



Communicating with Vulnerable Customers

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Overview of Presentation

Who we are

- About the energy retail market
- Communicating with vulnerable customers

Scale of the challenge

- Particular challenges for the energy sector
- What we provide collectively
- Best practice in the market
- Home Heat Helpline

Energy Retail Association

- Set up in October 2003
Represent six major domestic electricity and gas suppliers in Britain
- Our remit: fuel poverty, energy efficiency, customer billing, debt and disconnection, sales practice, switching supplier
- Examples of activity
 - Established Energy Supply Ombudsman
 - Oversee EnergySure Doorstep Selling Code
 - Launched Home Heat Helpline

About the Energy Retail Market

- Residential market opened to competition 1998-99
- Major retailers competing today:
 - British Gas
 - EDF Energy
 - Powergen
 - npower
 - Scottish and Southern Energy
 - Scottish Power
- Most competitive energy industry in the world
- Switching rate: 51% electricity customers & 47% gas customers switched (2004)
 - Germany and Austria: 2% switching rate
 - Average across EU: 20-30% switching rate
- Lowest price in Europe before tax



Communicating with Vulnerable Customers

Who are “vulnerable customers”?

- A customer is vulnerable if for reasons of age, health, disability or severe financial insecurity they are unable to safeguard their personal welfare or the personal welfare of other members of the household

Disconnections Safety Net

Scale of the Challenge

- There are an estimated 9 million deaf and hard of hearing people in the UK. The number is rising as the amount of people over 60 increases. [RNID]
- About two million people in the UK self define as having a sight problem or seeing difficulty. Every day another 100 people start to lose their sight. [RNIB]
- There are nearly 1.5 million people with a learning disability living in the UK. [Mencap]
- About 24,000 people in the UK are deafblind [Deafblind]

Challenges for the energy sector

- Defining ‘vulnerable customers’
 - We rely on Govt definitions
 - Always an element of judgement involved
- Identifying “vulnerable customers”
 - No access to Government data
 - Reliance on self-identification
 - Customer notifying supplier
 - Company realising during interaction
 - Doesn’t allow targeted communications
- Scepticism of energy industry fuelled by sensational headlines

What we provide collectively

Vulnerable customer can expect:

- A choice of electricity and gas suppliers
- A choice of services
- A choice of bill format (Braille, audio)
- A choice of meter reads (password knock)
- Industry spends:
 - £110million on CSR projects in 2004 [Ofgem]
 - £300 million on energy efficiency and fuel poverty 2002-05
 - £700million energy efficiency and fuel poverty 2005-08
 - Home Heat Helpline

Priority Service Register

- Password Protection Scheme
- Meter relocation
- Third party billing
- Free gas safety check
- Notification of and help during supply disruption
- Special controls and adaptors
- Services for visually and hearing impaired customers

Best practice in the market

- Trust funds / hardship funds
- Social tariffs
- Benefits entitlement checks
- Energy efficiency advice
- Partnerships with major charities
- Research sponsorship

Home Heat Helpline

- First national helpline tackling fuel poverty
 - Working with 3rd parties
 - Targeted at vulnerable people
- Free service targeted at vulnerable customers
- Minicom and LanguageLine
- Call yourself or on behalf of a friend, relative, patient
- Help and support with managing fuel bills and energy consumption
- All-year-round service
- £1 million investment by suppliers in 1st year
- Launched 31st October 2005



HHH: Working with Stakeholders



CARERS UK
the voice of carers



Home Heat Helpline

- Received 32,000 calls to date
 - Appropriate caller profile
- First year focused on older people and young families
- Second year targeting black and ethnic minority people and those with disabilities
 - New partnerships
 - New collateral: welcome advice on this



Where next?

- Learn from your expertise – we are listening
- Do more to address the scale of the challenge, through:
 - continued and sustained investment from energy suppliers in supporting vulnerable customers as part of an effective and competitive energy market
 - looking for further opportunities to work with Government and NGOs to identify and better meet the needs of vulnerable customers – we cannot do this alone



Thank you

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