



Citizens Advice
3rd Floor, 1 Easton Street
London, WC1X 0DW
Tel: 03000 231 231
citizensadvice.org.uk

David McCrone
Ofgem

9th December 2024

Dear David,

Citizens Advice welcomes the opportunity to respond to Ofgem's consultation on proposed changes to eligibility criteria for the VCMA. We are responding as part of our statutory role to represent energy consumers in Great Britain. This response is non-confidential.

1) Do you agree with the proposed amendments to the VCMA eligibility criteria to allow an expanded scope for essential gas appliance servicing, repair and replacement eligibility?

It is appropriate that gaps in eligibility for essential appliance servicing, repair, and replacement are addressed. We recognise that leaving customers without an essential cooking or heating appliance (and waiting for another organisation or source of funding to repair or replace it) would be a poor outcome for those in vulnerable circumstances. So, in some cases, there will be the need for VCMA funding to allow for essential servicing and repair for gas appliances, and in exceptional cases, a replacement will be needed.

However, we think more thought needs to be given to whether there are opportunities to ensure that a customer's eligibility under ECO, ECO4 Flex, and other government schemes, which may be in a consumer's interest, has been considered. This should include where these could replace appliances with low-carbon alternatives. Instances of appliance breakdowns are a well-recognised milestone at which alternatives can be

Patron HRH The Princess Royal Chief Executive Dame Clare Moriarty

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England registered office: 3rd Floor North, 200 Aldersgate Street, London EC1A 4HD.

explored. This may not be appropriate in some circumstances, particularly where there are emergencies. However, Ofgem should ensure that all options that may be in customers' interests can be explored in the same way as Ofgem required when it amended the eligibility criteria for the Fuel Poor Network Extension Scheme before its closure.

This flexibility in approach is particularly important if policy and market changes alter the respective running costs of gas and electric appliances.

ECO4 affordability criteria

We support the changes to the affordability criteria to increase flexibility; 2.13 b) i. *"The occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes and has a household income as per ECO4 Income thresholds"*. These changes align with ECO4 Flex, which allows people to be referred to ECO if they have a low income and a health condition that makes them vulnerable to living in a cold home - even if they don't meet the criteria of the main ECO4 scheme. We welcome the alignment with government schemes while allowing for an element of flexibility to ensure vulnerable consumers are supported.

Project partners

The widening of the criteria to project partners would provide more opportunities for appliances to be installed. As above, we believe Ofgem should ensure network companies and project partners are exploring all options that may be in a customer's interest, including referrals to ECO4 Flex and other schemes.

Landlords

In most cases, landlords own the gas appliances in households and are responsible for their functioning and safety. They are required by law to have an up-to-date gas safety certificate for their properties. It is right that where it is the landlord's legal responsibility for gas supply and appliance maintenance that landlords meet this requirement and are therefore excluded from this funding. We anticipate that opportunities to support customers who are themselves responsible for gas appliances may well be in the minority. Still, if and where this occurs, we are supportive that the funding can support tenants in this way.

Therefore, we support the expansion of criteria 2.12, ii. iii to *"in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant's responsibility to maintain the essential gas appliance"*. Given that this eligibility is where *"it is the tenant's responsibility to maintain the essential gas appliance"*, we believe that evidence of this circumstance

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would need to be collected and reported on. This would ensure that Ofgem's criteria are met as intended and that appliance replacement or repair is not funded by gas bill payers, where it should be a landlord's responsibility.

Other sources of funding

We support the inclusion of *"c) sufficient funding is not available from other sources (including a social or private landlord and national, devolved, or local government funding) to fund the essential gas appliance servicing."* We recognise that sometimes it will not be practical to leave a consumer without an essential appliance and that a replacement or repair will be needed via a VCMA project. However, as mentioned above, we believe requirements should be introduced to explore all support and funding options that may be in a consumer's interest, as this provides important flexibility for those households to be supported in the best way possible.

Yours sincerely,

Jess Collins

Policy Researcher

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