

Consultation paper: A Strategy to define and prevent the disconnection of vulnerable customers

UNISON welcomes the opportunity to comment on the Energy Retail Association consultation paper. We have a long record of working with other organisations such as the National Right to Fuel Campaign and Energy Action, Scotland, to end fuel poverty and, consequently, we have a deep interest in the disconnection of energy consumers.

UNISON believes that energy and water are essential basic services and that therefore the principle of non-disconnection of water supply, now enshrined in law, should be extended to users of electricity and gas. We would only be persuaded that disconnection was unavoidable where health and safety was compromised or threatened, or where people were engaged in criminal activity, such as by-passing the meter and gaining access to supply.

The problem of ‘can’t pay – won’t pay’ consumers can be addressed through the courts. Or, more simply, by provision of a pre-payment meter. However, we recognise that this can create an additional problem of poor consumers who ‘self-disconnect’ where low-incomes force a choice between basic needs, like food, energy and clothing.

UNISON has campaigned for years to address the problem of inadequate income. We have won the case for a minimum wage, but we need to ensure that this, and pension provision, is at an adequate level. In almost all cases the failure to pay energy bills is an effect of an inadequate income. Wages and benefits need to be at a level that enables people to live a comfortable life.

We believe that attention also needs to be given to debt management and payment schemes. Energy companies should be more aware of this and be pro-active, rather than allowing the problem to be passed to the government or social services departments. UNISON appreciates the efforts that have been made in this direction, but we urge more effort to ensure a just resolution of the problem between company and consumer.

UNISON offers the following additional definition of a vulnerable customer to those currently recognised:

‘A vulnerable customer at risk from disconnection will be unable to safeguard his or her personal welfare or the welfare of any children in the household, and will be in need of care and attention by reasons of age or infirmity, or suffering from chronic illness or mental disorder, or substantially handicapped by being disabled.’

The vulnerable customer category includes those who are disabled, which should be used as a general term to cover the different types or forms of disability, rather than referring to the ‘handicapped’ or those suffering from a ‘mental disorder’. As a general principle the relationship between age and disability should be clearly understood and emphasised.

ERA and OFGEM may wish to consider criteria across a number of systems, including those who are in receipt or in the process of claiming benefit to support the additional cost of disability; have an industrial injury; or meet the definition of a disabled person according to the Disability Discrimination Act. Here it should be noted that currently there are proposals to extend protection from discrimination to those with cancer, HIV and other significant progressive conditions.

UNISON believes that the relationship between poverty and disability should not be simply a mis-match between an impairment and disposable income. There are a number of disabled people who need to use additional energy in order to maintain independence. Furthermore, disabled people’s poor employment opportunities mean that greater energy use is required. High energy use becomes an additional financial burden.

The above includes those who because of impairment can only work part-time; those who cannot work full time because concessionary travel schemes disallow travel to and from work during peak hours; and those who have impairments that demand excessive laundry/home maintenance costs. We should also be aware that there are those with chronic ill health who have not yet achieved traditional ‘disability’ status. These vulnerable customers should be afforded protection, along with those with young children etc.

We hope the above comments will help ERA/OFGEM to develop a strategy for the protection of vulnerable energy customers. You may also wish to look at the enclosed report, published in 1998, on the subject of self-disconnection.