

Case study 5

An older gentleman with early-stage dementia and his wife contacted our advice line. They were receiving bills only every 6-8 months from SSE, and the meter readings on the bills didn't match their own readings. They had asked SSE for monthly bills, but this had never happened. Eventually they told SSE that they would not pay until they started to receive monthly bills based on meter readings that matched their meter. As SSE still did not address the issue the clients took their complaint to the ombudsman. While the ombudsman was investigating the case, the clients received two charges on their account: a £10 late payment fee and a £33 collection visit fee. Charging vulnerable customers who are already in arrears an additional fee, especially in these circumstances, is only making the situation worse. There is also no systematic route for these costs to be refunded when unfairly levied on customers.

4.32 - 'Repayment plans are proportional and tailored'~

Many of our clients can't afford to cover their usage so a "proportional" repayment amount needs to be small. Scottish Power have recently started offering repayment plans of as little as £1 a week, which we welcome. When we complete income and expenditure forms with clients, we often find that they are only just covering their essential costs, such as food, housing, and transport. Adding debt repayments to this leaves them in a deficit. This means that they are more likely to be turned down for Trust Funds, Debt Relief Orders, and Individual Voluntary Arrangements which are the main options debt agencies can offer those in most financial difficulty.

We believe that a set minimum repayment amount that increases with fuel prices is unfair and should be replaced with a more flexible system. A household with a low fixed income, such as one relying solely on a fixed disability benefit is unlikely to see an increase in household income that keeps pace with an increase in fuel prices. They therefore are more likely to get into energy debt. While minimum re-payments remain high they will have to pay disproportionately higher repayments towards their energy bills than towards any other non-priority debts they have which don't have a minimum repayment amount.

4.33 'Some suppliers suggested that a customer's ability to pay should be regularly reviewed'

Adding 'support from a debt advice service' to any review as a stipulation could help incentivise engagement and give clients an FCA approved non-biased voice early on in repayment conversations instead of less impartial supplier funded services. The debt advice sector would need further funding to support the increase in demand for their services.

4.35 / 4.36 - 'pausing minimum repayments, may allow for more flexibility'

The more flexibility and adaptability to circumstances of vulnerable customers the better. People have complex financial needs that are best met by a detailed thorough examination of their finances and particularly debt repayment amounts, payment terms and the dates they are working to. If you have a higher priority debt to pay, that should take precedent over a higher payment to a lower priority debt, and that lower priority debt should have the ability to be paused and deferred i.e. if the customer is demonstrating through a debt plan with an FCA accredited organisation that it will be prioritised when appropriate after higher priority debts.

4.38 - 'self-disconnect or self-ration to ensure they stay on supply'

We agreed that emergency credit when in a review / deferral / hold stage with an energy company would be helpful to stop self-disconnection; however, this needs to be explained and agreed with the client or it could mean more debt accumulation. Our advisors often see confusion around emergency credit, active debt, historic debt, migrated back of meter debt, these things aren't always clear. Energy suppliers' communication needs to be more transparent and accessible to ensure vulnerable customers are fully aware of their situation.

4.39 - 'unsuccessful debt recovery'

We would like reassurances that energy companies will cease pursuing debt retrieval on vulnerable customers that may contravene the enforcement guidelines of their licence agreement. Unsuccessful recovery often still brings stress, anxiety and fear to clients. As featured in our contributions to Channel 4's Dispatches programme, the threat of energy supplier enforcement had pushed a vulnerable customer with mental health issues to the brink of suicide.

More use of flexible 'ability to pay options' should help vulnerable customers and debt enforcement should only be used in exceptional circumstances. Suppliers will ultimately avoid complaints, fines from Ofgem and exposure as a result of the terrible practices that are often from debt collection agencies they subcontract.

4.42 - 'risk that pausing repayments may mean some customers stay in debt longer'

The benefits of this exceed the risk. A large proportion of our clients are in higher debt than they have been before due to the cost-of-living crisis and prolonged high energy crisis. As long as energy debt remains interest free and debt penalties are limited, longer payment periods can mean more stability and more ability to make more informed debt repayment choices.

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

We welcome the proposals to require suppliers to publish information on their customer service performance. Transparency is an essential component of improving the retail market.

We note that it is common occurrence for suppliers to not register all the complaints that are raised with them. Case study 3 shows an example of this: complaints were raised four times in total and each time the supplier was contacted they had no record of previous complaints. This is an extremely common occurrence, as is customer service agents asking clients if they want their complaint to be left as "feedback". Clients agree to this assuming their issue will still be investigated not realising it means the customer service agent has closed the complaint.

In addition, our advisors often find that when they call suppliers and wait on hold after using a telephone menu, the team they eventually get through to is not the team they have selected, and they are either transferred and put on hold again or asked to call back the main number. In addition, when our advisors do get through to the correct team and outline the issue they are put on hold and the line cuts out, meaning they must go through the whole process again.

If we are to rely on suppliers to publish their data on customer service performance, we need extra safeguards put in place to ensure suppliers aren't using the above methods to artificially improve their outcomes. This could include a requirement for customer service agents to inform clients when their issue is not going to be investigated because they have closed the complaint before the end of

a call. It could also include worse consequences for suppliers whose complaints provide evidence of them following practices which would artificially improve their performance statistics.

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

No, but we do note that additional costs borne by an energy supplier to provide adequate customer service will reduce costs for others i.e., the customer themselves, the network operators and organisations representing vulnerable customers. The costs that vulnerable customers face are being socialised by redistributing them across energy bills – this is also a benefit as wealthier households will contribute to them as well.

The costs should also translate to improved customer service with those suppliers who perform well representing a more attractive choice for customers.

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

We would like as many of the changes as possible to be implemented prior to this year's winter. There are many changes that should be quick to implement. For example, the use of a free phone number which we, as a free phone service provider, know is easy to do i.e., you purchase the line and change the target number in the system. Similarly publishing the customer service data that Citizens Advice already provide should be a quick win.