

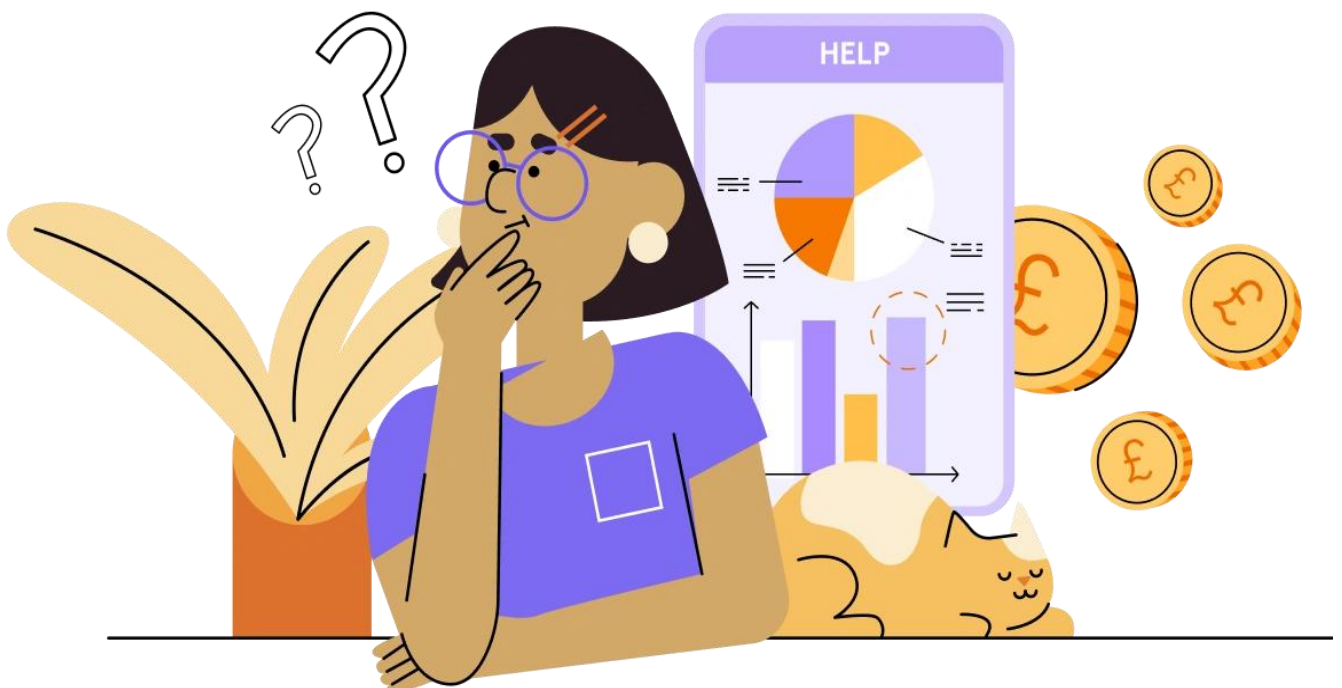
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Behavioural Strategies for Preventing and Reducing Energy Arrears: A guidebook for practitioners

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Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears

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Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears

Executive summary

The GB energy market is operating in a period of sustained financial pressure, with elevated levels of customer arrears and increased household vulnerability.¹ Prolonged cost-of-living pressures and energy price volatility have substantially increased the number of households struggling to pay their energy bills. Suppliers are therefore required to balance revenue recovery and financial resilience with robust consumer protection standards and proactive support for customers in vulnerable situations. In the GB energy context, the arrears pathway typically progresses through staged reminder communications, collections activity, and, in tightly regulated and limited circumstances, service enforcement. Alongside this, suppliers may offer structured payment plans, debt management arrangements, prepayment options, and eligibility-based subsidy schemes. The design, timing, framing, and delivery channel of these interventions can substantially influence customer behaviour and payment outcomes.

This guidebook provides practical guidance on how to reduce and prevent arrears, drawing on robust evidence from real-world trials and evaluations. It focuses on interventions that have been shown to work and highlights best practices, drawing on evidence from energy, water, tax, rent, and consumer credit, where consumers face similar challenges and make similar decisions.^a Developed for practitioners working in collections, communications, and support program outreach related to energy arrears, it is intended for use as a practical tool, designed to help review existing arrears journeys, improve reminder letters or text-message flows, rethink support outreach, identify points of friction in repayment processes, and structure new pilots or trials. The goal is to make the evidence accessible, operational, and relevant to the specific constraints and opportunities facing suppliers in the GB energy market today.

The evidence reviewed shows that:

→ For arrears reduction:

- Across energy, water, tax, rent, and consumer credit contexts, timely and salient reminders increase payment rates and reduce outstanding balances.
- Effects are strongest when communications are direct, empathetic, clearly state the amount owed, and are delivered shortly after bill issuance. Simplification, friction reduction, and providing clarity about available debt solutions emerge as highly robust mechanisms.
- Evidence also indicates that aligning bill timing with benefit receipt significantly reduces late payment among low-income households.

^a While most of the evidence comes from the US context, this guidebook focuses on insights that are likely to generalise to the GB energy context. The most credible existing evidence comes from randomised trials that evaluated behaviourally-informed communications and friction-reduction strategies. There may be other types of interventions that are potentially effective that have not been tested rigorously.

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→ For arrears prevention and encouraging the take-up of support programmes:

- Reducing cognitive load, simplifying enrolment processes, and removing unnecessary documentation requirements help increase the take-up of support schemes.
- Enrolment nudges that emphasise eligibility and ease generate large increases in the take-up of support schemes, with those enrolled more likely to pay their next bills.
- Direct Debit enrolment campaigns deliver modest but scalable reductions in arrears incidence and increase subsequent payments.

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1. Introduction

Energy arrears have become a major challenge in the Great Britain energy market. Rising living costs, persistent financial pressure, and energy price volatility have left many households struggling to keep up with ongoing bills, while suppliers face the difficult task of balancing debt recovery with fair treatment, affordability, and support for customers in vulnerable situations. Ofgem’s latest debt strategy update reported that domestic consumer energy debt had reached £5.02 billion by the end of Q2 2026, with nearly three quarters of that debt held by customers who had no repayment plan in place.¹ This is not only a collections issue. It is also a customer-support, communications, and service-design challenge that affects customer outcomes, supplier operations, and the wider resilience of the market.

In the Great Britain energy market, suppliers operate within a tightly regulated consumer-protection framework. They are expected to treat domestic customers fairly, provide information in plain and intelligible language, identify and respond appropriately to vulnerability, and maintain and promote a Priority Services Register for customers who may need additional support. Suppliers are also required to make it possible for customers to contact them and access help when they are struggling. In other words, arrears management in this context is not simply about collecting unpaid balances; it is about doing so in a way that is proportionate, responsible, and consistent with broader duties to protect consumers.

This regulatory context matters because it shapes what suppliers can and cannot do when customers fall behind. Suppliers must take all reasonable steps to understand a customer’s ability to pay and take that into account when setting instalments or repayment arrangements. They are also expected to intervene early: the licence conditions require proactive contact no later than after two consecutively missed monthly payments, one missed quarterly payment, or when a customer indicates that they cannot make the next scheduled payment. Suppliers must offer appropriate support and repayment options, make customers aware of debt advice, and consider temporary repayment relief where appropriate. At the same time, stronger recovery tools are constrained. Involuntary installation of a prepayment meter is governed by strict rules (including multiple attempts to engage, welfare checks, and a requirement that it be safe and reasonably practicable) and should only be used as a last resort. Suppliers are also required to identify prepayment customers who self-disconnect and offer appropriate support, particularly where vulnerability is involved. Taken together, these rules mean that the Great Britain arrears framework places much greater emphasis on early engagement, affordability assessment, tailored support, and fair process than on aggressive enforcement.

That is where behavioural science becomes especially valuable. Many arrears problems are not caused by unwillingness to pay alone. They also reflect limited attention, present bias, competing financial demands, complexity in the customer journey, stigma around seeking help, and friction in accessing support. In a market where suppliers must support customers fairly and where enforcement options are limited, relatively small

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changes to timing, wording, channel choice, process design, and support pathways can make a meaningful difference. Behavioural insights can help suppliers design communications that are clearer and more actionable, repayment journeys that are easier to navigate, and support offers that more customers are able and willing to take up. They can also help practitioners distinguish between situations where a reminder or prompt may be enough and those where affordability pressures require a more tailored support response. This is particularly important in the Great Britain context, where good arrears practice depends as much on reducing friction and improving engagement as it does on recovering debt.

This guidebook is designed for practitioners working in collections, billing, customer communications, vulnerability, and support-programme design across the Great Britain energy sector. Its purpose is to translate existing evidence into practical guidance that can be used in day-to-day operational decision-making. The guidebook does not offer legal advice or a comprehensive statement of regulatory requirements. Instead, it is intended to help practitioners ask better behavioural questions, identify where along the arrears pathway different barriers arise, and design interventions that are both effective and compatible with the realities of the Great Britain regulatory environment. The sections that follow first explain why customers fall into arrears and how the arrears pathway typically unfolds, then summarise what tends to work in practice to reduce arrears and increase take-up of support, and finally provide a practical guide for designing and trialling behavioural interventions in an operational setting.

2. Understanding energy arrears

Section summary

While many customers struggle financially and are unable to pay their energy bills, there may also be a significant portion of customers who can afford to pay but do not do so. The evidence shows that cognitive and behavioural factors can play a significant role in determining who falls behind on their bills and how quickly they can recover. This section outlines the key behavioural barriers that drive arrears and maps the typical pathway through which an arrears situation develops.

Why customers fall into arrears: key behavioural barriers

Energy arrears rarely arise from a single cause. For many customers, falling into debt is the result of a combination of financial pressure and a set of well-documented behavioural tendencies that make it harder to stay on top of bills — even when customers genuinely want to pay. Understanding which barriers are at play for a specific customer, or a customer group, is the first step towards designing interventions that actually work.

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Limited attention and salience

People can only pay attention to so many things at once. Bills and payment deadlines that do not feel urgent, or that arrive among a flood of other communications, can easily be overlooked, even when customers have the means to pay. As some customers may not have energy bill payments at the forefront of their minds, payment can be easily postponed without a timely, salient prompt that makes the need to act feel immediate, especially for those who pay by methods other than direct debit.

What this means in practice: Customers who miss a payment are not necessarily struggling financially. They may simply have forgotten, or the bill may not have felt urgent at the time. Timely, direct reminders that make the amount owed highly visible are one of the most consistently effective tools for reducing arrears.



Present bias

People naturally tend to prioritise immediate costs and benefits over future ones, a pattern known as present bias. Even when customers are aware that unpaid bills will accumulate, the future consequences of non-payment feel less real and less pressing than other immediate demands on their money. This leads to payment being repeatedly deferred, often with the intention of paying “next month”, until debt reaches a level that becomes very difficult to address. Present bias is especially relevant for customers managing multiple financial pressures simultaneously. When immediate needs such as food, rent, or childcare compete with energy bills, the energy bill — whose consequences may not be felt immediately — is more likely to be deprioritised.



Liquidity constraints and income timing

For many households in arrears, the problem is not inattention but a genuine inability to pay at the time the bill arrives. Low-income households often have irregular income and limited financial buffers. When a bill lands at the wrong point in the month, for example, before wages or benefits arrive, even a motivated customer may not be able to pay.

Research shows that aligning the timing of bill issuance with the timing of benefit receipt can significantly reduce late payment and arrears, particularly among low-income households. This suggests that a structural fix such as changing when bills are sent may be as powerful as other communication-based interventions.

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Evidence highlight: A study of US electricity customers in low-income neighbourhoods found that households receiving their bills within one day of benefit receipt (SNAP payments) were 36% less likely to have a late payment, had 67% lower outstanding balances, and were 64% less likely to face disconnection than those who received their bills at other times of the month. In higher-income areas, this relationship almost entirely disappeared — suggesting that bill timing matters most precisely where customers have the least financial flexibility.²



Complexity and friction in the customer journey

Navigating the arrears pathway, understanding payment options, and accessing support schemes all require cognitive effort. For customers already under stress (e.g., financial or health-related) — whose mental bandwidth and capacity are often reduced — even small amounts of friction can prevent them from taking the actions that would help them. Forms that are long, language that is unclear, and processes that require multiple steps all act as barriers to engagement. This is particularly important for take-up of support schemes or aid, including discounted tariffs, payment plans, or debt forgiveness programmes. However, some customers who qualify for help never access it — not because they are unaware it exists, but because the application process is too burdensome. Every unnecessary step is a barrier that will stop some eligible customers from getting help.



Customer disengagement driven by large accumulated debts

As arrears accumulate, customers can become psychologically disengaged. When a debt grows to a level that feels unmanageable, customers may give up on trying to address it entirely. The scale of the problem triggers avoidance rather than action: a well-documented phenomenon in the psychology of debt. This creates a particularly important design challenge. Interventions that are effective for customers in early arrears may not work for those with large, long-standing balances. Approaches that visibly reduce debt over time such as conditional debt forgiveness programmes can help restore motivation by making progress feel achievable.



Stigma and barriers to seeking help

Some customers experiencing financial difficulty may avoid contacting their supplier or seeking support because they feel embarrassed or ashamed about their situation. Stigma around financial hardship is a real and significant barrier, particularly for older customers and those who have not previously engaged with support services. This means that passive support, where customers must initiate contact, may systematically fail to reach those who most need help.

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears**The typical arrears pathway where opportunities lie**

Arrears typically follow a staged progression, from initial missed payment through to collections activity and, in some cases, enforcement. Understanding where opportunities to intervene lie along this pathway helps practitioners design interventions that can have the greatest impact.

Stage	What happens and why it matters
1. Bill issuance	A bill is issued to the customer. The clarity, timing, and format of this bill will influence whether the customer notices and acts on it. Bills that are confusing, that arrive at financially inconvenient times, or that fail to clearly communicate the amount owed and the action required are more likely to result in non-payment.
2. Missed payment	The customer does not pay by the due date. This is the point at which arrears formally begin. A first missed payment may reflect temporary cash-flow difficulties, inattention, or the start of a longer period of financial hardship. Early intervention at this stage is most likely to prevent arrears from escalating.
3. Reminder communications	Suppliers follow up via letter, email, text, or automated call. The evidence is clear that how these reminders are designed - their timing, wording, and delivery channel - significantly affects whether customers pay. Reminders that clearly state the amount owed, that arrive promptly after the missed bill, and that are delivered via high-salience channels such as SMS are the most effective.
4. Collections activity	For customers who do not respond to reminders, suppliers may escalate to more formal collections activity, including outbound calls and formal payment demands. While effective, these approaches are resource-intensive and may have limited reach for customers who are most disengaged.
5. Support offers	At various stages, customers may be offered structured payment plans, debt forgiveness arrangements, or eligibility-based support schemes such as discounted tariffs. Take-up of these offers is often very low - partly because customers are unaware of them, partly because the application process creates friction. Better-designed outreach for these schemes is one of the most promising tools for preventing arrears from becoming entrenched.
6. Enforcement	Where all other approaches have been exhausted, suppliers may move towards enforcement mechanisms. In Great Britain, strict regulatory protections, including limitations on disconnection, constrain what is possible. Where enforcement is not a credible option, the leverage it provides is limited. This reinforces the case for earlier, more preventative intervention.

3. Reducing energy arrears: what works in practice

The most effective interventions to reduce arrears tend to do three things well: they make the payment request clear and salient, they arrive at the right moment, and they reduce the effort required for customers to act. What works:

Use timely reminders

Behaviourally informed reminders have been found to be effective in increasing energy bill payments. For example, in a large experiment in the US, the share of customers making a payment rose from 28% in the control group to 38% with email reminders and 44% with text reminders. The reminders also significantly increased the average amount paid per customer from \$27 in the control group to \$36-39 in the email reminder groups and \$44-45 in the text message reminder groups.³ Similarly, a trial conducted in London found that a reminder letter redesigned to be simpler and more salient (i.e., by using accessible language and clearly indicating what the reader needed to do, as well as highlighting the consequences of inaction) led to increased payment rates for those aged 31 to 40 and had a positive effect on the number of participants contacting the council to discuss their rent arrears.⁴

Tips

→ Send reminders early in the arrears cycle.

Previous trials showed that a first reminder is most effective when it is sent 1–2 days after bill issuance. In contrast, reminders that were sent much later (around 6–12 days after bill issuance) performed poorly. This suggests that suppliers should intervene when the bill has just been issued and before non-payment materialises or becomes overtaken by other household demands.

→ Make messages direct and compassionate.

The strongest reminder designs are direct, explicit, and empathetic. They tell the customers clearly that payment is needed and state the amount owed, while being empathetic and inform customers about the availability of alternative debt solutions. For practitioners, the rule is simple: say what is owed, say what needs to happen next, and offer solutions.

→ Match your intervention channel to the level of urgency.

Choosing the right channel to intervene is crucial. Suppliers may not have contact details for some customers. In these cases, sending “to the occupier” letters would be the most practical channel. For customers whose contact details are available, existing evidence suggests that text messages and outbound dialling can outperform email in collections settings. Phone calls and more personal contact can be particularly effective when contact is successfully made. In practice, this supports a stepped approach: use low-cost text reminders first, then escalate to more resource-intensive channels such as phone calls for customers who do not respond.

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Align bill timing with when customers are most likely to have money available

The evidence reviewed shows that billing that aligns with benefit receipt can help reduce late payment and outstanding balances, particularly among low-income households.² For suppliers, this points to a practical design principle: where operationally possible, align bill issue dates, reminders, or payment plan dates with known income payment dates such as benefits or wages.

Provide simplified billing information

For many customers, non-payment is not just a motivation problem: it is also an information problem. Bills can be hard to interpret, key figures may be buried, and customers may struggle to work out what they owe, what is overdue, and what action they need to take now. The evidence suggests that reducing these informational frictions can improve payment outcomes. For example, Randomised Controlled Trials conducted across the UK found that sending an invoice instead of an arrears letter led to a 12% increase in payments and simplifying the design of the letter increased customer engagement by 24%.⁵ Similarly, a field experiment found that offering customers simplified invoice information via monthly text message increased average payments by around 30% in the first month and by 8.5% over the ensuing eight months of the intervention.⁶ Simplification is one of the most robust and cost-effective behavioural strategies, especially when it reduces information overload and highlights action-relevant information.

Frame non-payment as an active and deliberate choice

Existing evidence suggests that messages can be more effective when they stop framing non-payment as a simple oversight and instead present continued inaction as an active and deliberate choice.⁷ There is, however, mixed evidence on the effectiveness of hard-tone communications versus those of softer, friendlier tones. On the one hand, hard-tone communications that frame non-payment as intentional rather than an oversight have been found to outperform softer messages, increasing payment rates and payment amounts in the tax domain. On the other hand, Ofgem's previous research found that energy debt communications that are harsher in tone did not increase intentions to engage with energy suppliers and resulted in reduced objective comprehension of key information and were less likely to be read in full. In fact, there is suggestive evidence that following a hard-tone message, engagement may reduce when compared to communications that are friendlier in tone and focus on the availability of alternative debt solutions.⁸

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears**Tips****→ Use this framing for those in late-stage arrears.**

This framing is most suitable when the customer has already received clear reminders and has not responded. The aim is to create a stronger sense that doing nothing is itself a decision. In practice, this means using wording that makes inaction feel active rather than passive, while still remaining fair, respectful, and consistent with consumer protection obligations.

→ Use this framing selectively with a targeted approach.

Many customers in arrears may be struggling financially, so messages should not imply bad faith where affordability is the real barrier. This strategy should therefore be used carefully, with exclusions or tailored treatment for vulnerable customers and those already identified as needing support. It works best as a way to sharpen accountability in collections messaging, not as a universal tone for all arrears communications.

**Use social norms to signal that paying promptly is the normal behaviour**

Social norms can help reduce arrears when they make it clear that most customers do pay on time and that the message recipient is part of a smaller group that has not yet acted. They have been found to increase overdue tax payment in large field experiments, and wording that highlighted that the customer was in the minority who had not yet paid was especially effective.⁹

Tips**→ Use descriptive norms.**

This framing is most suitable when the customer has already received clear reminders and has not responded. The aim is to create a stronger sense that doing nothing is itself a decision. In practice, this means using wording that makes inaction feel active rather than passive, while still remaining fair, respectful, and consistent with consumer protection obligations.

→ Use a targeted approach.

Social norms are most likely to help when customers can afford to pay but have other barriers. They are less likely to work when arrears are primarily driven by affordability constraints.

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears**Table: Do's and Don'ts for communicating with consumers**

✓ Do	✗ Don't
✓ Lead with the call for action and state the amount owed clearly. Do not make customers search for the key message. The first lines should make clear that payment is overdue, how much is owed, and what the customer should do now. ✓ Keep the message simple. Reduce cognitive load. Remove non-essential text, jargon, and clutter. Messages should focus on one immediate action, not several. ✓ Intervene early. For early arrears, send the first reminder soon after the bill is issued rather than waiting. Delay reduces impact. ✓ Send concrete requests, not just generic reminders. Communications to those in late-stage arrears should not simply repeat “please pay.” Try minimum-payment requests, specific deadlines, or clearly signposted next steps. ✓ Segment where possible. The effectiveness of interventions can vary by customer group. Reminders tend to work best for customers with lower or moderate arrears and are much less effective for those with very high arrears. This implies that customers with high arrears may need tailored case handling, affordability assessment, or support pathways rather than repeated nudges alone.	✗ Do not rely on moral appeals on their own. Messages appealing to civic duty, responsibility, or “doing the right thing” are generally weaker and less effective than reminders, simplification, or harder-tone framing. ✗ Do not overload messages with secondary goals. Past trials showed that adding additional prompts do not usually translate into additional impact. The safer rule is to keep the communication focused on the immediate collections’ objective. Cross-selling another action may dilute impact. ✗ Avoid public shaming or disclosure approaches. Although public shaming and disclosure (e.g., public disclosure of income and taxes paid) have been shown to be effective in other settings, they have very low generalisability for the GB energy arrears context.

4. How to effectively prevent energy arrears and encourage the take-up of support programmes

Preventing arrears before they develop is less costly than managing them once they take hold. Yet many of the most powerful prevention tools are underused. Support schemes exist to help low-income and vulnerable households stay on top of their energy costs, but take-up is often low. Direct Debit can help smooth cash flows and reduce missed payments, but many customers are never enrolled. The challenge is not a lack of solutions; it is communicating them effectively and removing the barriers that prevent customers from accessing help. What works:



Behaviourally informed communications and nudges

While increasing awareness alone does not necessarily result in behaviour change, it is an important first step. The evidence is clear that well-designed and behaviourally-informed communications about support can help increase take-up. Communications that tell customers clearly what they are eligible for, how much they stand to benefit, and exactly what they need to do consistently outperform more complex approaches. In a large-scale experiment with a US energy utility, customers who received a simple email encouraging them to enrol in a debt forgiveness programme signed up at a rate of 19.5%, compared to just 7% in the control group who received no communication (who found out about the programme on their own). Most strikingly, customers who enrolled were 28 percentage points more likely to have paid their next bill within two months.³

Tips

→ **Tell customers about their eligibility.**

Research shows that telling customers they are already eligible, rather than that they may be eligible, can further increase enrolment rates.

→ **Make the message as simple as possible.**

An experiment focused on increasing the take-up of a subsidised tariff programme shows that the most effective message was the simplest. It told customers that “no additional documentation is required upfront to apply”.

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Image: Email example from the experiment on eligibility messaging and enrolling in a debt forgiveness programme.

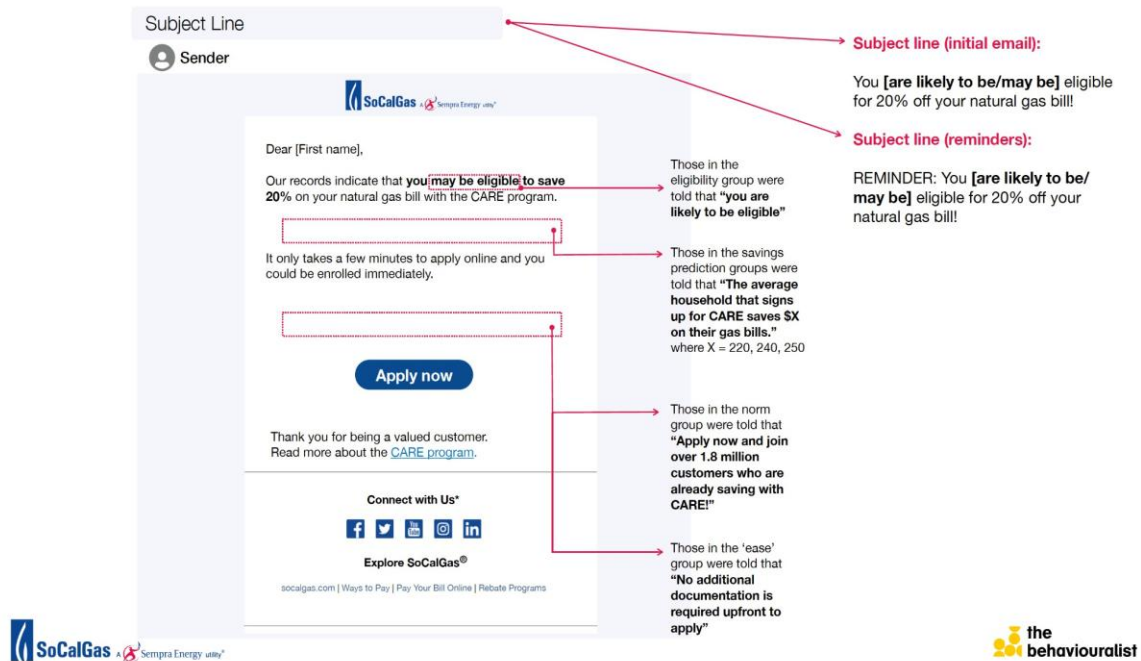


Image: Letter example from the experiment on eligibility messaging and enrolling in a debt forgiveness programme.



YOU CAN AVOID LOSING MONEY BY REAPPLYING FOR CARE TODAY

Dear [name],

We are writing because you participated in the California Alternate Rates for Energy (CARE) 20 percent discount program last year and you saved \$XXX.XX. Unfortunately, you no longer receive this special discount because your application is out of date.

The good news is that you can still re-apply. If you or another member of your household is on a public assistance program listed in the enclosed application or meet the income guidelines listed below, you may still be eligible for the program. Once you are re-certified, assuming you still meet the requirements, you will immediately receive the 20 percent discount.

MAXIMUM HOUSEHOLD INCOME TO BE ELIGIBLE (effective June 1, 2015 to May 31, 2016)

Number of Persons in Household:	1-2	3	4	5	6	7	8
Total Annual Income*	\$31,860	\$40,180	\$48,500	\$56,820	\$65,140	\$73,460	\$81,780

* For each additional household member, add \$8,320
1. Includes current household income from all sources before deductions.

What you NEED to do:

- Complete the attached application form
- Mail the completed form in the postage-paid envelope
- The CARE application can also be completed online at socalgas.com (search "CARE").

Did you know? Each year more than 200,000 customers like you re-certify to save money.

If you need more information about this discount, please visit socalgas.com (search "CARE") or call us free at 1-800-427-2200.

Sincerely,

Ted Humphrey
Ted Humphrey
CARE Program Senior Market Advisor

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears **Direct Debit enrolment**

Encouraging customers to set up automatic payments is one of the most scalable and effective prevention strategies available. Once enrolled, customers are protected from the inattention and cash-flow problems that cause missed payments. Experiments conducted with a large US energy utility found that sending customers an email encouraging them to sign up for Direct Debit increased sign-up rates by 46% relative to the untreated control group. Customers who signed up went on to pay, on average, \$100 more within two months, and were 0.25 percentage points less likely to fall into arrears.³ Similarly, an RCT conducted in England found that letter inserts that communicated how easy it was to sign up for Direct Debit payments for council tax significantly increased sign-ups.¹⁰

 Automated support scheme enrolment

For many customers, the barrier to accessing support is not a lack of awareness or motivation — it is complexity. Long forms, documentation requirements, and multi-step application processes deter take-up, particularly among the most vulnerable customers who have the least capacity to navigate bureaucracy. Research examining the impact of simplified eligibility requirements on a US energy assistance programme found that states which adopted “categorical eligibility” (i.e., automatically qualifying households already enrolled in other means-tested programmes) served on average 16,080 more households per year than those that did not. The same states also spent more money on benefits and less on administrative overhead, demonstrating that simplification benefits both recipients and providers.¹¹ Every unnecessary step, form, or documentation requirement in a support scheme application is a hurdle that will prevent some eligible customers from getting help. Where suppliers have data that already confirms eligibility, this data should be used proactively rather than requiring customers to provide the same information again from scratch.

 Combine information with hands-on assistance

For the most vulnerable and hardest-to-reach customers, information alone is often not enough. Where the barriers to engagement are related to low literacy, mental health difficulties, language barriers, or distrust of institutions, outreach that pairs information with hands-on assistance in completing applications produces substantially larger effects. A large randomised trial in the US found that providing elderly low-income households with information about a benefits programme combined with direct application assistance (including completing and submitting the form on the caller’s behalf) achieved enrolment rates of 18%, compared to 11% for information only and 6% in the untreated control group.¹²

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears**Table: Do's and Don'ts for communicating with consumers**

✓ Do	✗ Don't
✓ Send simple, direct communications that clearly state what customers are eligible for and exactly how to access it. ✓ Actively promote Direct Debit / autopay enrolment with a specific, low-friction sign-up prompt — ideally including a direct link and an ease statement. ✓ Use ease statements in communications — tell customers the process is simple, quick, and requires no extra documentation. ✓ Test multiple message variants and channels to find what works best for your specific customer population. ✓ Align billing cycles with benefit receipt dates for low-income customer segments where operationally feasible. ✓ Pair information with hands-on assistance for the hardest-to-reach customers, particularly those with barriers to self-service.	✗ Rely solely on loss framing, emotional appeals, or social norm messages. These approaches have been found to produce weaker and less consistent effects than clear, ease-focused messaging.¹³ ✗ Use complex, jargon-heavy language in customer communications. If customers have to read something twice to understand it, simplify it. ✗ Assume that customers who are eligible for support will find their way to it without a prompt. Low take-up is the default. It requires active intervention to change. ✗ Send follow-up communications too infrequently (reaching customers only once) or too frequently (flooding them with messages). One well-timed follow-up adds real value; three or four may add little to none. ✗ Design support scheme enrolment with unnecessary steps, forms, or documentation requirements. Every additional hurdle reduces take-up. ✗ Treat all customers as one segment. Targeting and tailoring based on payment history, income, and other characteristics (where available) meaningfully improves outcomes.

5. A guide to designing and trialling behavioural interventions

Behavioural design is an approach that helps us understand the factors driving a particular behaviour and, importantly, can help practitioners identify effective ways of changing behaviours. As behaviour change can be context-specific, behavioural trials help provide evidence on what works in specific contexts. This guide provides actionable steps for practitioners to develop and trial their behavioural intervention. For more details, please refer to the appendix.



Step 1: Defining your ultimate outcome and desired behaviours

The first step for designing behavioural interventions is to define an ultimate outcome and break it down into desired behaviours. This exercise helps set an achievable goal and translate it into behavioural terms.

Step 2: Identifying key behavioural barriers

The following step consists of identifying the barriers that impede your target audience from engaging in the desired behaviours. This step helps reveal the root causes of the problem you aim to address.

Step 3: Ideate solutions and select the most appropriate Intervention

Develop a behaviour change intervention by smoothing out barriers and encouraging your target audience to engage in your desired behaviour(s).

Step 4: Trial your behavioural intervention

Once you have developed your behavioural intervention, pilot it to assess its effectiveness before rolling it out at scale. Make sure you have measurable outcome metrics, the ability to link your intervention to the outcome metrics and use an appropriate evaluation method.¹⁵

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears

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Appendix 1 A detailed guide to designing and trialling behavioural interventions



Step 1: Defining ultimate outcome and desired behaviours

This guide will help you build a theory of change. A theory of change is a method that maps out the necessary steps that need to happen for a behaviour change to occur. It provides a systematic approach for designing behaviour change interventions and for identifying outcome metrics you can track to evaluate your intervention.

The first step for building a theory of change is to define your ultimate outcome. We will then work our way backwards to identify the aspects that need to occur to reach your outcome.



- 1) **Begin by defining the ultimate goal you want to achieve.** For example, your outcome may be to achieve a reduction in the number of households in energy arrears.
- 2) **Then, break down your ultimate goal into specific desired behaviours.** In other words, list the behaviour(s) that will allow you to reach that outcome. For example, desired behaviours may include: (i) households remember to pay their bills on time and (ii) households in arrears sign up for support programmes.
- 3) **Make your desired behaviour(s) as specific as possible.** Investing time into defining them is a crucial step to designing a successful behaviour change intervention.

The example below demonstrates a clear definition of a desired behaviour for the outcome of reducing the number of households in energy arrears.

Who needs to take action?	Why do things need to change?	What does our target group need to do?	When do they need to do the behaviour?	Where does the behaviour need to happen?	How often do they need to do it?
Households that are already in energy arrears	Arrears could eventually lead to a vicious cycle	Sign up for support programmes	Ideally as soon as they fall into arrears	Online portal	Only once

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears**Step 2: Identifying key behavioural barriers**

Once you have defined your ultimate outcome and broken it down into desired behaviours, the next step is to look into the barriers that prevent your target audience from engaging in them. Strategies to consider include expert consultations, interviews, focus groups, surveys, and literature reviews.

Use a systematic approach, such as the COM-B framework, to identify barriers unique to your desired behaviour.¹⁴ The COM-B model posits that for a person to engage in a behaviour, they need sufficient capability, opportunity, and motivation. Review each section of the model below and write down the barriers your target audience might face.

Behaviour

(households in arrears sign up for support programmes)

Capability	Opportunity	Motivation
Do people have the skills, ability and knowledge to perform the desired behaviour?	Does the physical and social environment enable people to perform the desired behaviour?	Do people have the desire, habit or intention to perform the desired behaviour?
Barriers can include: Lack of awareness, low literacy or technical skills	Barriers can include: Perceived social norms, frictions along the sign-up journey	Barriers can include: Stigma, present bias

Step 3: Ideate solutions and select the most appropriate intervention

If you want to ENCOURAGE people to do something, try making it:	If you want to DISCOURAGE people to do something, try making it:
☐ Normal - done by their peers ☐ Easy - using little resources, time or effort ☐ Attractive - enjoyable and meaningful ☐ Routine - so that they don't have to think about it!	☐ Abnormal - not seen as part of normal behaviour ☐ Difficult - add barriers in the way ☐ Unpleasant - lead to unwanted outcomes ☐ Reflective - so that they have to disrupt their routine!

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears**Behaviour**

(households in arrears sign up for support programmes)

Capability	Opportunity	Motivation
Do people have the skills, ability and knowledge to perform the desired behaviour?	Does the physical and social environment enable people to perform the desired behaviour?	Do people have the desire, habit or intention to perform the desired behaviour?
Barriers can include: Lack of awareness, low literacy or technical skills	Barriers can include: Perceived social norms, frictions along the sign-up journey	Barriers can include: Stigma, present bias
Usually solved by: Raising awareness, providing reminders, offering additional assistance.	Usually solved by: Making social norms noticeable, simplifying sign-up process.	Usually solved by: Making the cost of non-repayment salient, reducing negative perception of getting help.
Example: Send behavioural communication to encourage sign-ups.	Example: Automate enrolment with an opt-out design.	Example: Use positive framing in communication to avoid shaming customers.

Next, try to prioritise your intervention ideas using the following criteria. If you have multiple intervention ideas, use a rating system or simple quantitative judgements such as low, medium, high.

- **Acceptability:** How will your target audience receive your intervention? Are there any adverse spillover effects that may occur?
- **Impact:** How effective do you expect your intervention idea to be in achieving your desired behaviour(s)? Can you base your estimates on past studies?
- **Cost-effectiveness:** How expensive do you expect the implementation of your intervention to be?
- **Feasibility:** How feasible is it to implement your intervention in practice? Will you need buy-in and support from stakeholders?
- **Measurability:** Can you track outcome metrics to assess the effectiveness of your intervention? Can you link your outcome metrics to the administration of your intervention?

Guidance Behavioural Strategies for Preventing and Reducing Energy Arrears**Step 4: Trial your behavioural intervention**

Now that you have selected your intervention, you can trial it to assess whether it achieves its intended effects. Your theory of change will help provide a clear understanding of how your intervention works and the outcomes that it is expected to achieve.

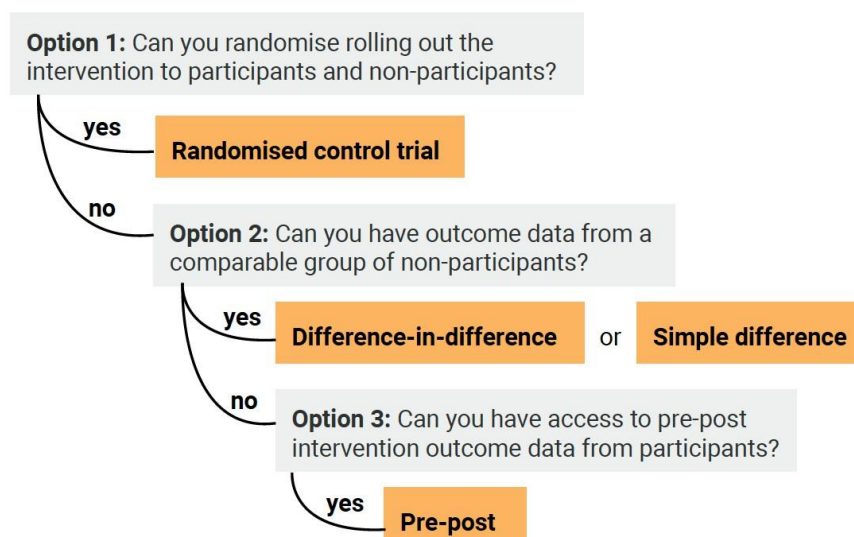
1) **Have a set of measurable outcome metrics:** Start by identifying outcome metrics that allow you to assess the effectiveness of your intervention. Understand whether you can track actual behavioural measures, self-reported behaviours or predictors of behaviours, or proxy measures.

2) **Link your intervention to your outcome metrics:** Check whether you can link the administration of your intervention to your outcome metrics. This ensures that changes in your outcome metrics are directly attributable to your intervention.

3) **Choose a feasible evaluation method:** Understand if you can compare the effectiveness of your intervention against a counterfactual. This condition will allow you to determine your trial's most suitable evaluation method. When determining the method, it is helpful to start with the most robust method and gradually work your way down based on feasibility constraints.

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	Randomised control trial	Difference-in-differences	Simple difference	Pre-post test
Description	Measure the differences in outcomes between randomly assigned participants and non-participants after the intervention took effect.	Measure the differences in outcomes for participants before and after the intervention relative to a comparable group of non-participants.	Measure the differences in outcomes between participants after the intervention took effect and another group who did not participate in the intervention.	Measure the differences in outcomes for participants before the programme and after the programme took effect.
Required data	Outcome data for randomly assigned participants and non-participants (the treatment and control groups).	Data on outcomes of interest for participants as well as another group of non-participants before and after the intervention is rolled out.	Outcome data for participants as well as another group of non-participants after the intervention is rolled out.	Data on outcomes of interest for participants before and after the intervention is rolled out.



4) **Pilot your intervention:** Before rolling out your behaviour change intervention on a large scale, do a trial run. Even if you have completed all the above steps and believe the intervention will be successful, it is best practice to test it on a small scale and see how it works.

5) **Reflect and improve:** How could the behavioural intervention be improved? Could it be made even more attractive or part of your target group's routine? If the intervention was successful, increase its scale and roll it out more widely. Make sure to gather feedback from key stakeholders, including your target population and synthesise key takeaways and learnings for the next round of testing.