



Debt and Disconnection
Review: Consumer
Research

Report

December 2007

Prepared by:

Accent
Chiswick Gate
598-608 Chiswick High Road
London
W4 5RT

Prepared for:

Ofgem
9 Millbank
SW1P 3GE

Contact: Beryl Wall
E-mail: beryl.wall@accent-mr.com
Tel: 020 8742 2211
Fax: 020 8742 1991

Contact: Angela Bourke

File name: 1735rep06.doc

CONTENTS

Executive Summary	i
1. INTRODUCTION.....	1
1.1 Background	1
1.2 Objectives	2
2. METHODOLOGY	3
2.1 Introduction	3
2.2 Recruitment	3
2.3 Face-to-face Depth Interviews	3
2.4 Telephone Interviews	4
3. FACE-TO-FACE DEPTH INTERVIEWS: FINDINGS.....	5
3.1 Introduction	5
3.2 Reasons for Arrears	5
3.3 Initial Contact with Supplier	8
3.4 Preferred Methods of Contact	9
3.5 Timing of Contact	11
3.6 Barriers to Communication	12
3.7 Prepayment Meters	15
3.8 Disconnection	16
3.9 Switching.....	17
4. CAB DEPTH INTERVIEWS.....	19
5. TELEPHONE SURVEY FINDINGS	22
5.1 Introduction	22
5.2 Reasons for Arrears	22
5.3 Contact with the Energy Supplier	23
5.4 Help Provided by Suppliers in Clearing Arrears.....	29
5.5 Disconnection.....	33
5.6 Quality of Response from Supplier	34
5.7 Desired Improvements to Communications with Suppliers.....	43
6. CONCLUSIONS AND RECOMMENDATIONS.....	44
6.1 Introduction	44
6.2 Conclusions	44
Appendix A: Depth Discussion Guide	
Appendix B: CAB Discussion Guide	
Appendix C: CATI Questionnaire	
Appendix D: Profile of Depth Respondents	
Appendix E: Profile of CATI Respondents	

EXECUTIVE SUMMARY

Background

In January 2003, Ofgem and energywatch jointly published good practice guidelines for suppliers on preventing debt and disconnection. In March 2005, Ofgem and energywatch commissioned a report on the progress made by the six main energy suppliers in implementing the guidelines (the Sohn report). This highlighted that the guidelines had been positively received, had resulted in improvements to suppliers' attitudes and service and had had a positive impact in driving action in this area. Consumer research was also carried out as part of the review, and identified a gap between the supplier view of having effective communication channels in place for their consumers and consumers' perceptions that suppliers do not understand them, are unsympathetic and are difficult to contact.

Against this background, as part of their current Debt and Disconnection review and Consumer First initiative, Ofgem commissioned Accent to conduct research among consumers with gas and electricity arrears to explore their experiences of contact with their energy supplier. Fifteen face-to-face depth interviews were conducted with customers who had had substantial contact with their supplier about their gas and/or electricity arrears. This was followed by a telephone survey among 50 customers with gas and/or electricity arrears. In addition, Accent conducted seven telephone depth interviews with Citizens Advice Bureau (CAB) debt advisors with substantial experience in handling energy debt enquiries. Where percentages and mean scores are quoted in this report, these are based on the 50 telephone respondents unless otherwise stated.

Objectives

The objectives of the research were to:

- review consumers' experience with suppliers around the issues of energy debt and disconnection and whether this matches suppliers' procedures,
- examine whether the gap identified in the Sohn report still exists,
- examine which methods of communication consumers prefer and those which are most effective, and
- develop recommendations as to how communication between consumers and suppliers regarding debt and disconnection can be improved.

Key Findings

Introduction

- There were some differences in satisfaction with suppliers between the fifteen depth respondents and those taking part in the telephone survey (50 telephone respondents). The depth respondents had been selected for having substantial contact with their supplier about their arrears. This would indicate that their

problems are likely to be more complex to resolve and this is reflected in the higher incidence of threatened disconnection amongst these respondents. There was also a higher degree of vulnerability among the depth respondents. While the majority of telephone respondents were on low incomes and earned less than £20,000, most (78%) had no disability and only one had been threatened with disconnection. The depth respondents were, with two exceptions, unemployed; nine had a disability and seven of them had recently been threatened with disconnection. This suggests that suppliers have suitable debt and disconnection procedures in place for most customers in arrears but there is still some work to be done and scope for improvement where their more vulnerable and hard to reach customers are concerned.

Causes of debt

- Telephone respondents cited fuel debt as mostly being caused by not having enough money to go round (26%) or by a change in personal circumstances (24%). Incorrect billing was cited as a cause of arrears by 20% of respondents. The same causes were found among the depth respondents alongside vulnerability such as poor literacy and poor money management skills. Early contact is very important for these vulnerable customers.
- CAB advisors have seen an increase in fuel debt over the past twelve months as a result of the delayed recalibration of older token prepayment meters and say that gas and electricity arrears are a large part of household debt.

Incorrect billing

- Vulnerable customers and CAB advisors found suppliers difficult to deal with where there were queries on a bill. Suppliers can be reluctant to check their own figures and can take a long time to respond to queries.

Contacting the supplier

- Telephone respondents were satisfied with the clarity of information given (3.62 mean score out of 5), with the overall helpfulness of staff (3.55 mean score out of 5), with the helpfulness of information given (3.46 mean score out of 5) and with communication with the supplier (3.23 mean score out of 5). The more vulnerable depth respondents were, however, dissatisfied with the helpfulness of staff and communication with their supplier.
- Less than a half of telephone respondents were satisfied overall that their supplier had contacted them in good time regarding their arrears (3.17 mean score out of 5). Early communication is therefore very important in preventing debt accumulating and this was the main area identified by respondents for improvement. Most depth respondents also felt that waiting for a quarterly billing cycle was too long and that by this time the level of arrears was likely to be difficult to manage.
- Telephone respondents, including CAB advisors, were dissatisfied with the length of time suppliers take to answer their call (a mean satisfaction score of 2.67 out of 5). Respondents mostly call their supplier on 0800 (free) or 0845 (local rate) numbers from landlines and incur little cost in doing so. Although respondents gave this a

slightly negative satisfaction score (2.98 out of 5), 52% were neither satisfied nor dissatisfied. Those calling from mobile phones on which they have little credit are concerned about the cost of calling as they do not benefit from calling 0800 or 0845 numbers. They may end a call if it appears to be costing them too much. Being kept on hold and waiting for long periods was of particular concern for the more vulnerable and low income depth respondents who typically use mobile phones because of the associated costs.

- Only two of the 50 telephone respondents had been offered a home visit to discuss ways of clearing their arrears, although there was some support for this (46% in favour). Depth respondents also showed some support for a home visit, particularly early on and by appointment. They do not expect to be asked to pay for this; indeed, a request for payment is likely to result in a home visit being turned down and may create a barrier to further contact.
- Six depth respondents said their supplier had given them a dedicated team or person to contact to discuss their arrears. One respondent had been advised to speak to energywatch and one to contact a debt helpline.

Understanding of individual circumstances

- Telephone respondents were satisfied that staff were understanding regarding their personal circumstances and gave this a mean score of 3.62 out of 5. However, this was also mentioned as an area where suppliers could improve.
- Depth respondents and CAB advisors were less satisfied that suppliers were understanding of individual circumstances. Their perception that energy company staff are repetitive and speak as though reading from a script reinforces the view that they do not know their customers, do not take account of individual circumstances and are not listening to their customers.
- CAB advisors can find some energy companies difficult to work with. They feel that suppliers start from a negative point of view, assuming that customers in arrears are simply being difficult. They also feel that call centre staff are not actually empowered to enter into any negotiations regarding affordable repayment levels and that they therefore have to escalate a query to speak to more senior personnel to negotiate a suitable outcome.
- CAB advisors need to speak to the supplier in their client's presence in order for the client to give their permission for their account to be discussed. This is sometimes difficult, particularly as it can take a while to get through. There is some frustration among advisors that, once they have got through, suppliers then cite the Data Protection Act as a reason not to discuss a client's case.

Information given by supplier

- Most telephone respondents said they had not been given any information that might help them to reduce their gas or electricity bills. Six respondents had been given energy saving advice and one had been given information regarding tariffs. One had been given information regarding Fuel Direct which he had subsequently taken up.

- There was no evidence among the depth respondents of suppliers offering energy saving advice or of suggesting Fuel Direct as a way of paying. Neither was there any evidence of suppliers asking whether or not customers were in receipt of benefits.

Prepayment meters

- Around half (51%) of telephone respondents said they had been offered prepayment meters but respondents were not strongly in favour of them as a means of helping to clear arrears: 42% thought they were helpful compared to 37% who thought they were not.
- Depth respondents were similarly divided in their views of prepayment meters. A couple of respondents were unhappy at having to have prepayment meters installed to avoid disconnection because they would not easily be able to top them up. Both have mobility problems and one also lives in a rural location. Conversely, a couple of respondents said they had requested a prepayment meter but this had been refused.
- CAB advisors emphasise that, although prepayment meters and the associated higher tariff are accepted by customers, this is because they have no choice. Social tariffs that allow a customer with a prepayment meter to pay the same tariff as those paying by direct debit were praised by CAB advisors.

Repayment amounts

- Among those who agreed repayment amounts with their supplier, nearly three quarters (73%) of telephone respondents were satisfied with the level agreed and 62% said it had been easy to agree repayment amounts. Those who were dissatisfied with the agreed repayment amounts mostly cited affordability and being in receipt of benefits as key issues.
- In contrast, depth respondents were frustrated at suppliers' unwillingness to be flexible in terms of setting affordable repayment levels. There were cases where respondents had offered to pay but their suppliers did not consider the amounts to be sufficient and repeatedly refused to accept a lower amount.
- CAB advisors supported depth respondents' views that suppliers do not take individual circumstances into account when agreeing repayment amounts and they often have to work hard to negotiate affordable repayment levels for their clients. Advisors see agreeing unaffordable repayment amounts as counter-productive since it causes their clients to default on other payments. Eventually, when another creditor becomes more demanding, the client will then default on their energy repayments, thereby perpetuating their cycle of debt.

Disconnection

- Most telephone respondents were not told that their gas or electricity might be disconnected and only a couple were given any information regarding disconnection. One respondent had been disconnected and was without electricity for one week. Of those respondents who were not disconnected, most agreed repayment terms with their supplier.

- There was more experience of threatened disconnection among the depth respondents, where seven of the fifteen had recently been threatened with disconnection. They felt that the tone of the letter threatening disconnection is intimidating, although it may be the case that some debtor customers wait for the threat of disconnection before paying (as was the case with one depth respondent). A couple of depth respondents indicated that the additional costs incurred by disconnection and, subsequently, reconnection present an additional burden.

Switching

- Depth respondents were aware that they could switch supplier in order to get a lower tariff. However, those who had switched had not done so because they had themselves compared charges. Instead, they had either switched because another supplier representative had persuaded them that they offered a lower tariff, because of poor customer service or because they wanted to have just one supplier for both fuels. The attraction of having one supplier was simpler administration rather than a dual fuel discount, of which there was limited awareness. Some respondents were subsequently surprised to find that they received different service levels from the same company.

Accent's Recommendations

1. Energy companies should be encouraged to be more proactive in getting to know their customers. Customers fall into arrears for a range of reasons and different customers will respond positively to different debt recovery activities. While some undoubtedly respond to messages such as the threat of disconnection, most, particularly early on in their energy debt, are more likely to respond to a reasonable, flexible discussion. In particular, suppliers should explore how better to communicate with vulnerable, hard to reach customers.
2. Energy companies should be encouraged to be more flexible in their approach to customers, taking into account individual circumstances and accepting lower repayment levels in order to encourage regular payment patterns and avoid the build-up of debt. This may require further training among staff and a review of the extent to which they are empowered to negotiate more affordable repayment levels.
3. Energy companies should be encouraged to identify and communicate to customers potential problems earlier than currently. For customers on limited incomes the level of arrears that can build up over a quarter can be unmanageable. There is also value in checking promptly that all is well where, for example, a previously regular payment pattern has been broken or a direct debit fails from the start.
4. While it can clearly be difficult to make contact with some customers, energy companies should be encouraged to explore all options including text messages and to offer home visits, by appointment, at no cost to the customer.
5. The length of time taken to get through to a supplier representative on the telephone is currently too long and presents a barrier to contact. Since some

customers need very little persuading not to make contact it should be a priority for suppliers to make contact as easy as possible for their customers and minimise waiting times.

6. For similar reasons, the industry should explore the potential for opening up the benefits of 0800 and 0845 numbers to mobile phone users. This is particularly important for low income customers who are more likely to use pay-as-you-go mobile phones and therefore do not benefit from the low cost call rate of these numbers.
7. Suppliers should be encouraged to improve communications with the CAB, both in terms of the ease of getting through on the telephone and of the actual tone of contact. They should also be encouraged to be guided by the CAB in terms of setting affordable repayment levels. Given that CAB advisors deal with people in difficulty, if not hardship, this should drive the suppliers' approach to them. CAB advisors will probably have already gone through a financial statement with their clients before contacting the supplier and will have a very good idea of what constitutes an affordable repayment level.
8. The Data Protection Act (DPA) should not be used by suppliers as a reason not to discuss a customer's situation with a CAB advisor. Energy suppliers should be encouraged to review staff understanding of the DPA, if necessary in consultation with the Information Commissioner's Office.

1. INTRODUCTION

1.1 Background

Ofgem's principal objective is to protect the interests of consumers, wherever appropriate, by promoting effective competition. Ofgem also has a statutory duty to have regard to the interests of vulnerable customers, in particular those who are disabled, chronically sick, of pensionable age, on low incomes or living in rural areas. Ofgem also has regard to the Government's wider social and environmental policy objectives, set out in guidance issued by the Secretary of State, which include contributing to the elimination of fuel poverty.

In 2005 Ofgem launched its Social Action Strategy, the broad objectives of which are to ensure that vulnerable customers share fully in the benefits of competition, to improve the quality of services provided to vulnerable customers, and to promote innovation and best practice. Annual updates to the Strategy are published by Ofgem, reporting on activities of the past year and setting out the work programme for the coming year.

In January 2003, Ofgem and energywatch jointly published good practice guidelines for suppliers on preventing debt and disconnection. This guidance invited suppliers to develop strategies which focused on six key areas:

1. minimising billing errors
2. using incoming calls to identify consumers in difficulty
3. using consumer records to target energy efficiency improvements
4. demonstrating flexibility in debt recovery
5. offering sustainable solutions to consumers in extreme hardship, and
6. helping consumers who are unable to manage their own affairs.

In March 2005, Ofgem and energywatch commissioned a report on the progress made by the six main energy suppliers in implementing the guidelines (the Sohn report). This highlighted that the guidelines had been positively received, had resulted in improvements to suppliers' attitudes and service and had had a positive impact in driving action in this area.

The report noted that whilst substantial effort and progress had been made, this varied between suppliers, with some doing more than others. Consumer research was also carried out as part of the review, which identified a gap between the supplier view of having effective communication channels in place for their consumers, and consumers' perceptions that suppliers do not understand them, are unsympathetic and are difficult to contact. The report offered a number of recommendations as to how suppliers, Ofgem and energywatch could progress in this area.

Against this background, and as a part of their current Debt and Disconnection review, Ofgem commissioned Accent to conduct research among gas and electricity consumers with arrears to explore their experiences of contact with their supplier regarding their arrears, measure their satisfaction with suppliers' communication and develop recommendations as to how this can be improved. In addition, Accent interviewed Citizens Advice Bureau (CAB) debt advisors with substantial experience in handling energy debt cases. This was to provide further context to the research.

1.2 Objectives

The objectives of the proposed research were to:

- review consumers' experience with suppliers around the issues of energy debt and disconnection and whether this matches suppliers' procedures
- examine whether the gap identified in the Sohn report still exists
- examine which methods of communication consumers prefer and those which are most effective, and
- develop recommendations as to how communication between consumers and suppliers regarding debt and disconnection can be improved.

The research was required to assess how experiences, needs and expectations regarding communication with suppliers varies for different 'vulnerable' consumer groups such as the elderly, those on low incomes, those with limited literacy and/or numeracy skills and those who have special communication needs (eg visually or hearing impaired or where their first language is not English).

2. METHODOLOGY

2.1 Introduction

The research was conducted in three parts:

Part One

- 50 interviews with consumers who are currently in debt with their electricity and/or gas supplier, using a semi-structured questionnaire and conducted by telephone

Part Two

- 15 face-to-face in-depth interviews with consumers who have had substantial contact with their electricity and/or gas supplier in the last 12 months about their arrears.

Part Three

- 7 in-depth telephone interviews with advisors at CAB who have substantial experience in dealing with energy debt cases.

2.2 Recruitment

Respondents for Parts One and Two of the research were recruited on-street. This approach is recommended where respondents include vulnerable (and, therefore, hard to reach) people. The guiding principle for recruiting hard to reach respondents is to “go where they are.” Recruiting interviewers seek out locations where they are most likely to meet say, the elderly, the disabled, or those for whom English is not their first language. Such locations could be clubs, support group centres, post offices, health centres, Citizens Advice etc. It is important to say that no interviewer entered these premises – all recruitment was conducted off-site.

Ofgem provided Accent with contact details of CAB advisors. Accent made appointments for depth interviews which were conducted by senior executives by telephone. The discussion guide for the CAB interviews is attached as Appendix B.

2.3 Face-to-face Depth Interviews

The face-to-face depth interviews were conducted by research executives with three interviews being conducted in each of five locations:

- Ashford (20 November)
- Birmingham (22 November)
- Bristol (16 November)
- Edinburgh (22 November)
- Liverpool (20 November).

A discussion guide was agreed with Ofgem (see Appendix A).

The interviews lasted around 40 minutes and respondents were given £30 to thank them for their time.

2.4 Telephone Interviews

Respondents for the telephone surveys were recruited in the same five locations as well as in London.

The semi-structured questionnaire was agreed with Ofgem and programmed to be used as a cati (computer-aided telephone interview) questionnaire (see Appendix C).

The telephone interviews lasted around 20 minutes and respondents were given £30 to thank them for their time.

3. FACE-TO-FACE DEPTH INTERVIEWS: FINDINGS

3.1 Introduction

The qualitative research focused on customers in arrears to their gas and/or electricity supplier and who had had significant contact with their supplier(s) concerning those arrears. Brief profiles of the depth respondents are attached as Appendix D.

Respondents' experiences of contact with their gas/electricity suppliers varied enormously, ranging from satisfied to angry:

- Satisfied
“They are very accessible”
- Pragmatic
“They are only after their money”
- Very dissatisfied
“They have put me through hell”

3.2 Reasons for Arrears

Key Findings

- There were a number of reasons respondents had got into arrears with their energy supplier, primarily it was because of poor money management, a change in circumstances, vulnerability and as a result of a billing dispute with their supplier.
- Whatever the initial cause of the arrears, consumers advised that when it became a long term, unresolved problem it is a serious issue that causes distress.

Introduction

Depth respondents had fallen into arrears for a number of different reasons. These included:

- poor money management,
- change of circumstances,
- disputed bill,
- disputes surrounding metering,
- vulnerability.

Poor Money Management

Poor money management was the most common cause of arrears among the depth respondents. Some said they were in debt to many people and often acknowledged that they were not very good at managing their finances.

One respondent said she has had arrears on her gas account for four years. She says her quarterly bill is £120 and her arrears are £150 on top of that. She does not expect to clear her arrears.

“What happens is, I pay the arrears off but, of course, as I’m paying off the three or four months’ arrears, so then three or four months is building up. So then I pay them by which time more has built up because I don’t pay.”

Ashford, Gas Arrears

Although she said she pays for her gas via a direct debit, she also said that she does not actually pay her gas until her supplier threatens disconnection:

“They ring you and say ‘You’re going to be cut off this week’ and then, it’s like, ‘I’d better pay you some.’”

Ashford, Gas Arrears

Another respondent showed how poor money management can arise from vulnerability and rapidly turn into a major problem. She is a young mother of two small children and had a stroke which has left her unable to work. Her husband cannot read or write. The couple thought they had set up a direct debit payment over the telephone with their gas and electricity supplier; however it was never set up. Since they do not check their bank statements, they were unaware of this until some eighteen months’ of arrears had built up on both their gas and electricity accounts. They have now been threatened with disconnection on their electricity and are waiting to hear about their gas.

In this case, the situation was exacerbated by the response from the supplier who presumably was told by the customer that they were paying by direct debit but did not verify that:

“We first had a bill come in for £190 so I got in touch with them, and the bloke on the other end said ‘Ignore it’. He said, ‘Ignore all post from us’, so we did.”

Bristol, Gas and Electricity Arrears,

Change of Circumstances

One respondent had previously had a well-paid job. Her three-year contract came to an end just under a year ago and she has not been able to find employment since. She receives £118 Jobseeker’s Allowance per fortnight:

“That’s nothing, is it? I used to spend that on a good night out when I was working.”

Bristol, Gas Arrears

She has mortgage protection insurance, and is paying off her credit cards (the interest has been frozen). Because she is unemployed, she is exempt from paying Council Tax. Although she has the same supplier for her gas and electricity, she only has arrears on her gas bill, because she missed one quarter “and it snowballed from there”.

She has been able to agree payment terms she feels she can afford (£32 per month) for her electricity but she has found it impossible to agree an affordable level for the gas.

“I said, ‘Can I just pay an affordable amount?’ There’s no point me saying I can pay £40 a month, because I can’t. And they said ‘No’. I think it was about £70 I would have to pay, and that’s not reasonable a month.”

Bristol, Gas Arrears

She has now been threatened with disconnection.

Disputed Bill

A respondent in Edinburgh went into arrears when she received an unexpectedly high electricity bill in the middle of summer. Although she had always been able to pay in the past, this increase in the bill was too much for her to manage. She said that her bills are usually around £290 but this bill was £1,290. She had her meter checked but was told that there was no fault and she would have to pay. She then switched back to her previously supplier where, she says, her bills are back to what she expected.

“According to them it’s a debt but for me it’s an unexplained anomaly that I have to pay for, and I’m very angry about it.”

Edinburgh, Gas Arrears

Disputes Surrounding Metering

Two respondents were in dispute with their gas supplier regarding their meters, although with different outcomes.

One had arrears on his gas bill because he discovered while switching that there were two meters registered to his house. A previous key prepayment meter had, mistakenly, not been taken off the records. This has taken eighteen months to resolve, during which time he received no gas bill. However, he has put money away to cover the bill over that period of time so that he will be able to pay it when it finally arrives.

The second respondent is elderly and has received bills and correspondence from his gas supplier indicating that he is paying for energy consumption on two meters. He has only one gas meter and suspects that the previous tenants had a key prepayment meter and that he is being billed for their arrears. He asked his supplier to check his meter but then refused when they said they would charge him for doing so. Despite many phone calls and letters to his gas supplier, they appear not to have investigated why he is being billed for two meters and he has been threatened with disconnection.

Vulnerability

Some respondents appeared to be very vulnerable, not only financially but also in other ways. They may have experienced a change in circumstances in the past or may have got into debt initially through poor money management or through lack of other skills.

Over time, though, there is increasingly little likelihood that their situation will change and their problems simply grow.

A respondent in Edinburgh is in arrears with his electricity supplier. English is his second language. He does not like writing letters, which he finds difficult, and he does not find it easy to understand any letters he receives.

“Most people have no reading. I think, here, in this neighbourhood, 40% have no idea to read or write.”
Edinburgh, Electricity Arrears

He is not a good money manager. He says he has no idea why his electricity arrears are so high, that he has paid £10 a week since 2002 but still owes over £1,000:

“Apparently I am still in debt but I cannot understand how or why...Apparently, out of this £10, £7 goes toward my debt. I am trying to calculate in my mind and I shouldn't be in debt at all. ”
Edinburgh, Electricity Arrears

He says he would have liked earlier contact to discuss his situation.

“Somebody explain to me why this debt never goes down, why in the first place I accumulated this much and this kind of thing.”
Edinburgh, Electricity Arrears

3.3 Initial Contact with Supplier

Key Findings

- Most respondents did not initiate contact with their supplier about their arrears and perceived the reminder to pay notice as their initial contact. For others, particularly those who ignore written correspondence, the initial contact is a telephone call from their supplier.
- Many respondents wait for their supplier to call them.

It is normally the gas/electricity supplier who makes contact about arrears first. Customers tended to wait for contact from their supplier, whether by letter, telephone or simply through a final reminder to pay.

“I just wait until they call me. I never call them. They just ring when they want their money. Fair enough”
Ashford, Gas Arrears

Respondents mostly showed themselves to be willing to speak to their gas/electricity supplier and were, initially at least, keen to discuss how to settle their arrears.

“Every time I get a bill I phone them up.”
Bristol, Gas Arrears

However, poor experiences with telephone contact such as the time taken for the call to be answered or dissatisfaction with the supplier's response quickly becomes a barrier to making contact in future.

“Be a bit more flexible with the payment plans they could offer you to help you clear off what you. As I said, if you made them an offer – ‘ well I can afford this’ – they sort of dismiss that out of hand. They said ‘You should pay this amount and that’s what we want’.”

Birmingham, Gas and Electricity Arrears

3.4 Preferred Methods of Contact

Key Findings

- Telephone is the preferred method of contact.
- There was some interest in text messaging.
- Letters received are often ignored and most did not write to their suppliers. Only a couple of older respondents did so, in order to have a record of any communications.
- There was some interest in home visits, particularly on the part of more vulnerable customers, although visits should be made by appointment.

Telephone

Respondents mostly preferred telephone contact although there was a great deal of dissatisfaction with the time taken for the call to be answered and with the cost of the call when using a mobile phone.

Text Messages

There was some interest in being contacted by text, particularly among younger respondents and those who were poor money managers. A text message could remind them to pay, confirm the amount due or paid, or make an appointment for a telephone call or home visit.

“Text messages would be a good way of contacting them. I have a lot of free texts but not often a lot of credit...If I could text them and say, name, account number, then whatever it is I wanted to say – I owe this much, I want to pay that much – it would be a lot easier to deal with them.”

Ashford, Gas Arrears

Home Visits

There was some interest in home visits, particularly among more vulnerable customers who felt they could more easily put their case across in a face-to-face discussion than over the telephone.

“At the beginning, if somebody could have come. Perhaps they could have an advisor that did that sort of job and tell people what all their options are and they could work it out with your finances, which would be the best option for you. But there’s nothing like that.”

Birmingham, Gas and Electricity Arrears

A couple of respondents in diverse situations (one a female aged under 30 years with two small children and one single male aged over 70 years) said that, due to their

disabilities, they knew they could sound abrupt or aggressive on the telephone. They also acknowledged that, out of frustration, they were likely to put the phone down mid-conversation with their supplier. This can clearly be misinterpreted and lead to a breakdown of any communication. Indeed, for the older of these two, this is exactly what has happened. While he says he would have welcomed a home visit early on in the dispute, he would not consider it now. This highlights the value of early contact.

“I’d not really welcome one. Not the gas board. I hate them. I really hate them. I don’t trust them either.”

Bristol, Gas Arrears

The younger of these respondents said that a representative from her supplier had called at her home and had left a card.

“We’ve had no phone calls. We’ve had tons more letters and more bills. And someone knocking at the door...He’s left pink calling cards with a mobile number and you try ringing his mobile number and he don’t answer it.”

Bristol, Gas and Electricity Arrears

However, she does not open the door during the day unless the caller is expected and, because of her disability, it takes her a while to get to the door. She would also prefer to have her partner present during any discussions. She will therefore only consider a home visit if an appointment is made beforehand.

Another respondent said she would welcome a home visit and clearly found other forms of contact very difficult. She is a disabled single mother with two young children at home. She cannot read or write and cannot recognise the numbers on the telephone in order to make a call. Her young children memorise family telephone numbers in case they need to phone for help. She goes to a local advice centre to have correspondence read to her and to have letters written on her behalf when necessary.

A couple of respondents had been offered a home visit but declined when they were told they would be charged for it.

Letters

Generally, respondents do not write to their energy suppliers. A couple of respondents, both aged over 50 years, do write because they like to have a record of what has been said although they remain dissatisfied with the response to date.

“I photocopied all the [PayPoint] receipts and sent it to energywatch and Citizen’s Advice Bureau and the gas board. I highlighted all the ones where they said we paid £5 and we actually paid £20. No response at all. Nothing. We didn’t hear anything for months. All we had next was a letter to say that they were going to come, accompanied by the police, and cut me off. They were coming with bailiffs and accompanied by the police. Can you believe it?”

Bristol, Gas Arrears

Younger respondents think that a letter is more easily ignored than a telephone call and are simply not used to writing letters. Letters received from the supplier (prior to threatening disconnection) were felt by some to be difficult to understand.

“The main contact is letter, which isn’t always good because I look at it and think ‘gas bill’ and put it on the side. Sometimes it’s the bill and sometimes it’s to say, ‘You owe this much, please contact us’...I wait for them to ring me.

Ashford, Gas Arrears

Clearly where there are literacy problems, a letter is not an effective means of communication.

“They use normal letters but I don’t take them seriously. I wish I should have. I rather do it by telephone.”

Edinburgh, Electricity Arrears

3.5 Timing of Contact

Key Findings

- Respondents would like their gas/electricity supplier to contact them early on to avoid arrears building up. This was particularly the case for those paying by payment card who did not allow for increased fuel usage during the winter months. Since missing only a couple of weeks’ payments can cause hardship for some customers, having arrears build up over a quarter can be a problem.

Contact from the supplier tends to come at three to four month intervals, which is too long for many customers. Several respondents, particularly the poor money managers, said they wished their supplier had contacted them earlier on so that they could have taken some action before their arrears had built up.

“If they did have problems setting up a direct debit in the beginning, they should have told us, but I gave them all the details over the phone.”

Bristol, Gas and Electricity Arrears

There was an expectation among some customers that their supplier would recognise a pattern in their payment behaviour. Poor money managers often put the responsibility for their debt onto the supplier:

“If I don’t reply to the bill, ring me. It must be obvious I don’t take notice of them. I wait until you ring me, so ring me right away.”

Ashford, Gas Arrears

“If they saw that one bill was higher than normal, then it should flag it up on their database saying that this customer has spent an awful lot and it was over the summer, which was really strange.”

Edinburgh, Gas Arrears

Customers who pay by card could find themselves caught out if their payments were not realistically calculated to take account of seasonal variations in energy consumption.

“What they should have done is say ‘Can you make sure you put an extra £20 on in the winter months’. But there was no communication like that.”

Ashford, Gas and Electricity Arrears

One respondent was puzzled to find that he could no longer pay his gas bill as he had been doing. Although he was disputing the amount his supplier said he owed, he did wish to continue paying for his on-going consumption.

“We couldn’t understand because we never asked to stop paying at the local post office. They just came up with that.”

Bristol, Gas Arrears

3.6 Barriers to Communication

Key Findings

- Any barriers to communication are easily used by debtor customers as excuses not to make contact with their energy supplier(s), often making the situation worse.
- Barriers to contacting gas/electricity suppliers include time taken, cost of calling, a perception that the supplier will only repeat themselves and will not understand or take into account individual circumstances.
- Telephone is the preferred method of contact although there are concerns about the use of 0800 and 0845 numbers which can be costly for mobile phone users or those with special deals on their landline.
- Text messages could be helpful and are very low cost to customers.

Introduction

Respondents were not, in general, reluctant to make contact with their gas or electricity supplier. However, they perceive that suppliers do not make it easy for their customers to contact them. Any perceived barriers to communication then easily become reasons not to communicate. This quickly allows what may have initially been a relatively small debt to become seemingly unmanageable.

The key barriers to a customer making contact with their energy supplier were:

- time and cost
- a feeling that the supplier is repeatedly unhelpful
- a feeling that the supplier will not understand an individual customer’s circumstances.

Time and Cost

All respondents complained about the length of time they have been kept on hold before they were able to speak to someone. Several mentioned waiting as long as 15 to 20 minutes, some even longer.

“When you’re actually ringing them, half the time you’re on hold for about 45 minutes.”

Ashford, Gas and Electricity Arrears

If a customer is kept waiting on just one occasion, this can establish an expectation that it will always take that long to get through to their supplier which can be a ready deterrent to future contact.

Being kept on hold is expensive for some customers. For the more vulnerable customers any extra cost, however small, can be a significant amount. Most respondents had mobile phones on pay-as-you-go contracts and were very conscious of how much phone credit they had. They were dissatisfied with the fact they could not benefit from calling an 0800 (free) or 0845 (local rate) number. Some said they visit relatives in order to use their landlines to call their energy suppliers.

“No answer, no answer, no answer. Months and months and more than 10 to 15 minutes waiting. Eventually I gave up. I just can’t wait because it costs a lot of money to call them from a mobile.”

Edinburgh, Electricity Arrears

“It’s easy enough if you’ve got the patience...It could be anything from 10p up to 2 minutes. Sometimes you’re sitting waiting on the phone for someone to answer. And then you’re pushed from pillar to post.”

Ashford, Gas and Electricity Arrears

The Supplier is Repeatedly Unhelpful

Many respondents felt that their supplier was not sufficiently helpful in trying to resolve the situation. Where customers are vulnerable and may not have many resources at their disposal, this can cause feelings of frustration and helplessness while allowing the debt to grow with the inevitable consequence of increased distress.

“It’s like there’s a barrier there. It’s like, ‘Oh no, we can’t help.’ That’s it. Then you think, why should you bother? Why waste your time and effort in trying to get a situation resolved if they’re not prepared to resolve it?”

Bristol, Gas and Electricity Arrears

“They don’t seem to be very constructive in their advice.”

Bristol, Gas Arrears

Some respondents complained that their supplier simply repeated the same thing each time they spoke.

“I think they were just reading from a script. I think it’s just, they have the basic reply. It’s just parrot fashion.”

Bristol, Gas Arrears

Areas mentioned by respondents where they felt they were continually given the same answer with no progress being made to a potential solution included:

- requesting a prepayment meter but being refused one
- requesting an affordable payment plan but being refused one.

“I keep wanting them to put me on a key [prepayment meter] with my gas, but trying to come and actually do it is like trying to get blood out of a stone...I’m not very careful with my money, that’s why I want a card.”
Ashford, Gas Arrears

“Every time I get a bill I phone them up, asking what my options are. And my options are, from the first correspondence and the last phone call, ‘You have to have a prepaid meter or we’ll disconnect you.’ ...A prepaid meter isn’t an option for me... But because I’m in arrears, they won’t let me set up any kind of payment plan.”
Bristol, Gas Arrears

Customers felt that when their supplier simply repeats a response this reinforces the feeling that they do not understand their situation or are prepared to be flexible in offering alternative solutions suitable for their circumstances.

The Supplier Does Not Understand Individual Circumstances

Mostly, respondents did not think that their energy suppliers took their individual circumstances into account at all.

“I told him I had a chronic illness...It’s not that I don’t want to pay, It’s because I can’t because of my situation. But I don’t think they really care or make allowances for the situation.”
Bristol, Gas Arrears

“The letter said. ‘If you have difficulties in paying or whatever, then phone’. We phoned them and explained, like, I’m on benefits and everything, and they go, ‘We can’t help you’.
Bristol, Gas and Electricity Arrears

“They are not much concerned, I suppose, about the people, whether they are having difficulty or not. That’s not their first priority.”
Edinburgh, Electricity Arrears

Respondents generally said they had not been asked by their supplier whether or not they were in receipt of benefits.

Even if suppliers did appear to listen to their customers, there was a feeling that they did little to act on it.

“They do listen, I’ll give them that. But that’s all they do.”
Ashford, Gas Arrears

“They listen. I’ll give them that. But they don’t have any answers for you.”
Bristol, Gas Arrears

One respondent noted that his electricity supplier was aware of his circumstances, providing him with a 15% discount for his electricity because he is disabled.

3.7 Prepayment Meters

Key Findings

- Prepayment meters were mostly considered to be helpful.
- A number of respondents were unhappy at having to have prepayment meters as they would not easily be able to top them up.
- A number of respondents said that they had requested prepayment meters but had not been given them.

Respondents were divided in their attitudes towards prepayment meters. Several found them helpful as a budgeting tool.

“I love it because I don’t get a bill. There’s no other way I can budget...I know that I can’t use something that I can’t afford to pay for.”

Birmingham, Gas and Electricity Arrears

Three respondents were unhappy that they felt they were being forced to have prepayment meters which they did not consider appropriate for their circumstances. One was an elderly gentleman with mobility problems. Another was a mother of two young children, also with mobility problems who lives in a rural area. The third has a chronic illness which can cause her to be housebound on occasion and who lives in a rural area; she relies on public transport. All three thought they would not easily be able to put money on their meter which could result in them self-disconnecting. They were frustrated that their suppliers could not see that a prepayment meter was not an appropriate option for them.

There were also cases of respondents requesting prepayment meters but not being given them.

One respondent, a single mother, explained how the prepayment meter for her electricity worked well and helped her budget. Despite having the same supplier for gas and electricity, she said that her requests for a prepayment for gas had been denied.

“With my electric I put £5 on a week and I know that once that £5’s gone I have to go onto my emergency electric or put more on. I’m not going to be able to run up a big electric bill I can’t pay. But with the gas I’d have to be more careful...I’m not very careful with my money, which is my problem, I know. That’s why I want a card [for the gas]... “I keep wanting them to put me on a key with my gas. But trying to come and actually do it is like trying to get blood out of a stone.”

Ashford, Gas Arrears

Another respondent had had a prepayment meter in a previous house and had found it easier to budget. She is now in arrears and would like to have a prepayment meter again.

“They keep saying if you have any difficulties paying, in letters and that, please call us. We call them and say ‘Can you put a meter in for us because we can’t do it any other way at the moment?’ and they keep refusing.”

Bristol, Gas and Electricity Arrears

A third respondent had requested a prepayment meter but been warned against having one on the grounds that it was a more expensive way to pay:

“I wasn’t offered that. I asked about that but they said it was quite expensive.”

Edinburgh, Gas Arrears

A couple of respondents said they had been told that they had to have arrears in order to qualify for a prepayment meter:

“They said ‘You have to have arrears to have a prepay. So I thought, I’ll get arrears. Christmas is coming. I can sort it after...Higher tariff – that’s pretty much buttons.”

Liverpool, Gas and Electricity Arrears

“You have to fight to get these prepayment meters. You have to get in so much debt before they’ll even think of fitting them. I think the first bill I owed them about £50 and I couldn’t pay. They wouldn’t even consider fitting a prepayment meter till we were in pretty substantial arrears – on the gas about £250 and on the electricity nearly £600.”

Birmingham, Gas and Electricity Arrears

3.8 Disconnection

Key Findings

- The tone of the letter threatening disconnection causes distress among customers.
- Although some customers wait until being threatened with disconnection before they pay, most of those expecting to be disconnected were distressed but also resigned, feeling they had no other options.
- Some of those expecting to be disconnected had tried to negotiate repayment terms or felt they were still in dispute and that the matter should be resolved some other way.
- There was some anger at the costs associated with disconnection.

Seven of the fifteen respondents had been threatened with disconnection and four of these were expecting to be disconnected at any moment. These four were resigned to being disconnected as they felt they had no other options.

The threat of disconnection caused distress to most respondents.

One elderly respondent had been threatened with disconnection in September. He had been particularly distressed by the fact that the letter said that police would be present on his premises while the gas supply was disconnected. Since he disputes the amount his gas supplier says he owes he was angry and distressed that this approach appeared to be treating him like a criminal.

They’ve put me through hell. I’ve been on the verge of going up to Clifton Bridge and jumping off. I do not like being treated like a thief. I’m not a thief. I’ve been honest all my life.”

Bristol, Gas Arrears

He was also angry that the disconnection would cost him even more money.

“[Reading from letter] We’ll get a warrant. You’ll incur fees of £351 as well as the amount you owe and it could take several days to reconnect your supply. We have charged you £14 for this letter. We will charge you an additional £50 if the customer debt collection visits.”

Bristol, Gas Arrears

A subsequent letter to this respondent, dated October, no longer mentioned disconnection and, instead, advised that a prepayment meter would be installed. The customer felt this was entirely inappropriate as he has mobility problems and could not easily top up a prepayment meter.

A respondent with some literacy problems said he had been repaying arrears for five years and could not understand why he still had any arrears, He has also been threatened with disconnection which, he said, made him feel ‘miserable’.

A respondent who had been threatened with disconnection had been advised by her supplier not to use any gas and was angry since she had already cut back on her gas consumption in order to reduce her debt. Her house was extremely cold, with one small room heated by an electric heater.

“He said, ‘Well, the only thing is, don’t use any gas’. I thought, you can see from my gas bill I’ve hardly used any. The bill was £37...I don’t see how I could reduce it any more even if I tried, apart from not turning it on at all. He said, ‘Don’t use any then.’”

Bristol, Gas Arrears

For one respondent, the threat of disconnection was simply a part of the cycle and prompted her to pay her supplier:

“They ring me and say ‘You’re going to be disconnected’. I start to pay the arrears. Then it runs up. Then they ring me again.”

Ashford, Gas Arrears

Another respondent simply did not believe that her supply could actually be disconnected.

“I’m slightly worried if they might turn it off. But my friends say they wouldn’t. And one’s debt is really high...I’m under the impression they don’t disconnect. I’ll call in February and demand a prepay meter.”

Liverpool, Gas and Electricity Arrears

3.9 Switching

Key Findings

- There was evidence of customers, including vulnerable customers, switching suppliers, although this was likely to be because they had been told, rather than knew, that another supplier was cheaper.
- There was also evidence of customers switching to a single supplier although the offer of a dual fuel discount seemingly played no role in this decision since customers showed low awareness of the discount. Rather, the decision was mainly driven by a desire to simplify matters by having a single supplier to deal with for both fuels.

There have been concerns that poorer and more vulnerable customers may not be taking advantage of cheaper gas and/or electricity tariffs that may be available to them through switching supplier.

Accent found that respondents, including vulnerable customers, were aware of the possibility of switching supplier and several had chosen to do so. However, they had not, for the main part, switched because they saw they could be better off financially with another supplier. They had done so either because they had been persuaded that their current supplier was expensive or to have a single supplier for both gas and electricity.

One respondent said she had switched to get a better deal, but not necessarily through her own understanding of the situation:

“First it was [Supplier A] but I changed over. I can’t even remember why. Then I was with [Supplier B]. [Supplier C] said they were charging me too much and it would be cheaper with them...I’ve probably been with [Supplier C] about 6 months. So many people come to the door and convince me to change companies and then I forget who I’m with.”

Ashford, Gas Arrears

Some respondents, particularly those who appeared to be poor money managers, had switched supplier in order to have a single supplier for both fuels which, they hoped, would be easier to manage.

One respondent did this and thought they had set up payment for both by direct debit but, for some reason, this had not been completed and the direct debit was never put in place. The couple continued to think that they were paying on a monthly basis and did not check their bank statements so were distressed to receive an electricity bill for £600 for the previous 18 months. They have not yet received a gas bill and are too worried to contact their supplier as they have assumed it will be of a similar magnitude.

A couple of respondents who were very dissatisfied with their current supplier expected not to be able to switch while they were still in arrears to their present supplier.

There was no evidence that respondents had switched supplier in order to benefit from a dual fuel discount. Indeed, those who were presumably receiving this discount were either unaware of it or had no idea how much their discount was.

“Same for the [gas and] electric. Dual Fuel discount? No.”

Bristol, Gas Arrears

“They say I do [receive dual fuel discount] but I don’t know, really.”

Ashford, Gas Arrears

“I don’t know. I really can’t work them out at all. I get two bills and they assure me I’m on the lowest tariff.”

Bristol, Gas Arrears

4. CAB DEPTH INTERVIEWS

Key Findings

- CAB advisors feel that suppliers' call centre staff are not sufficiently understanding or flexible and may actually not be authorised to negotiate more affordable repayment levels.
- They were frustrated by not always being able to talk to someone while their client is with them and can give the supplier permission to discuss their details.
- CAB advisors said that customers accept prepayment meters because they have no other options. Even with prepayment meters customers can still miss repayments and self-disconnect if they do not clearly understand how to use the card.

CAB advisors mentioned the delayed recalibration of token prepayment meters after increases to energy prices as having caused a great deal of energy debt over the past twelve months. Although this issue has now settled, it had a tremendous impact, particularly on customers on low incomes who have no financial flexibility: “they live hand to mouth and are always playing catch up”.

CAB advisors supported the qualitative respondents' view that energy company staff on occasion demonstrate little inclination to be flexible or to take into account individual circumstances or customer's personal situations. They find this frustrating and often have to be very determined and persistent in their dealings with suppliers.

“You think you are going to have a battle with them every time.”

CAB Advisor

“They should treat each case individually. Everyone is not trying to con them.”

CAB Advisor

Advisors suggested that call centre staff were not empowered to negotiate more affordable repayment rates or solutions or, if they were, this was only within prescribed limits. One said that a particular supplier insisted on an initial payment of 25% of what was owed before entering into discussions regarding repayment rates. If an advisor could be put through to a supervisor they felt that there could be more flexibility in their negotiations. A couple of advisors said that it can be more productive talking to staff in suppliers' complaints team rather than their debt collection teams.

Advisors' experience is that agreeing repayment levels that are not affordable risks causing their clients to default on other bills rather than helping them to get into the habit of being a regular payer.

Advisors agreed that customers accept prepayment meters and the higher tariff but emphasised that this is because they felt they had no other options available to them. While they do help many customers budget, they can also cause arrears to build up if they have an older token prepayment meter which is not promptly recalibrated after a price rise. If a customer self-disconnects because they do not have enough money one week, they are not only going without fuel; they are also missing out on repayment to their arrears, thereby continuing the debt cycle.

One supplier offers a social tariff whereby customers on prepayment meters can pay the same tariff as those paying by direct debit, and this was welcomed by CAB advisors.

One advisor said that she often saw problems with prepayment meters where the card seemingly did not work. The company would send out an engineer to check the meter and issue a new card if appropriate. This could take two to three weeks by which time the customer has fallen behind on their repayments as well as being without fuel. When the new card arrives the customer is, understandably, very keen to put money on it and does that before activating the card, which then does not work. She suggested that the information provided on activating and using cards is not sufficiently clear.

Another said that there could be problems when a customer switches supplier. The customer can continue using their old card which does top up the meter. However, it does not register with their account with their new supplier. If they have not kept receipts it is very difficult to prove they have paid.

There were mixed attitudes towards Fuel Direct, with some saying they always mentioned it and others being less likely to do so. One advisor suggested that companies were not very enthusiastic about the scheme because it set lower levels of repayment than they would like while another said that some customers like the lower levels, typically £3 a week towards arrears.

Where a client disputes a bill, CAB advisors said that suppliers assume the customer is mistaken and are reluctant to consider that they may have made a billing error. Suppliers often need to be persuaded to investigate the figures they have used to bill a customer's account.

Estimated bills can also cause particular problems, particularly for those paying with a payment card. One advisor suggested that there should be clearer information regarding when bills are based on estimated readings and that, in the event the bill has been underestimated, there may be an increase in the amount payable later in the year.

CAB advisors do refer their clients to energywatch when they have been unable to resolve the matter. Some saw this as a threat that usually works, helping to resolve difficult issues swiftly. One advisor has recently started referring clients to the Energy Services Ombudsman.

Some advisors have direct contacts at the energy companies although most do not. Some would like to have direct contacts although a couple voiced concerns about the associated costs. The bureaux have to balance the inconvenience of being in a telephone queue with the benefits of calling an 0800 or 0845 number. Where advisors do have a direct number it is mostly through a senior contact having been involved in a previous case that had escalated. However, sometimes these numbers can change without any notification when staff move and contacts are lost.

One bureau has direct contact with three suppliers although only on a certain day of the week. Another has a team of contacts at one supplier which he finds works well. He thought it would be helpful if all suppliers offered special teams with whom the CAB could liaise directly.

Advisors were frustrated that they could not always get through to an appropriate supplier representative when their client is with them. This is necessary because the client is required to give the energy company permission to discuss their details. Even when the client is present some advisors have experienced problems with suppliers

using the Data Protection Act as a reason not to discuss the customers' details with the advisors.

There was some dissatisfaction that suppliers appeared not to keep a record of telephone conversations with CAB advisors, who like to have written confirmation of what has been agreed. It might be helpful if suppliers could email to the advisors the notes they have put against the account under discussion.

5. TELEPHONE SURVEY FINDINGS

5.1 Introduction

This section sets out the findings from the small scale telephone survey. In some instances the number of respondents for particular categories is low. Where these base sizes fall below 30, the data is not statistically robust and should be treated with caution.

Respondent classification details are attached as Appendix E.

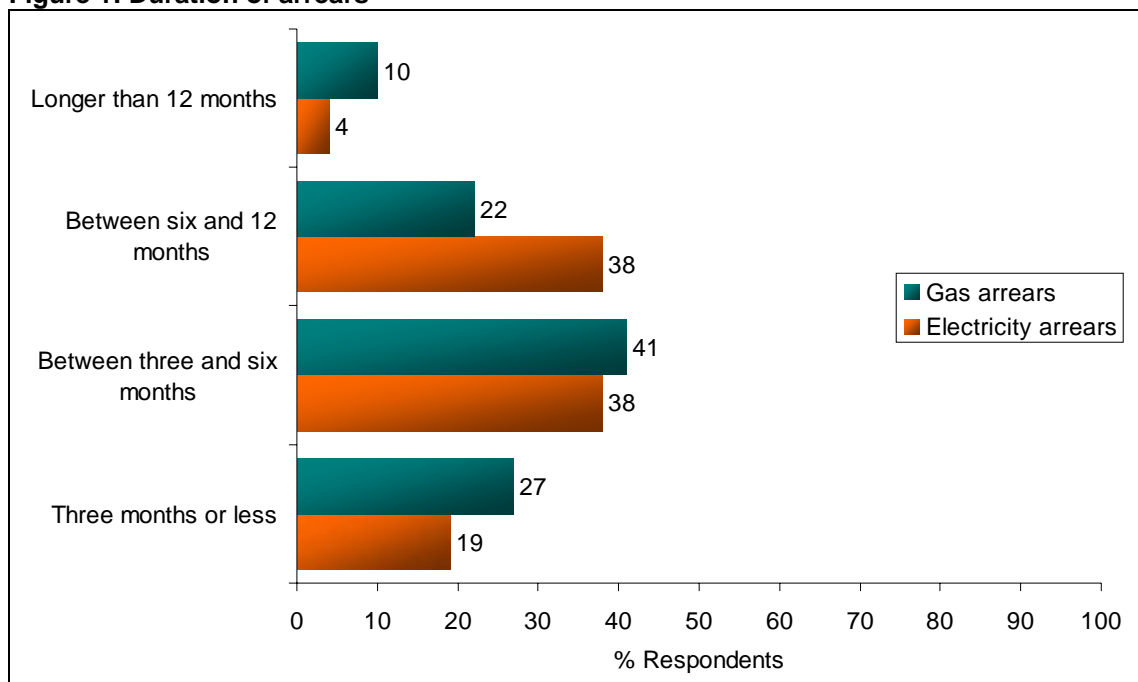
5.2 Reasons for Arrears

Key Findings

- Respondents in arrears to their gas supplier had, for the most part, been so for six months or less; for electricity arrears, the duration was higher, with most between three and twelve months.
- Respondents were in arrears mostly because there was not enough money to pay all their bills or because of a material change in their personal circumstances.

The majority of respondents with gas arrears said they had been in arrears for six months or less (68%). For those with electricity arrears, more than three quarters (76%) had been in arrears between three and 12 months (see Figure 1).

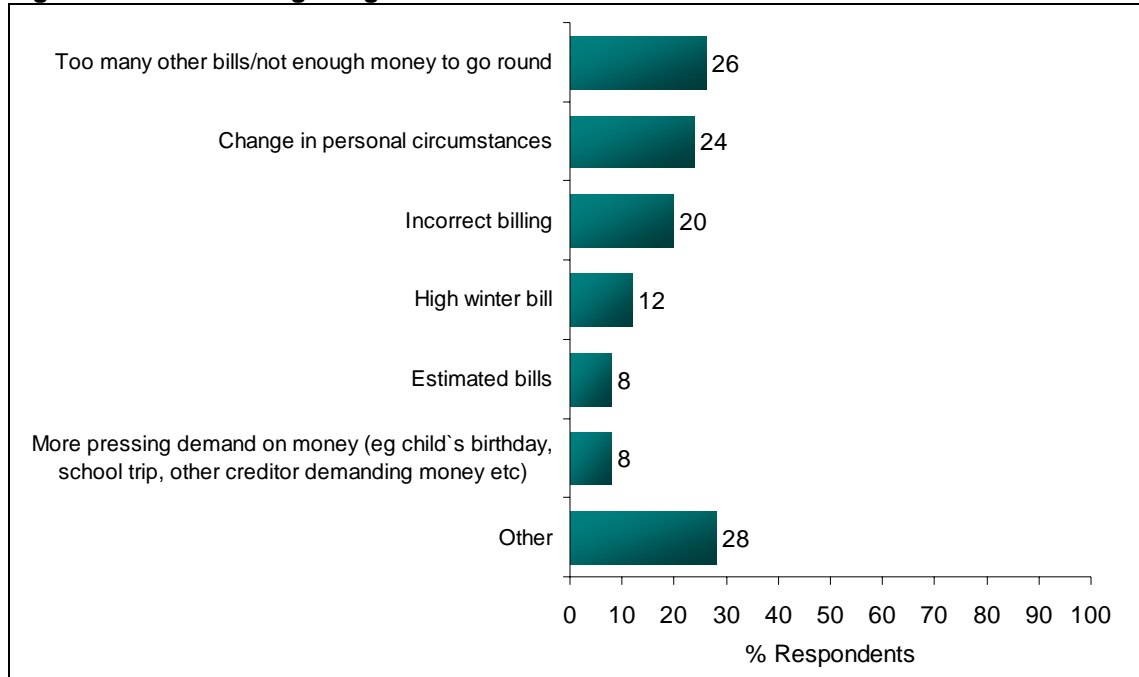
Figure 1: Duration of arrears



Base: Gas arrears 41 Electricity arrears 26

Around a quarter of respondents cited simply not having enough money to go round (26%) or a change in personal circumstances (24%) as the key reasons for being in arrears with their energy supplier (see Figure 2). Incorrect billing was mentioned as a reason for arrears by a fifth (20%) of respondents.

Figure 2: Reasons for getting into arrears



Base: all respondents (50)

Note: more than one response was allowed, so figures may add up to more than 100%

Other reasons given for having arrears included:

- increased prices
- the switching process
- irregular work/income patterns
- an unexpectedly high bill
- additional costs added by the supplier
- problems with the meter
- arrears left by a previous tenant
- poor money management, and
- distance of PayPoint machine.

5.3 Contact with the Energy Supplier

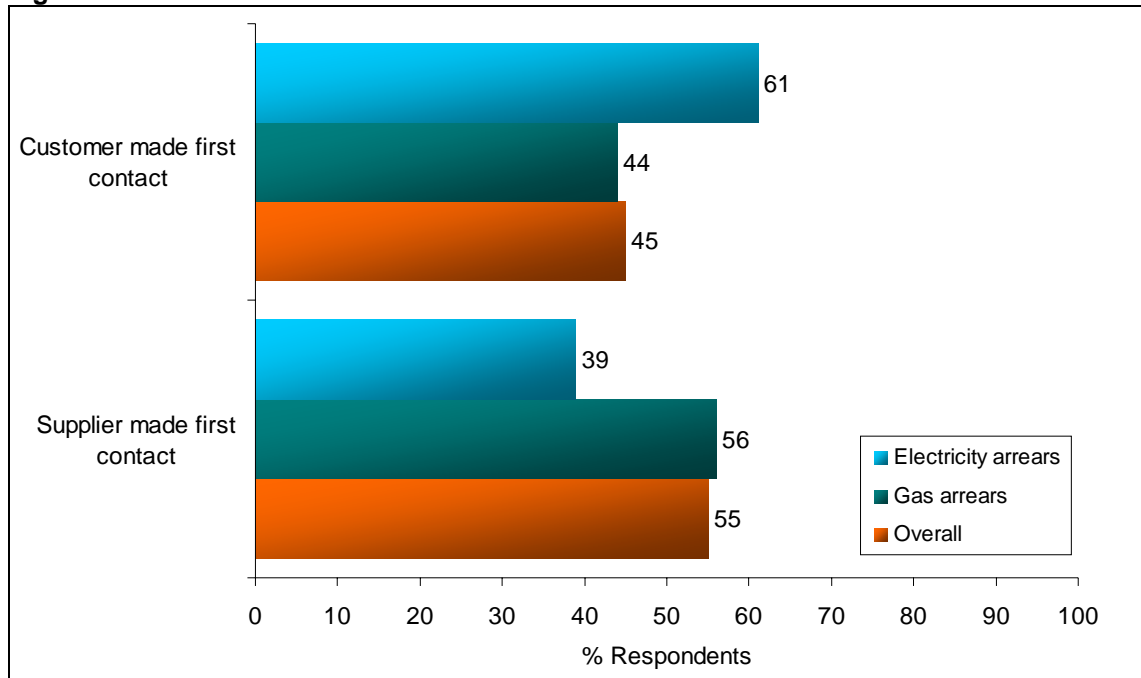
Key Findings

- Respondents were evenly divided as to whether they or their supplier had made the first contact.
- Respondents mostly called from a landline to an 0845 number and were not very concerned at the cost of contacting their energy supplier.
- Half of the respondents were dissatisfied with the time taken to answer their calls to suppliers.
- Respondents gave some support to home visits as a way of helping them although only two respondents had been offered a home visit in order to discuss their arrears.
- Just under a half were satisfied with the timing of their contact from their supplier in terms of helping them deal with their arrears while nearly a third were dissatisfied.

Respondents were fairly evenly divided as to who had made the first contact to discuss their arrears. As can be seen in Figure 3, just over half (55%) said the supplier had made

the first contact while 45% of respondents said they had. Respondents with gas arrears were more likely to have been contacted first by their supplier, while those with electricity arrears were more likely to get in touch with their supplier first.

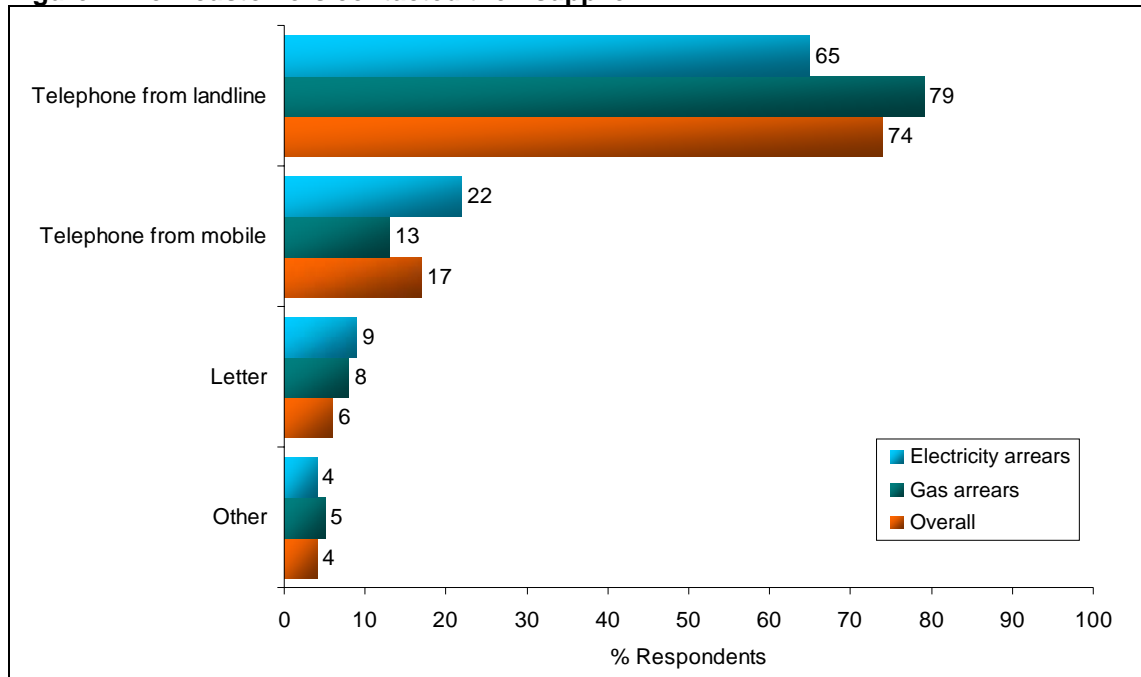
Figure 3: Who made the first contact to discuss arrears?



Base: Overall 50 Gas arrears 39 Electricity arrears 23

In contrast to the qualitative respondents, who had mostly used mobile phones, respondents to the telephone survey mostly used a landline telephone to contact their energy supplier. Nearly three quarters (74%) said they used a landline.

Figure 4: How customers contacted their supplier



Base: Overall 50 Gas arrears 39 Electricity arrears 23

The majority (86%) of those who had contacted their supplier by telephone called an 0845 number while 10% said they had called an 0800 number.

Reasons put forward by respondents for not getting in touch with their supplier regarding their arrears included difficulty in getting through and the automatic answering system. There was also evidence of some customers avoiding contacting their supplier:

“I’m going to do it today as the payments final demand is today. I’ve just not got round to it yet. I work nights and have a ten month old baby so it’s hard to organise a budget around this.”

Telephone respondent

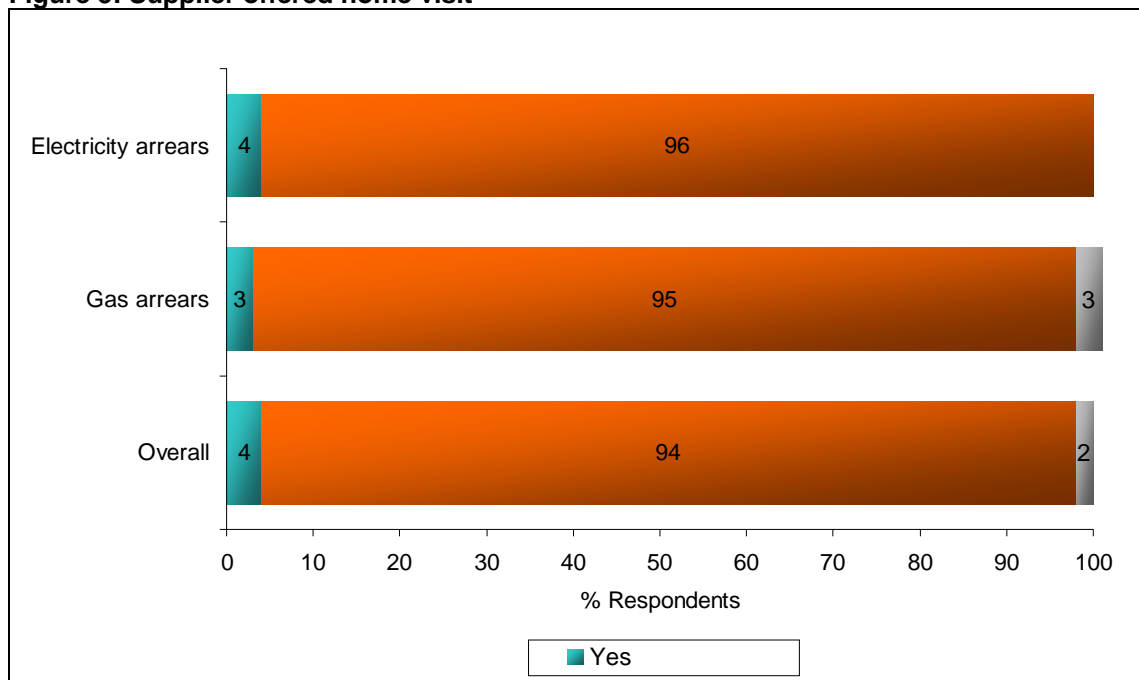
“They haven’t phoned me so I haven’t bothered phoning them.”

Telephone respondent

As Figure 5 shows, only two respondents overall (4%) said their supplier had offered them a home visit to discuss their arrears. Forty six per cent said a home visit would be acceptable to them in order to discuss ways of repaying their arrears (see Figure 6).

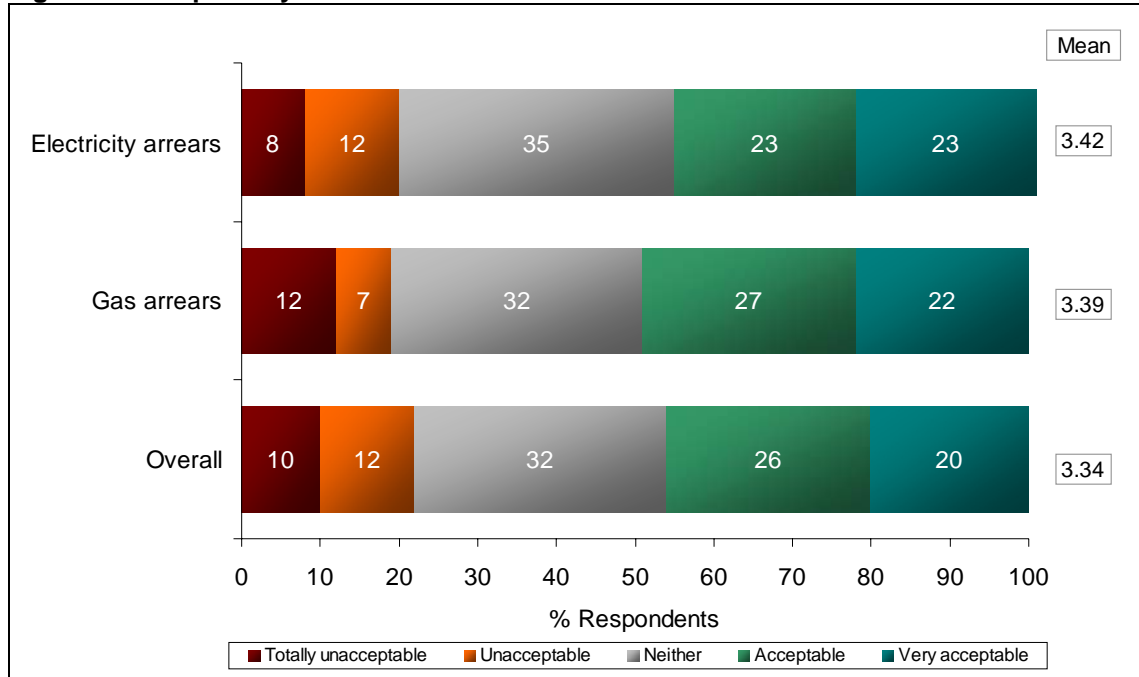
Overall, respondents gave a mean score of 3.34 out of a maximum of 5 for the acceptability of a home visit.

Figure 5: Supplier offered home visit



Base: Overall 47 Gas arrears 39 Electricity arrears 23

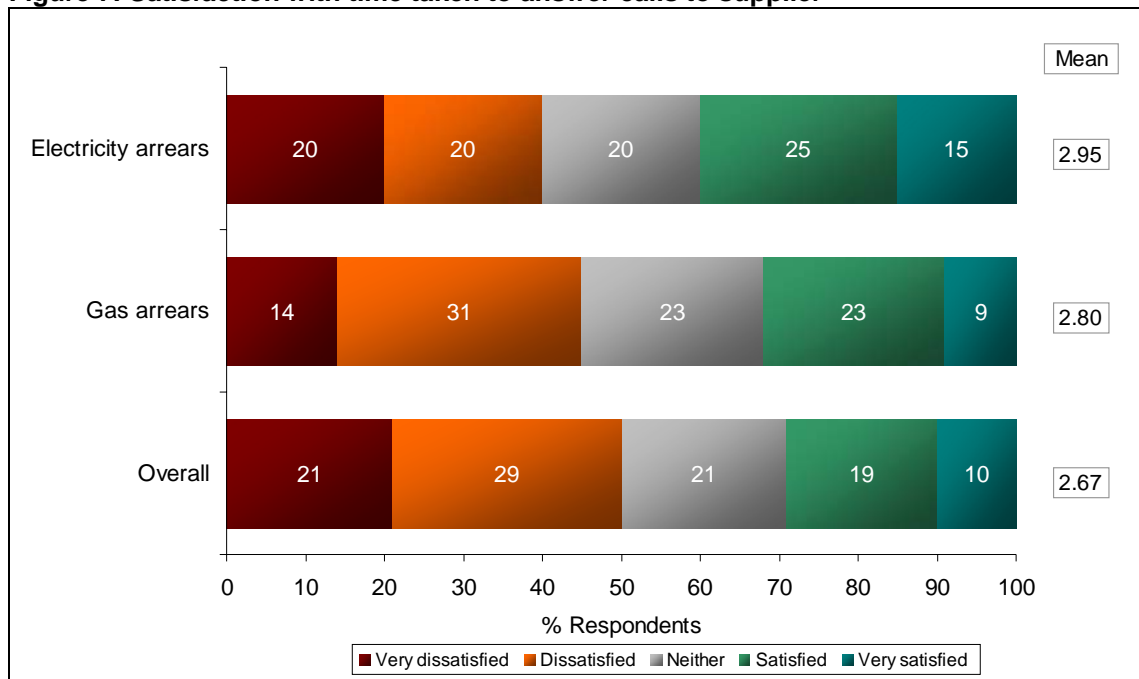
Figure 6: Acceptability of home visit



Base: Overall 50 Gas arrears 41 Electricity arrears 26

Fifty per cent of respondents were dissatisfied with the time taken by their supplier to answer their calls, giving a negative mean satisfaction score of 2.67 out of a maximum of 5 (see 7).

Figure 7: Satisfaction with time taken to answer calls to supplier



Base: Overall 42 Gas arrears 35 Electricity arrears 20

The reasons for dissatisfaction related to being left on hold for a long time and the cost associated with that, the automated answering system and being put through to different people before finding someone who could help.

“I was on the phone for 20 to 25 minutes and then I was told to phone back because they were busy. Then when I phoned back they were closed even though on the letter it said that they should still be open.”

Telephone respondent

“A long waiting time. Too many options to go through. Called from a mobile so it cost me a lot.”

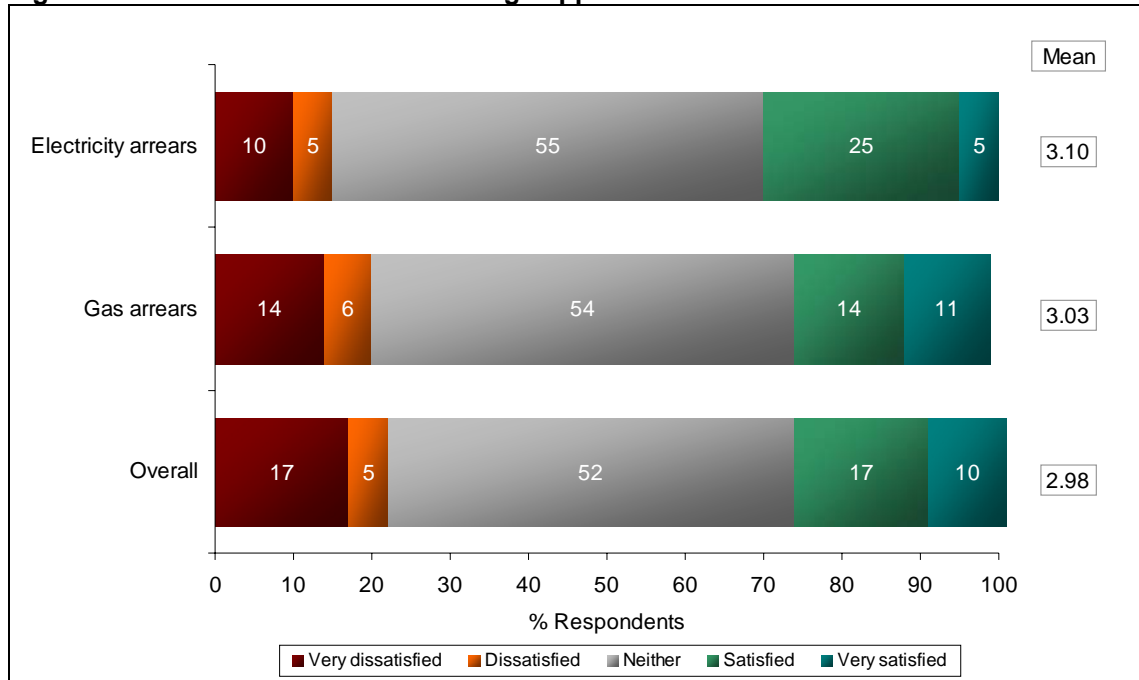
Telephone respondent

“They held me in a queue for an unacceptable amount of time. I had to speak to several different people.”

Telephone respondent

Although respondents gave a slightly negative mean satisfaction score for the cost of calling their supplier (2.98 out of a maximum of 5), they did not feel strongly about cost: 27% were satisfied compared with 22% dissatisfied, with just over half (52%) feeling neither satisfied nor dissatisfied. This may reflect the fact that most respondents call from a landline to a 0845 number and are therefore able to keep call costs down (see Figure88).

Figure8: Satisfaction with cost of calling supplier



Base: Overall 42 Gas arrears 35 Electricity arrears 20

Respondents who were dissatisfied with the cost of contacting their supplier mostly said this was because of the length of time spent on the telephone and because they thought they should be able to call a freephone number.

“Because I spent a long time on the phone, and when you don’t have much money this is extremely annoying. When you’re trying to sort out debts you don’t want to build up more.”

Telephone respondent

“They don’t agree with anything I say, just got passed on from one person to another before finally being listened to and understood.”

Telephone respondent

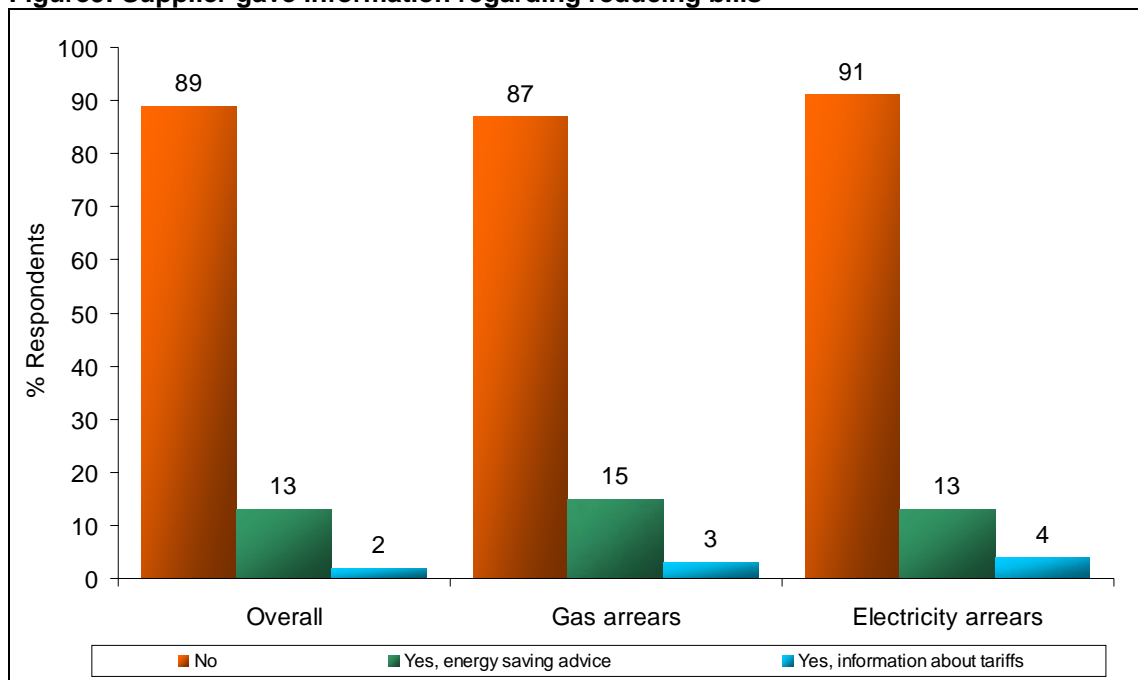
5.4 Help Provided by Suppliers in Clearing Arrears

Key Findings

- Most had not been given any information on tariffs or energy efficiency advice, while only one respondent had been given information regarding Fuel Direct.
- Around half (51%) had been offered a prepayment meter but there were mixed views as to how helpful they were to clear arrears: 42% thought they were helpful compared with 37% who thought they were not.
- 52% either had a prepayment meter installed or are waiting for that to happen; 20% said they already had a prepayment meter.
- 68% said they had agreed repayment levels with their energy supplier and, of these; nearly three quarters (73%) said they were satisfied with the levels set and 62% said it had been easy to agree repayment amounts.
- Affordability was an issue for some respondents, who felt the repayment rate set was not affordable for them.

The majority of respondents, 89% overall, said that their supplier had not provided them with any information regarding ways of helping them to reduce their energy bills. A small proportion (13%) said they had been given advice on energy saving while only 2% said they had been given information regarding tariffs (see Figure9).

Figure9: Supplier gave information regarding reducing bills



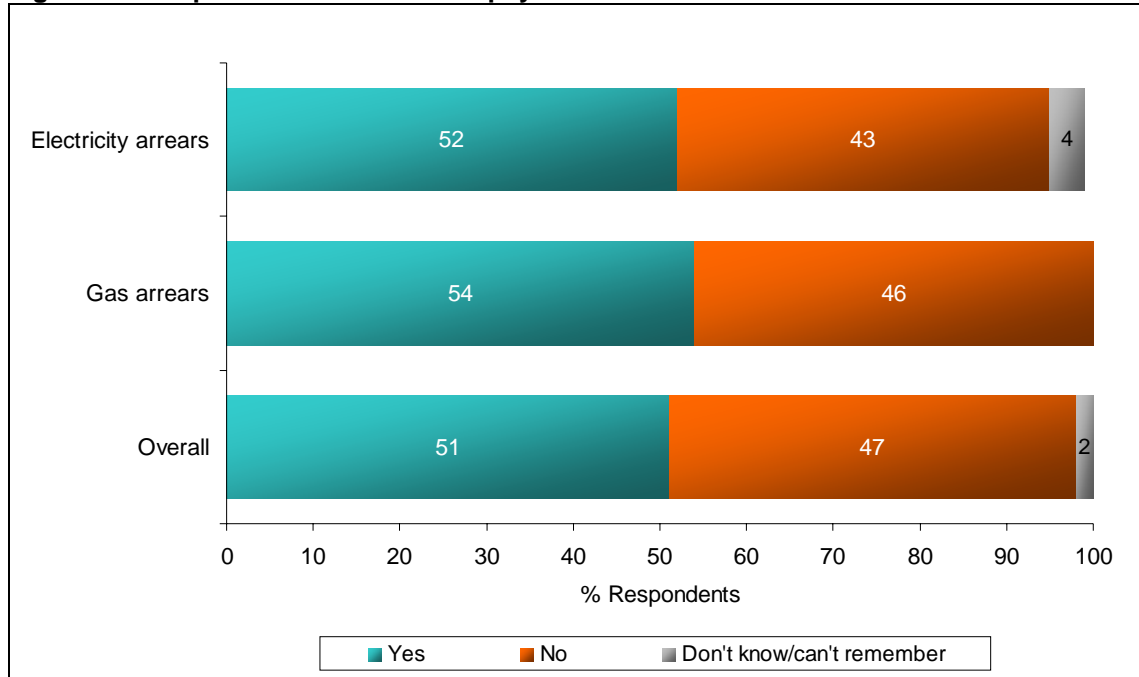
Base: Overall 47 Gas arrears 39 Electricity arrears 23

Of the small number who had received any information regarding ways of reducing their energy bills, three said they found it helpful and two said it was not helpful.

Only one respondent said they had been given any information regarding Fuel Direct, which they subsequently took up.

Respondents were fairly evenly divided as to whether or not they had been offered a prepayment meter by their supplier: 51% said they had while 47% said they had not (see Figure 70).

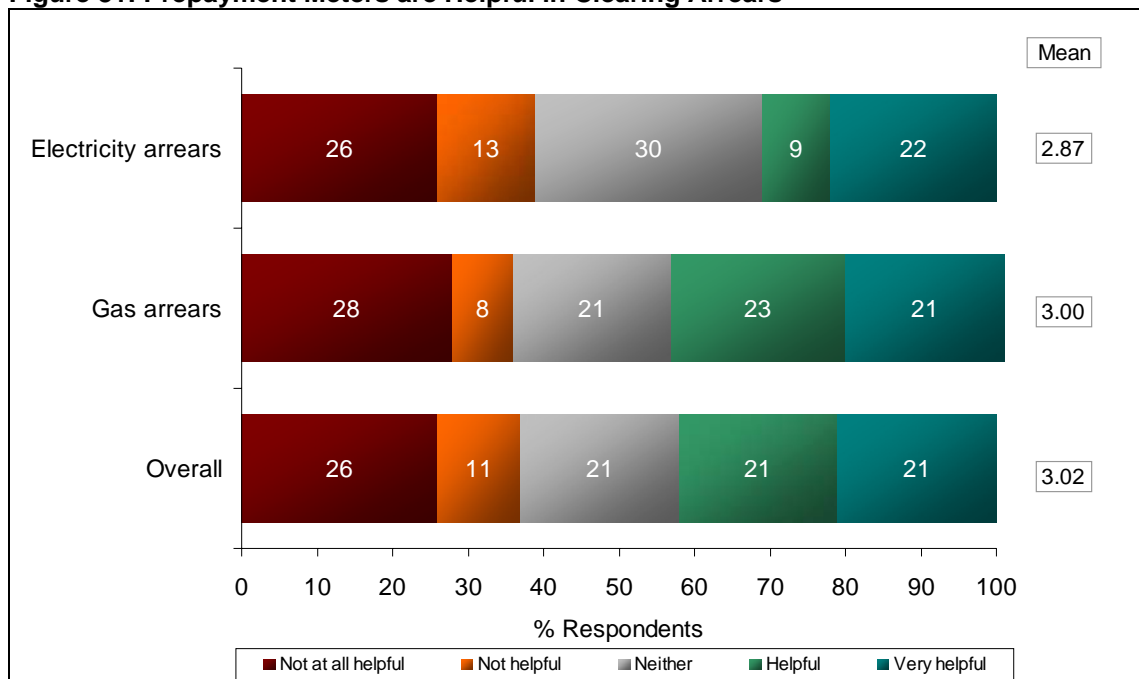
Figure 70: Respondents Offered a Prepayment Meter



Base: Overall 47 Gas Arrears 39 Electricity Arrears 23

Respondents thought mostly that prepayment meters would be helpful as a means of clearing their arrears with their energy supplier, with 42% saying this (see Figure 81). Overall, respondents gave a mean score of 3.02 out of a maximum of 5 for helpfulness of prepayment meters in clearing arrears. More than a third (37%) did not think they would be helpful.

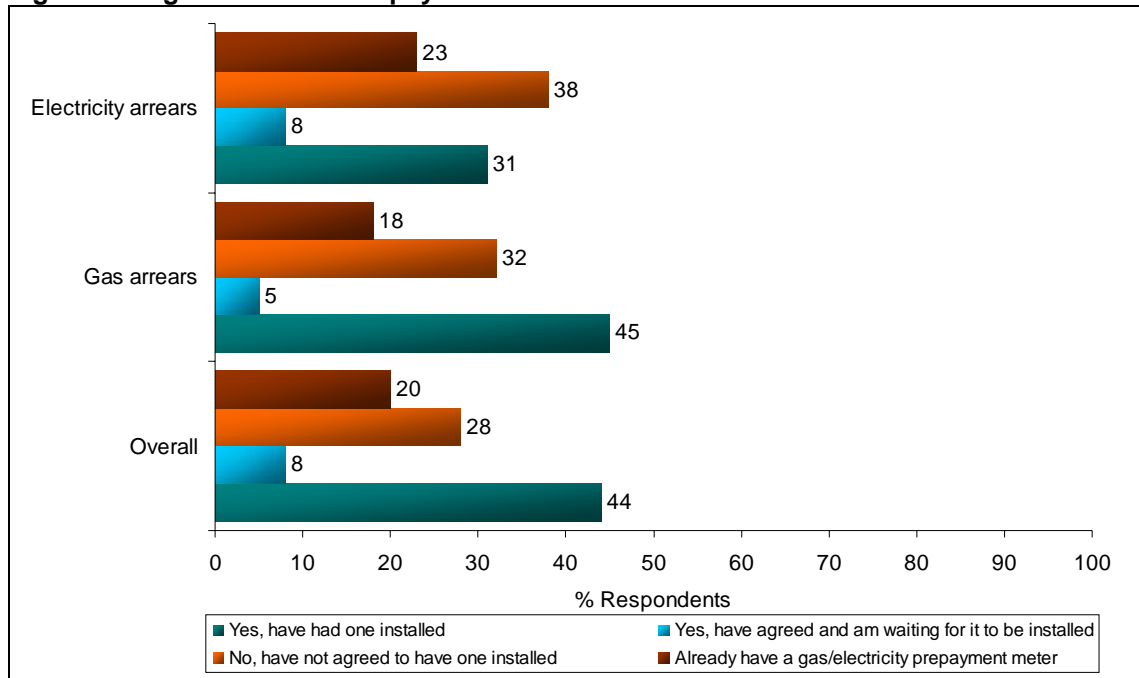
Figure 81: Prepayment Meters are Helpful in Clearing Arrears



Base: Overall 47 Gas Arrears 39 Electricity Arrears 23

More than half (52%) have either had a prepayment meter installed or are waiting to have one put in. Twenty per cent of respondents said they had already had a prepayment meter (see Figure 92)

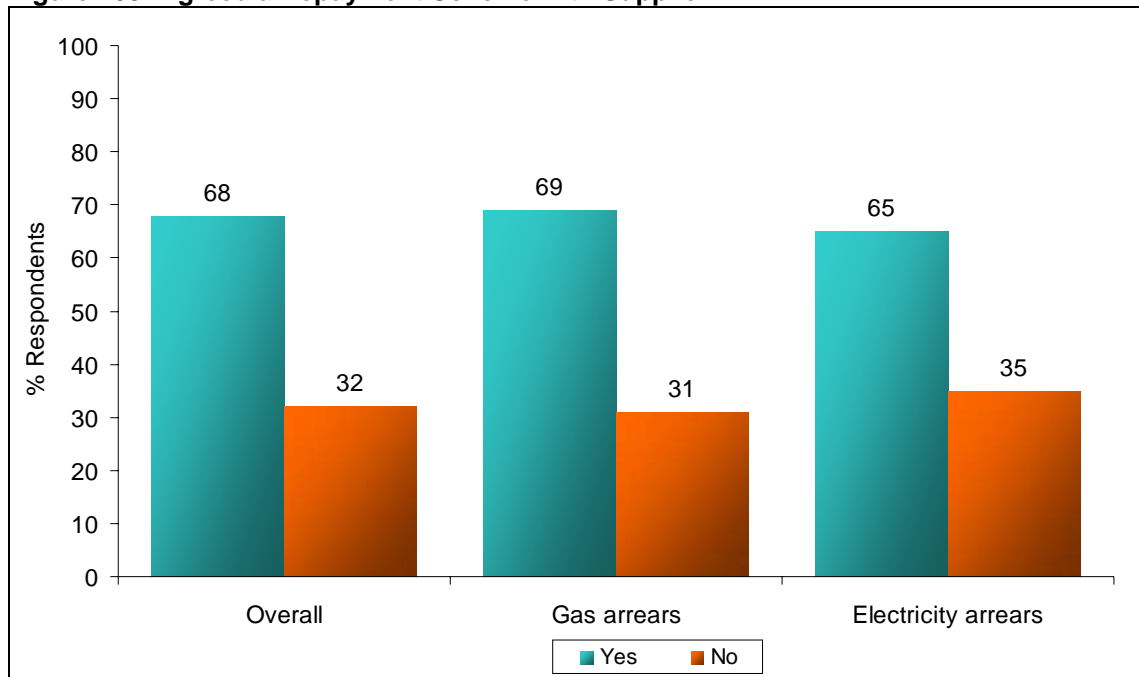
Figure 92: Agreed to Have Prepayment Meter Installed



Base: Overall 25 Gas Arrears 22 Electricity Arrears 13

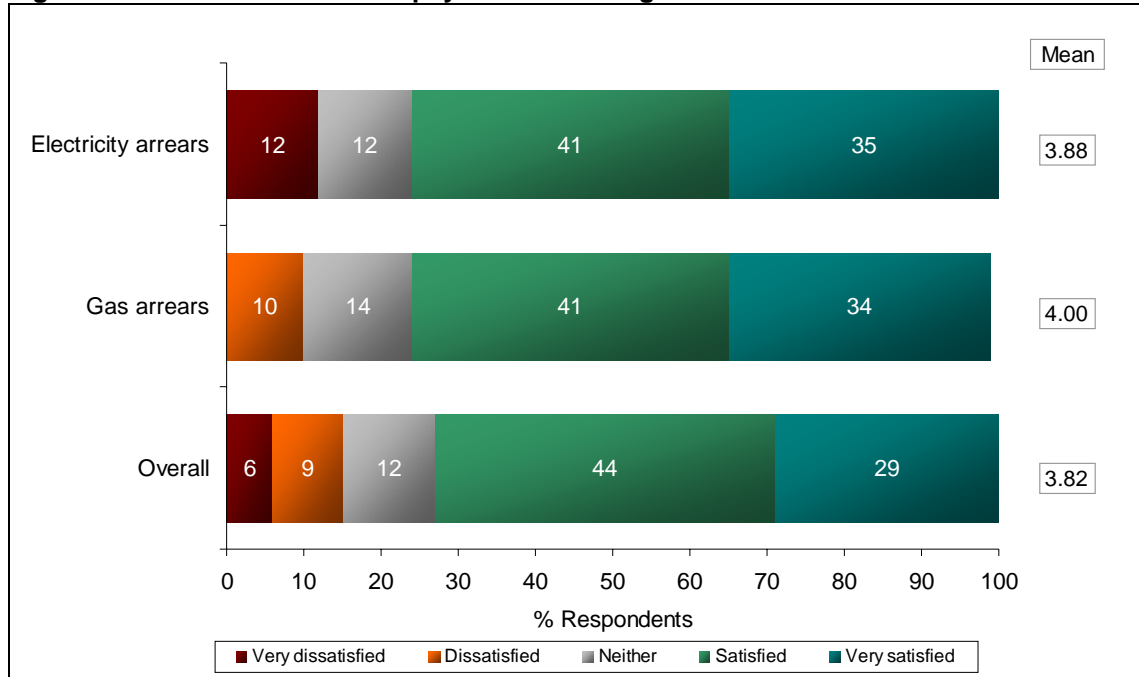
The majority of respondents (68%) said they had agreed a repayment scheme with their supplier (see Figure 103). Of these, nearly three quarters (73%) said they were satisfied with the repayment amounts agreed; only 15% said they were dissatisfied (see Figure 114)..

Figure 103: Agreed a Repayment Scheme with Supplier



Base: Overall 47 Gas Arrears 39 Electricity Arrears 23

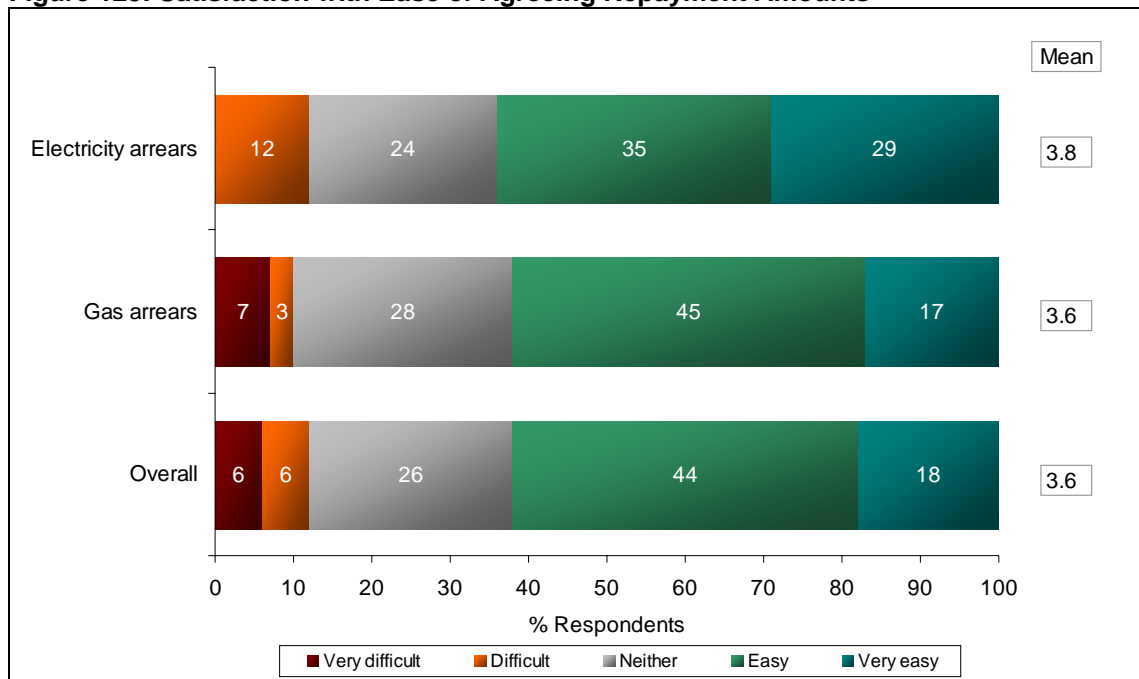
Figure 114: Satisfaction with Repayment Levels Agreed



Base: Overall 34 Gas Arrears 29 Electricity Arrears 17 Gas and Electricity Arrears 12

Respondents had generally found it easy to agree repayment amounts with their suppliers, with 62% saying they were satisfied with the process. Only 12% were dissatisfied. Overall, respondents gave a mean satisfaction score of 3.62 out of a maximum of 5 for ease of agreement repayment amounts (see Figure 125).

Figure 125: Satisfaction with Ease of Agreeing Repayment Amounts



Base: Overall 34 Gas Arrears 29 Electricity Arrears 17

Affordability was a major issue for those respondents who were dissatisfied with the repayment levels set and the process of agreeing them. Some of the reasons respondents gave for their dissatisfaction are set out below.

Table 1: Dissatisfaction with agreeing repayment levels set

Affordability is a major issue
I get £76 a week and am expected to pay £20 on gas out of this. It's a struggle to survive on this amount as it is
I'm paying £18 a week and this leaves me with no money to live. If I don't pay £18 a week they'll disconnect me
Because they were initially taking £8 per week as repayments and I was on benefits so this was far too much.
Wanted me to pay £80 a month jumping from £45 which I was paying on my card and there was no physical way I could do it

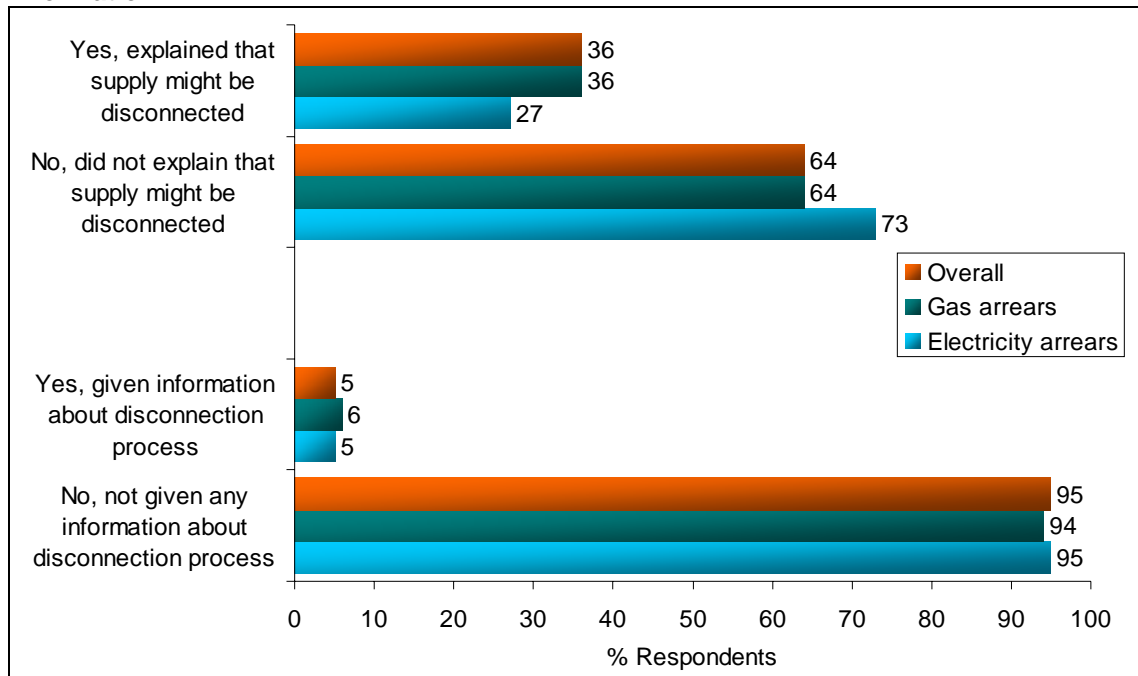
5.5 Disconnection

Key Findings

- Most respondents were neither told that their gas or electricity might be disconnected, nor given any information regarding disconnection.
- One respondent said they were disconnected and without electricity for one week until a repayment arrangement was agreed.
- Of those respondents who were not disconnected, most agreed repayment terms with their supplier.

Most respondents (64% overall) said that their supplier had not explained to them that their gas or electricity supply might be disconnected, and 90% said they had not been given any information about the disconnection process, as Figure 136 shows. Only two respondents said they were given any information about the process of disconnection.

Figure 136: Supplier Explained Gas/Electricity Supply could be Disconnected and gave information

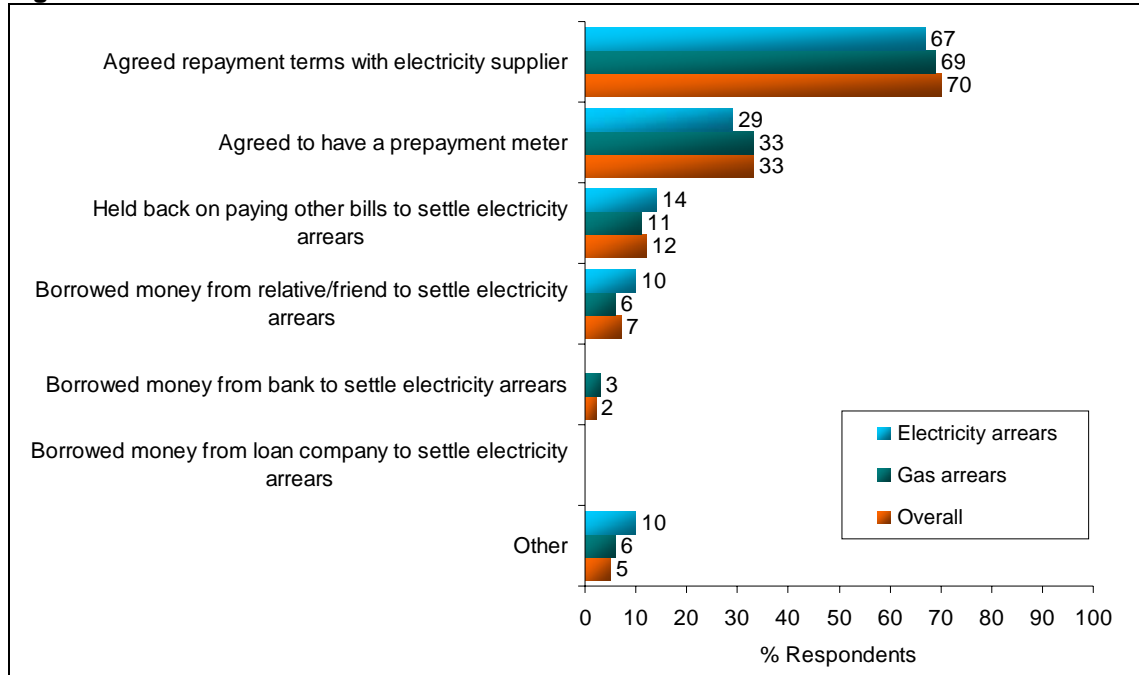


Base: Overall 44 Gas Arrears 36 Electricity Arrears 22

One respondent was actually disconnected on this occasion and was without electricity for a week. The respondent said they had not been given any help or advice before the electricity supply was restored. The matter was resolved because they held back on paying other bills in order to settle the electricity arrears.

Among those who were not disconnected, most (70%) agreed repayments terms with their gas/electricity supplier while a third (33%) agreed to have a prepayment meter (see Figure 147). Five respondents said they held back on paying other bills and three borrowed money to pay the arrears.

Figure 147: How Situation Resolved to Avoid Disconnection



Base: Overall 43 Gas Arrears 36 Electricity Arrears 21

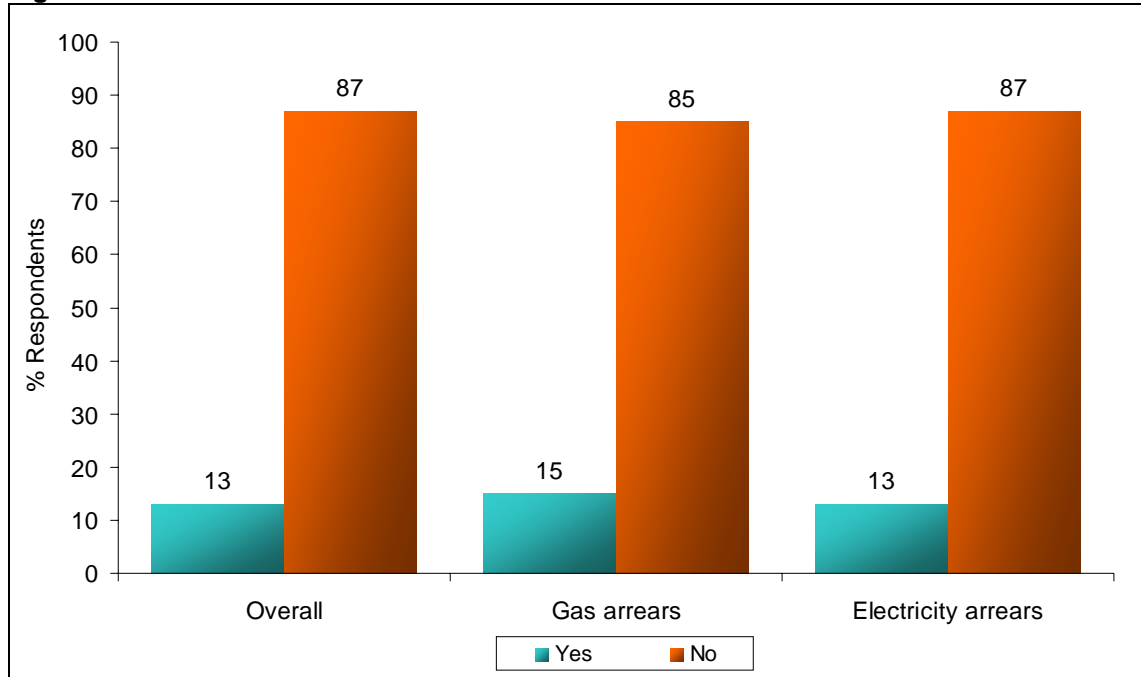
5.6 Quality of Response from Supplier

Key Findings

- Thirteen per cent said they had been given a dedicated team or person to contact regarding their arrears.
- No respondents were advised to contact energywatch; one was advised to speak to the CAB and one to contact a debt helpline.
- Respondents were mostly satisfied with the overall helpfulness of staff, giving a mean satisfaction score of 3.55 out of a maximum of 5.

Most respondents (87%) had not been given a dedicated team or person to contact to discuss their arrears although 13% had, as Figure 158 shows.

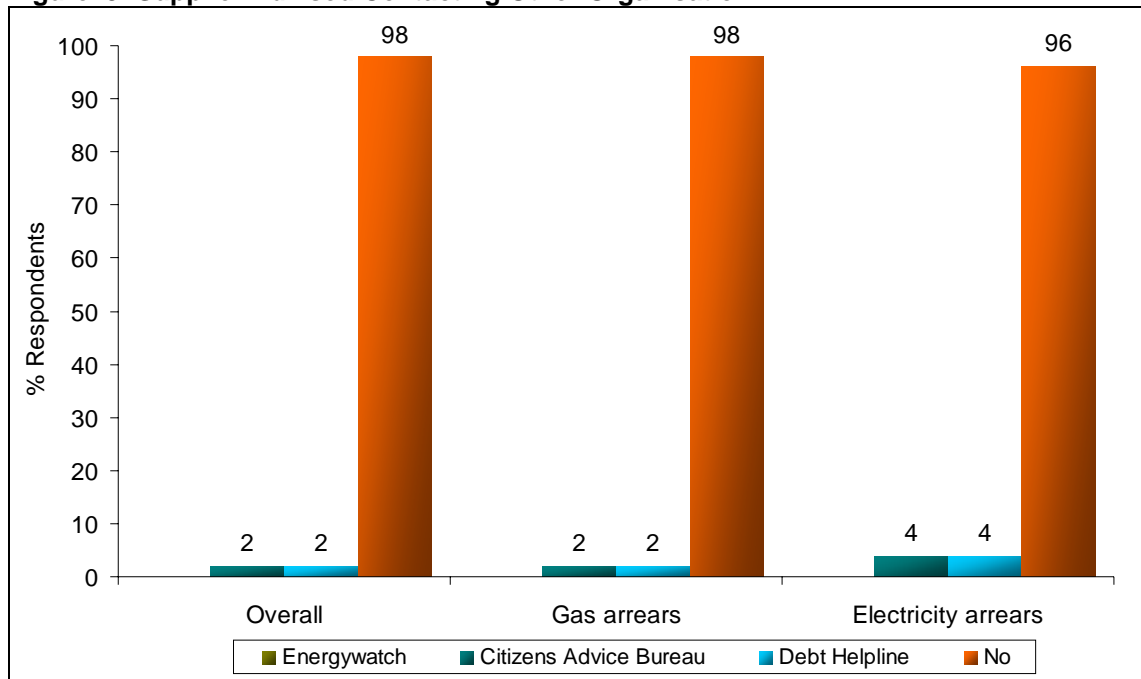
Figure 158: Given a Dedicated Team/Person to Contact



Base: Overall 47 Gas Arrears 39 Electricity Arrears 23

No respondents had been advised by their supplier to talk to energywatch. One respondent had been advised to talk to the Citizens Advice Bureau and one had been advised to contact a debt helpline (see Figure19).

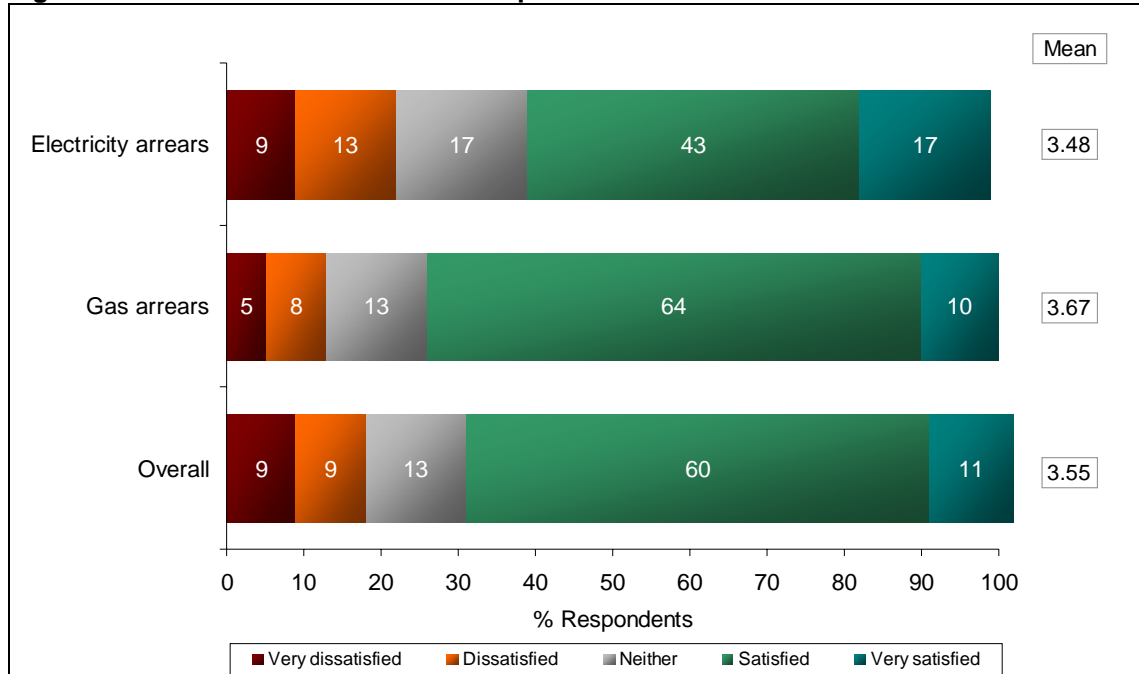
Figure19: Supplier Advised Contacting Other Organisation



Base: Overall 50 Gas Arrears 41 Electricity Arrears 26

Respondents were mostly satisfied with the overall helpfulness of staff they had spoken to regarding their arrears; 71% were satisfied compared with 18% who said they were dissatisfied (see Figure 160). The mean satisfaction score for helpfulness of staff was 3.55 out of a maximum of 5.

Figure 160: Overall Satisfaction with Helpfulness of Staff



Base: Overall 47 Gas Arrears 39 Electricity Arrears 23

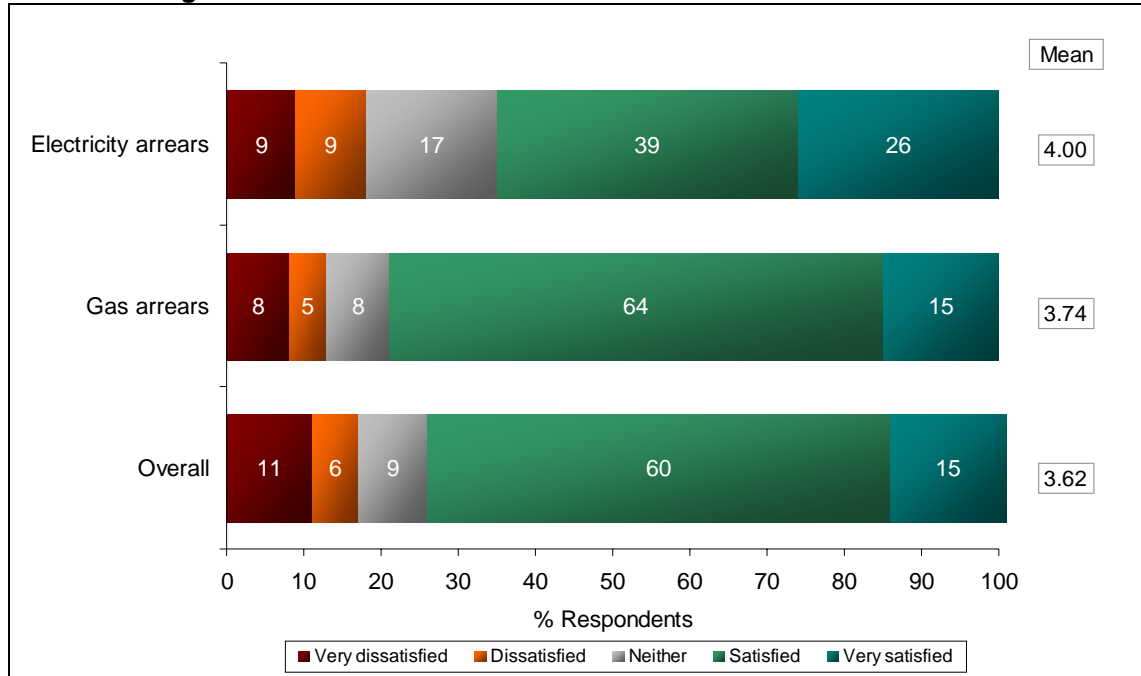
Respondents who said they were dissatisfied with the helpfulness of the staff they had spoken to mostly complained that staff had not taken their individual circumstances into account. Respondents' comments indicate a feeling that supplier staff are not listening and are simply repeating what they have previously said. Some examples of customers' dissatisfaction with the helpfulness of staff are set out below.

Table 2: Dissatisfaction with helpfulness of staff

Suppliers are not listening
They just didn't want to know. I've had to persist and call a number of times to finally get through to them
Because every time I phoned up the staff were sarcastic and rude
Because they didn't try to help; they just kept telling me how much I owed.
Just because with everything that was happening they didn't listen to me – they just kept asking for me to give them more money.

Respondents were mostly satisfied that the staff they had spoken to about their gas or electricity arrears were understanding about their circumstances; 75% were satisfied and gave a mean satisfaction score of 3.62 out of a maximum of 5 for this.

Figure 171: Overall Satisfaction that Staff Spoken to Regarding Arrears were Understanding about Individual Circumstances



Base: Overall 47 Gas Arrears 39 Electricity Arrears 23

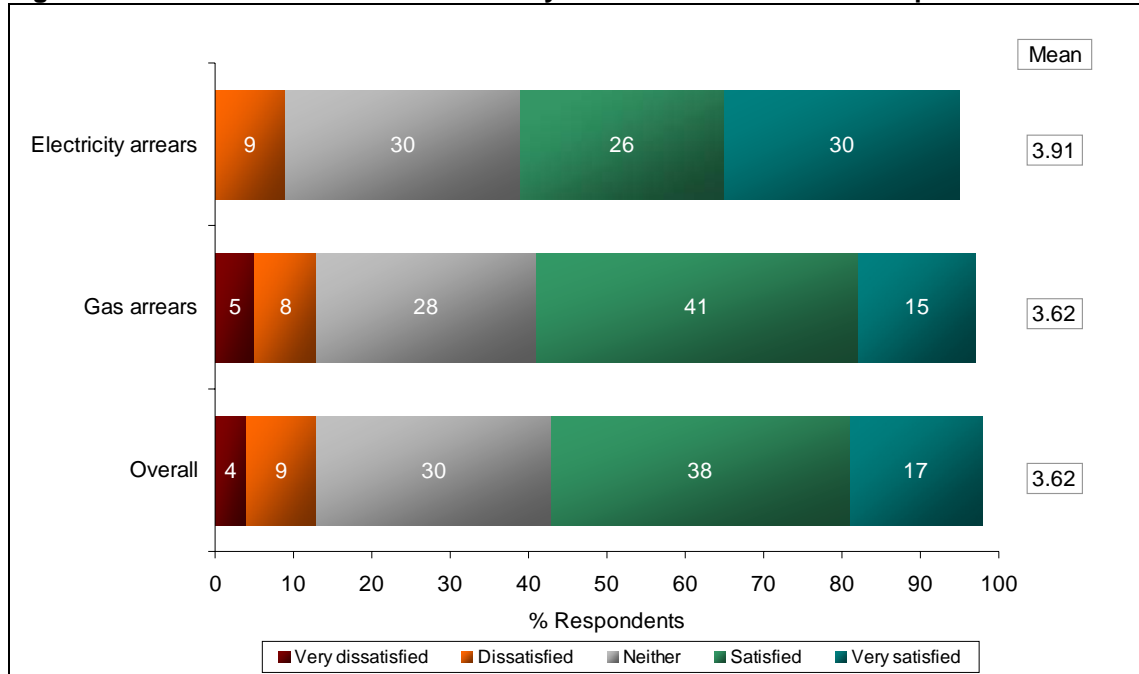
Some of the reasons given by those customers who were dissatisfied (17%) are set out below. Respondents' comments indicate a feeling that supplier staff focus on repayments at a non-negotiable level without taking customer affordability into account.

Table 3: Dissatisfaction that staff were understanding of circumstances

Suppliers do not take customer affordability into account
They just didn't want to know. Every I time wrote to them explaining my situation they just sent me back a bill for £310
Because they kept asking me for a large amount of money, so they hadn't listened to the fact that I was on benefits
Because they weren't understanding at all. They just said, "you owe us this money. If you don't pay then we'll take you to court"
They didn't take into account that I was out of work with children. They just demanded payment
They just kept telling me that it was my fault. Also they didn't understand that being dyslexic I had problems understanding the bill

Just over half (55%) of respondents said they were satisfied with the clarity of information given them by their suppliers in respect of their arrears, as Figure 182 shows. Nearly a third (30%) did not have a view and only a small number of customers (13%) were dissatisfied about the clarity of information given about their arrears.

Figure 182: Overall Satisfaction with Clarity of Information Given in Respect of Arrears



Base: Overall 47 Gas Arrears 39 Electricity Arrears 23

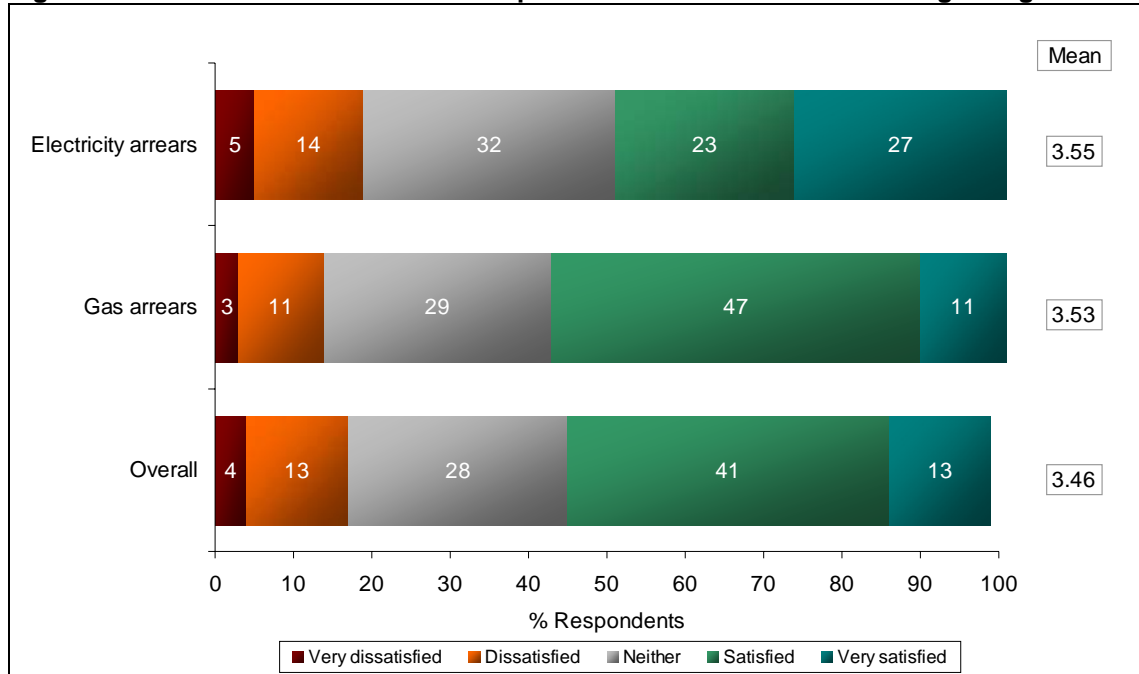
A selection of reasons given by those who were dissatisfied is set out below. Their comments show that they found the information confusing or irrelevant.

Table 4: Dissatisfaction with the clarity of information given regarding arrears

Information was confusing
Because I didn't get what I requested in terms of information that they provided both in letter and telephone. Still putting fees on top of estimation bill and not correcting the bill to what it actually was
Felt I was being made out as though I was trying to bump them regarding the bills. Was made out to be a liar and as though I was just not paying. Nothing was clear and understood.
It was confusing. Things they said were going to happen such as the court case and they didn't call when they said they would
Staff wouldn't explain clearly and thoroughly
Information was irrelevant
The information was not relevant to my circumstances. I don't use my meter at all these days as it's so expensive and so I can't pay off my arrears as a result.
Because they weren't actually giving me any information or giving me any options of ways to solve the problem
Never gave me any information about getting help until I was too far in arrears

Just over half of respondents (54%) were satisfied with the overall helpfulness of information given to them by their energy suppliers in respect of their arrears. This aspect was given a mean satisfaction score of 3.46 out of a maximum of 5, as Figure 193 shows.

Figure 193: Overall Satisfaction with Helpfulness of Information Given Regarding Arrears



Base: Overall 46 Gas Arrears 38 Electricity Arrears 22

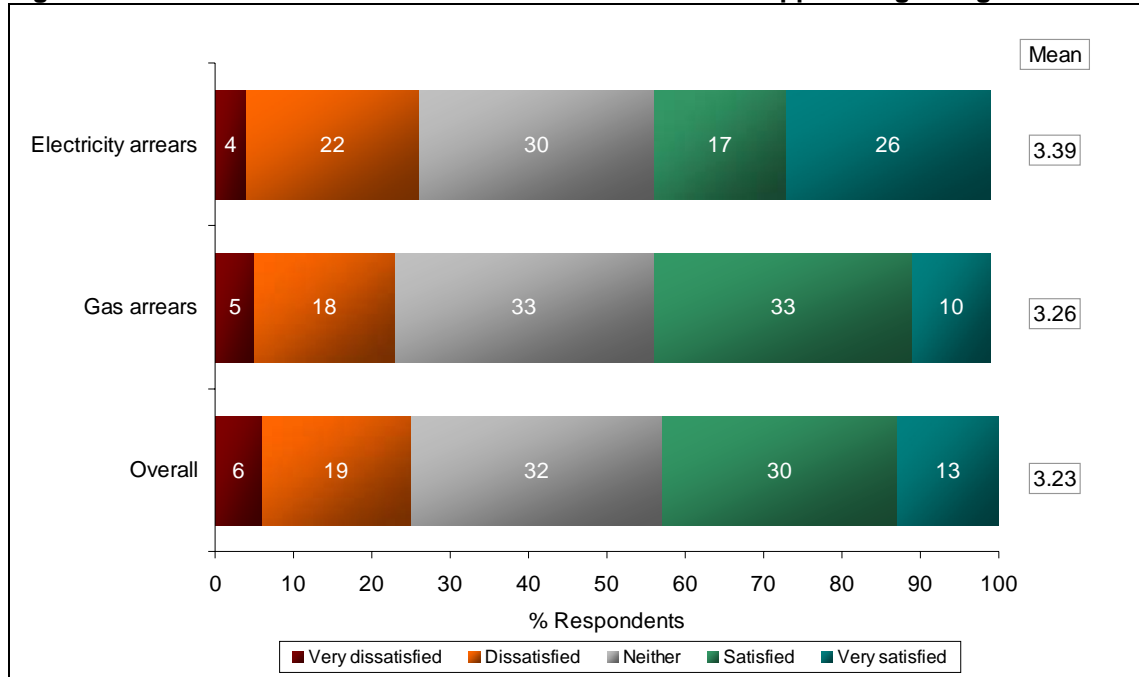
Among the 17% who were dissatisfied with the helpfulness of information given regarding arrears, there was a sense of frustration that the matter was not being resolved and that insufficient or inaccurate information was being received. Verbatim reasons for their dissatisfaction are set out below.

Table 5: Dissatisfaction with helpfulness of information regarding arrears

Frustration at matters not being resolved
They were not helpful at all. No one listened to me or understood my situations. Was put through from department to department with no one trying to help.
I didn't feel I got the help until I was too far in arrears. Should have contacted me before the sum amounted to what it did
Insufficient or inaccurate information received from supplier
Because the problem went on for so long, and every time I wanted to get a bill I didn't get one. This was a major factor towards getting into arrears as I was aware that a bill would be coming but I had no idea how large the bill would be so I hadn't budgeted for it.
They sent a letter which didn't make sense and they were unhelpful when it came to an explanation
Wasn't very helpful at all. Didn't offer me any advice or clear any information as to why my bill is so high or offer to change it

Less than half (43%) of respondents were satisfied overall with the communication they had with their supplier regarding their arrears, which was given a mean satisfaction score of 3.23 out of a maximum of 5, as Figure 204 shows. A quarter (25%) said they were dissatisfied with the communication.

Figure 204: Overall Satisfaction with Communication with Supplier Regarding Arrears



Base: Overall 46 Gas Arrears 38 Electricity Arrears 22

Some 25% who were dissatisfied with communication with their supplier regarding arrears complained that their supplier had only written to them rather than call to explain the situation, that staff were rude, that the communication was too late and not being understanding of their circumstances. Some examples comments respondents made are set out below.

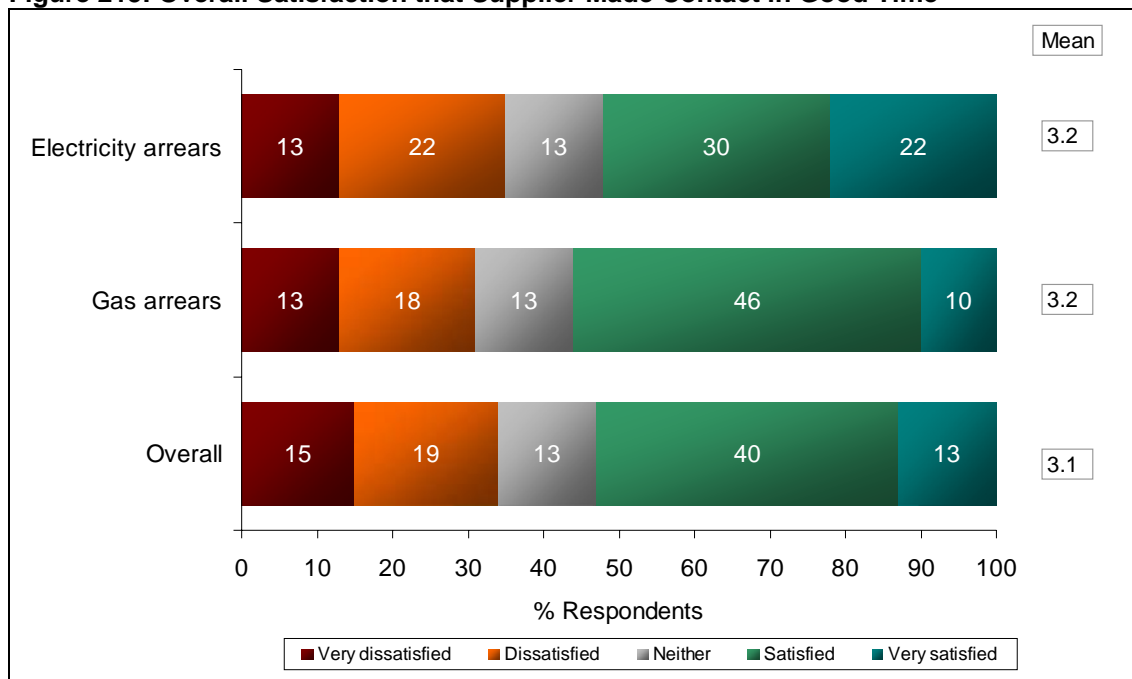
Table 6: Dissatisfaction with communication with supplier regarding arrears

Staff were rude
Because I was being polite and the person on the phone was rude and sometimes stupid. I didn't like the way I was spoken to or treated
Miscommunication and everyone was so vague. No help or understanding. It was a joke
Very disappointing as miscommunication occurred and problem not being resolved. They are not listening to me just following a script; system is flawed in terms of arrears bills, just kept sending them instead of accurate bill.
Communication was late
Because there was no communication apart from letters telling me how much I owed. And then how much I owed the debt management company.
I thought that the supplier should have contacted me sooner.
Because they have made no effort to actually contact me; it's always been me that's having to contact them. They should have let me know when I was going into arrears straight away.
I've only got one letter and then no one's phoned me at all so I'm not very happy that they hadn't made more of an attempt to contact me.

Not understanding of circumstances
Not understanding. No contact in person
They just wanted there money and didn't care about the circumstances involved

Just over half (53%) of respondents were satisfied overall that their supplier had made contact with them in good time to help with their arrears, while just over a third (34%) were dissatisfied. Respondents gave a mean satisfaction score of 3.17 out of a maximum of 5 for this, as can be seen in Figure 215.

Figure 215: Overall Satisfaction that Supplier Made Contact in Good Time



Base: Overall 46 Gas Arrears 38 Electricity Arrears 22 Gas and Electricity Arrears 14

The 34% who were dissatisfied that their supplier contacted them in good time regarding arrears show a lack of awareness that arrears are building up, a belief that the onus is on the supplier to be proactive in preventing that build up and a view that a letter is not sufficient contact. Some examples comments respondents made are set out below.

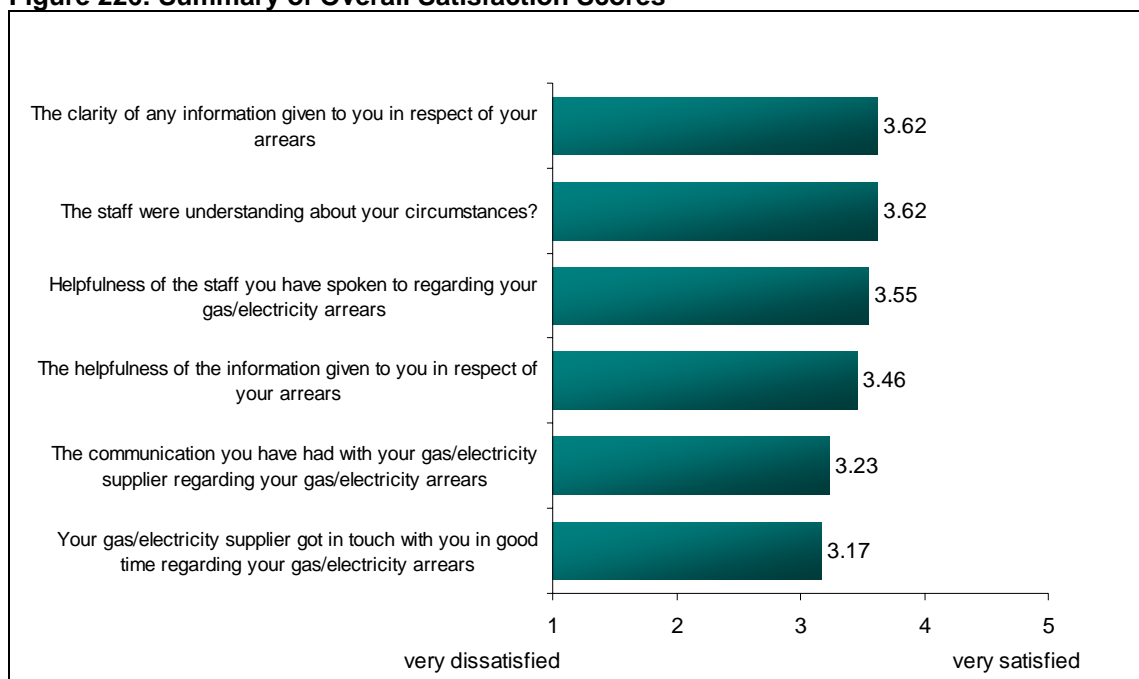
Table 1: Dissatisfaction that supplier had made contact in good time

Unaware of arrears building up
Because the fact that the bills were not sent regularly enough, this meant that the bill built up and became very large. Even though I knew that a bill was coming I had no idea how large it would be
Because they never got in touch with me. I only found out about the arrears once I had a new meter put in
Because I wasn't aware that I was in so much debt. By the time they told me I was a couple of hundred pounds in debt. If I had been told earlier I could have started budgeting earlier
Because they didn't tell me that I was in arrears. It didn't say on the bill that I was in arrears. I tried phoning them and they said they'd phone back but they didn't. Then someone turned up at the door to cut off the electricity. Then I found out I was in £800 pounds debt.

Because we only get bills every six months, which is not enough. Then, as we were switching, the bill continued until the switch date which added another 2 months. When we finally received a bill it was for 8 months which was too long. This meant that we got a very large bill which we couldn't afford to pay.
The supplier should be proactive in preventing build up of arrears
Although they sent me bills they allowed amount of arrears to build up before contact
It took them 3 months before they contacted you, allowing build up of money
I had to do most of the running. They don't want to meet you half way. They should have been the first to contact me instead of letting the arrears build up
Because it took them a long time to inform me of how much I was in arrears. Also I had to contact them first
It was a long drawn out process that could have been sorted sooner. It's taken nearly two years to get this far
Took them too long to get in touch causing the arrears to get higher and unmanageable
I should've been contacted when it would've been easier to catch up with repayments and not been in such high arrears
A letter is not sufficient contact
They don't get in touch with you. Apart from getting a letter. They could phone me and tell me that I wasn't paying enough and the amount I need to pay has gone up. Especially when there's postal strikes and I don't get any letters
Apart from the letter there was no contact

Figure 226 below summarises the overall satisfaction scores for aspects of supplier interaction with customers regarding their arrears. Respondents gave positive scores for all aspects, with clarity of information and being understanding of individual circumstances receiving the highest satisfaction scores (both 3.62). Respondents were less satisfied that their supplier contacted them in good time regarding their arrears (3.17) and with the overall communication (3.23).

Figure 226: Summary of Overall Satisfaction Scores



Base: Overall 47

5.7 Desired Improvements to Communications with Suppliers

Key Findings

- Respondents wanted their suppliers to contact them earlier than currently to prevent arrears building up.
- They would also like to be able to get through on the telephone more quickly and more easily.
- Suppliers should be more understanding and flexible and some customers would like the opportunity of a home visit to discuss their arrears.

Mostly respondents wanted their gas or electricity suppliers to get in touch with them sooner, informing them that they were facing arrears rather than advising they had already accumulated a debt.

Suppliers clearly face challenges in making contact with customers who owe them money. This research has highlighted that many respondents find letters easy to ignore and dismiss them as a first point of contact; however an early phone call, or even a text message, is likely to be more helpful. This approach would be particularly helpful to poor money managers and to customers who have experienced a material change in their personal circumstances.

Other areas where respondents identified suppliers could further improve included:

- making it easier to get through on the telephone
- being more understanding about individual circumstances
- providing a face-to-face environment in which to discuss their arrears.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

- There were some differences in satisfaction with suppliers between the fifteen depth respondents and those taking part in the telephone survey (50 respondents). The depth respondents had been selected for having substantial contact with their supplier about their arrears. This would indicate that their problems are likely to be more complex to resolve and this is reflected in the higher incidence of threatened disconnection amongst these respondents. There was also a higher degree of vulnerability among the depth respondents. While the majority of telephone respondents were on low incomes and earned less than £20,000, most (78%) had no disability and only one had been threatened with disconnection. The depth respondents were, with two exceptions, unemployed; nine had a disability and seven of them had recently been threatened with disconnection. This suggests that suppliers have suitable debt and disconnection procedures in place for most customers in arrears but there is still some work to be done and scope for improvement where their more vulnerable and hard to reach customers are concerned.

6.2 Conclusions

Causes of debt

- Telephone respondents cited fuel debt as mostly being caused by not having enough money to go round (26%) or by a change in personal circumstances (24%). Incorrect billing was cited as a cause of arrears by 20% of respondents. The same causes were found among the depth respondents alongside vulnerability such as poor literacy and poor money management skills. Early contact is very important for these vulnerable customers.
- CAB advisors have seen an increase in fuel debt over the past twelve months as a result of the delayed recalibration of older token prepayment meters and say that gas and electricity arrears are a large part of household debt.

Incorrect billing

- Vulnerable customers and CAB advisors found suppliers difficult to deal with where there were queries on a bill. Suppliers can be reluctant to check their own figures and can take a long time to respond to queries.

Contacting the supplier

- Telephone respondents were satisfied with the clarity of information given (3.62 mean score out of 5), with the overall helpfulness of staff (3.55 mean score out of 5), with the helpfulness of information given (3.46 mean score out of 5) and with communication with the supplier (3.23 mean score out of 5). The more vulnerable

depth respondents were, however, dissatisfied with the helpfulness of staff and communication with their supplier.

- Less than a half of telephone respondents were satisfied overall that their supplier had contacted them in good time regarding their arrears (3.17 mean score out of 5). Early communication is therefore very important in preventing debt accumulating and this was the main area identified by respondents for improvement. Most depth respondents also felt that waiting for a quarterly billing cycle was too long and that by this time the level of arrears was likely to be difficult to manage.
- Telephone respondents, including CAB advisors, were dissatisfied with the length of time suppliers take to answer their call (a mean satisfaction score of 2.67 out of 5). Respondents mostly call their supplier on 0800 (free) or 0845 (local rate) numbers from landlines and incur little cost in doing so. Although respondents gave this a slightly negative satisfaction score (2.98 out of 5), 52% were neither satisfied nor dissatisfied. Those calling from mobile phones on which they have little credit are concerned about the cost of calling as they do not benefit from calling 0800 or 0845 numbers. They may end a call if it appears to be costing them too much. Being kept on hold and waiting for long periods was of particular concern for the more vulnerable and low income depth respondents who typically use mobile phones because of the associated costs.
- Only two of the 50 telephone respondents had been offered a home visit to discuss ways of clearing their arrears, although there was some support for this (46% in favour). Depth respondents also showed some support for a home visit, particularly early on and by appointment. They do not expect to be asked to pay for this; indeed, a request for payment is likely to result in a home visit being turned down and may create a barrier to further contact.
- Six depth respondents said their supplier had given them a dedicated team or person to contact to discuss their arrears. One respondent had been advised to speak to energywatch and one to contact a debt helpline.

Understanding of individual circumstances

- Telephone respondents were satisfied that staff were understanding regarding their personal circumstances and gave this a mean score of 3.62 out of 5. However, this was also mentioned as an area where suppliers could improve.
- Depth respondents and CAB advisors were less satisfied that suppliers were understanding of individual circumstances. Their perception that energy company staff are repetitive and speak as though reading from a script reinforces the view that they do not know their customers, do not take account of individual circumstances and are not listening to their customers.
- CAB advisors can find some energy companies difficult to work with. They feel that suppliers start from a negative point of view, assuming that customers in arrears are simply being difficult. They also feel that call centre staff are not actually empowered to enter into any negotiations regarding affordable repayment levels and that they therefore have to escalate a query to speak to more senior personnel to negotiate a suitable outcome.

- CAB advisors need to speak to the supplier in their client's presence in order for the client to give their permission for their account to be discussed. This is sometimes difficult, particularly as it can take a while to get through. There is some frustration among advisors that, once they have got through, suppliers then cite the Data Protection Act as a reason not to discuss a client's case.

Information given by supplier

- Most telephone respondents said they had not been given any information that might help them to reduce their gas or electricity bills. Six respondents had been given energy saving advice and one had been given information regarding tariffs. One had been given information regarding Fuel Direct which he had subsequently taken up.
- There was no evidence among the depth respondents of suppliers offering energy saving advice or of suggesting Fuel Direct as a way of paying. Neither was there any evidence of suppliers asking whether or not customers were in receipt of benefits.

Prepayment meters

- Around half (51%) of telephone respondents said they had been offered prepayment meters but respondents were not strongly in favour of them as a means of helping to clear arrears: 42% thought they were helpful compared to 37% who thought they were not.
- Depth respondents were similarly divided in their views of prepayment meters. A couple of respondents were unhappy at having to have prepayment meters installed to avoid disconnection because they would not easily be able to top them up. Both have mobility problems and one also lives in a rural location. Conversely, a couple of respondents said they had requested a prepayment meter but this had been refused.
- CAB advisors emphasise that, although prepayment meters and the associated higher tariff are accepted by customers, this is because they have no choice. Social tariffs that allow a customer with a prepayment meter to pay the same tariff as those paying by direct debit were praised by CAB advisors.

Repayment amounts

- Among those who agreed repayment amounts with their supplier, nearly three quarters (73%) of telephone respondents were satisfied with the level agreed and 62% said it had been easy to agree repayment amounts. Those who were dissatisfied with the agreed repayment amounts mostly cited affordability and being in receipt of benefits as key issues.
- In contrast, depth respondents were frustrated at suppliers' unwillingness to be flexible in terms of setting affordable repayment levels. There were cases where respondents had offered to pay but their suppliers did not consider the amounts to be sufficient and repeatedly refused to accept a lower amount.

- CAB advisors supported depth respondents' views that suppliers do not take individual circumstances into account when agreeing repayment amounts and they often have to work hard to negotiate affordable repayment levels for their clients. Advisors see agreeing unaffordable repayment amounts as counter-productive since it causes their clients to default on other payments. Eventually, when another creditor becomes more demanding, the client will then default on their energy repayments, thereby perpetuating their cycle of debt.

Disconnection

- Most telephone respondents were not told that their gas or electricity might be disconnected and only a couple were given any information regarding disconnection. One respondent had been disconnected and was without electricity for one week. Of those respondents who were not disconnected, most agreed repayment terms with their supplier.
- There was more experience of threatened disconnection among the depth respondents, where seven of the fifteen had recently been threatened with disconnection. They felt that the tone of the letter threatening disconnection is intimidating, although it may be the case that some debtor customers wait for the threat of disconnection before paying (as was the case with one depth respondent). A couple of depth respondents indicated that the additional costs incurred by disconnection and, subsequently, reconnection present an additional burden.

Switching

- Depth respondents were aware that they could switch supplier in order to get a lower tariff. However, those who had switched had not done so because they had themselves compared charges. Instead, they had either switched because another supplier representative had persuaded them that they offered a lower tariff, because of poor customer service or because they wanted to have just one supplier for both fuels. The attraction of having one supplier was simpler administration rather than a dual fuel discount, of which there was limited awareness. Some respondents were subsequently surprised to find that they received different service levels from the same company.

Accent's Recommendations

1. Energy companies should be encouraged to be more proactive in getting to know their customers. Customers fall into arrears for a range of reasons and different customers will respond positively to different debt recovery activities. While some undoubtedly respond to messages such as the threat of disconnection, most, particularly early on in their energy debt, are more likely to respond to a reasonable, flexible discussion. In particular, suppliers should explore how better to communicate with vulnerable, hard to reach customers.
2. Energy companies should be encouraged to be more flexible in their approach to customers, taking into account individual circumstances and accepting lower

repayment levels in order to encourage regular payment patterns and avoid the build-up of debt. This may require further training among staff and a review of the extent to which they are empowered to negotiate more affordable repayment levels.

3. Energy companies should be encouraged to identify and communicate to customers potential problems earlier than currently. For customers on limited incomes the level of arrears that can build up over a quarter can be unmanageable. There is also value in checking promptly that all is well where, for example, a previously regular payment pattern has been broken or a direct debit fails from the start.
4. While it can clearly be difficult to make contact with some customers, energy companies should be encouraged to explore all options including text messages and to offer home visits, by appointment, at no cost to the customer.
5. The length of time taken to get through to a supplier representative on the telephone is currently too long and presents a barrier to contact. Since some customers need very little persuading not to make contact it should be a priority for suppliers to make contact as easy as possible for their customers and minimise waiting times.
6. For similar reasons, the industry should explore the potential for opening up the benefits of 0800 and 0845 numbers to mobile phone users. This is particularly important for low income customers who are more likely to use pay-as-you-go mobile phones and therefore do not benefit from the low cost call rate of these numbers.
7. Suppliers should be encouraged to improve communications with the CAB, both in terms of the ease of getting through on the telephone and of the actual tone of contact. They should also be encouraged to be guided by the CAB in terms of setting affordable repayment levels. Given that CAB advisors deal with people in difficulty, if not hardship, this should drive the suppliers' approach to them. CAB advisors will probably have already gone through a financial statement with their clients before contacting the supplier and will have a very good idea of what constitutes an affordable repayment level.
8. The Data Protection Act (DPA) should not be used by suppliers as a reason not to discuss a customer's situation with a CAB advisor. Energy suppliers should be encouraged to review staff understanding of the DPA, if necessary in consultation with the Information Commissioner's Office.

APPENDIX A

Depth Discussion Guide

Good morning/afternoon... My name is ... and I work for an independent market research company called Accent. As you know, we are conducting research for Ofgem. Ofgem is the regulator of Britain's gas and electricity industry and its principal objective is to protect the interests of consumers by promoting effective competition. We are conducting research looking at how satisfied customers are with the dealings they have had from their gas or electricity supplier

Thank you very much for agreeing to help us with this research.

The interview will last about 40 minutes and you do not have to answer any questions you do not wish to. The research is being conducted in accordance with the Code of Conduct of the Market Research Society (MRS) and also with the Data Protection Act, with whom Accent is registered. This means that everything you say is confidential and will not be attributed to you personally.

With your permission, I would like to record our discussion. This is standard market research procedure and is to ensure accuracy – so I do not have to try to remember all you have said – and for analysis purposes only. The recordings will not be passed to any third party not associated with the research project, and I assure you that none of your comments will be attributed to you by name.

DO NOT ASK: MARK FROM RQ WHETHER URBAN OR RURAL

1 urban

2 rural

Confirm that respondent considers where they live to be an urban or rural location.

Background

3 mins

- Household details:
 - type of house, own/rent council, rent privately etc
 - composition: numbers of adults/children, age etc
 - employment/benefits received etc
 - disability or long term illness etc from recruitment questionnaire
 - main language spoken at home (and others spoken); **probe** (eg if different language for social/formal occasions)
- Who is your **gas** supplier? How long have you been with them? **IF 12 MONTHS OR LESS:** who were you with before? Why did you change supplier?
- And who is your **electricity** supplier? How long have you been with them? **IF 12 MONTHS OR LESS:** who were you with before? Why did you change supplier?
- Do you know the size of your gas and electricity bills? I don't need you to tell me exactly how much they are, only if you have an idea of how much they are.
- If the same supplier for gas and electricity: do you have a discount for dual fuel? **If not, probe why.**
- And do you feel that the gas bill is a large part of your household budget or perhaps not so big a proportion? And your electricity bill? And how does each compare with, for example, your water bill or your phone bill? Do you find it easy or not so easy to afford to pay your gas and electricity bills?

- How do you normally pay your [gas or electricity or gas and electricity] bill? **Probe for method/frequency** eg DD/SO, cheque/cash on demand, post office, card, PayPoint, repayment plan etc. **Probe for reasons:** eg convenience, ease of budgeting, paid weekly or irregularly?
- Do you have a bank account? Credit Union?

Arrears

5 mins (8)

- Do you have arrears on either your gas or electricity bill?

IF RESPONDENT SAYS 'NO' TO BOTH, USE FOLLOWING SCENARIO FOR AS LONG AS NECESSARY AND ADJUST QUESTIONS THROUGHOUT TO REFER TO SCENARIO, ASKING RESPONDENT TO ADVISE MR AND MRS X WHAT THEY MIGHT HAVE DONE, SHOULD DO AND WHY ETC.

Many households have difficulties paying their gas and electricity bills. This can be for a number of reasons. Let's imagine a household, Mr and Mrs X and their two school-age children. Mr X has been ill for a while and this has led to him losing his job. Mr and Mrs X now have problems meeting their bills and have now fallen into debt to both their gas and electricity suppliers. They haven't paid either supplier for six months now. They have contacted their gas supplier regarding these arrears because they think there has been a mistake on their bill. They have not yet been in touch with their electricity supplier.

- How **long** have you been in arrears with your [gas or electricity or gas and electricity]?
- And how **much** are your arrears with your [gas or electricity or gas and electricity] bill? **Probe** for awareness of arrears as opposed to current bill.
- Thinking about your [gas or electricity or gas and electricity] arrears, what were the reasons leading to these arrears? **Probe;** eg contested meter readings, estimated bills, billing error, affordability (through change in personal circumstances, rising prices, ongoing challenge in meeting bills etc), lack of awareness etc
- Do you consider your [gas or electricity or gas and electricity] arrears to be a debt? Why/why not? **Probe**

Contact with Energy Supplier

12 mins (20)

- Have you been in contact with your [gas or electricity or gas and electricity] supplier regarding these arrears? **Probe.** Why/why not?
- What are the reasons why you would make contact or perhaps choose not to make contact with your [gas or electricity or gas and electricity] supplier regarding your arrears? What prompted you to make contact with them (eg have contacted them in the past, debt advice, friend/family advice, fear of rising debt, fear of disconnection etc)? **Probe.**
- Who made the first contact – you or your [gas or electricity or gas and electricity] supplier? **Probe.**
- At what point (eg how long after the payment was due, after what events) was contact first made between you and your [gas or electricity or gas and electricity] supplier? What prompted you to respond to the supplier?

- What methods of contact have you or your supplier used in relationship to these arrears? (Eg letter, telephone, personal visit, text message etc).
- Were you offered/did you receive a **home visit** from your [gas or electricity or gas and electricity] supplier? Why/why not? Probe: acceptance/resistance of home visit etc.
- And when you were **speaking** to and/or **writing** to your supplier regarding your current arrears for your [gas or electricity or gas and electricity], how helpful did you find them? **Probe**
- Thinking about **all** the points of contact with your [gas or electricity or gas and electricity] supplier, whether by phone, letter or home visit, how understanding was the supplier/were the suppliers? **Probe**: eg understanding of personal circumstances, ability to pay etc.
- How happy were you with their approach towards you?
- What advice were you given? **Probe**
- How clear were they? How clear was the advice/information they gave? Was it easy to understand?
- Which methods of contact do/did you prefer? Why? **Probe** for what is liked and what is disliked for each. (Eg letter, telephone, personal visit, text message etc). Probe for effectiveness of each, which is easily avoided, which is most helpful, which is most understanding etc
- Have you contacted anyone other than your [gas or electricity or gas and electricity] supplier regarding your arrears? Who have you contacted instead of your supplier (eg energywatch, debt advice centres, Citizens Advice, etc)? Why/why not? How helpful were they? **Probe**

Quality of Contact

10 mins (30)

- How easy is it for you to contact your [gas or electricity or gas and electricity] supplier? Do you think of them as accessible, easy to contact? Why/why not? **Probe**
 - Is it easy to find their address to write to?
 - Do they have 0800 numbers?
 - Do they have your telephone number? Do they text?
 - Do you get to speak to a person straightaway or is it an automated system?
 - Do you have to wait long before being put through to someone who could help?
 - Do you have to wait long for them to reply?
 - Does it seem expensive to contact them?
 - What times of day have you contacted them? And what time do you prefer to contact them? **Probe**
 - And what about when they call you – what time of day is that normally? How convenient is that for you?
 - Do you have call barring for some numbers?
- Do you think you should have contacted your [gas or electricity or gas and electricity] supplier regarding your arrears sooner than you did? Why/why not? What hinders, what would help be more prompt in contacting them if you have a problem paying?
- Thinking about why you might or might not make contact with your [gas or electricity or gas and electricity] supplier regarding your arrears, what can your supplier(s) do to prompt you, to make it easier for you to make contact with them? **Probe**

- Or do you think your [gas or electricity or gas and electricity] supplier should have contacted you regarding your arrears sooner than they did? Why/why not? How happy were you with the timing of their contact with you? **Probe**
- Do you think you will find it easy (or easier) to contact your [gas or electricity or gas and electricity] supplier next time if you felt you were having any problems paying, or had a query? Why/why not? Do you have a named contact to speak to, if you wanted to?

Outcome	5 minutes (35)
----------------	-----------------------

- Did you feel your [gas or electricity or gas and electricity] supplier was/were understanding about your circumstances? Did they discuss with you what you could afford to pay towards the arrears and your current bill? Were you satisfied with the amounts set for repayment? Did you think they were reasonable? Why/why not? **Probe**
- Were you offered any energy efficiency advice by your [gas or electricity or gas and electricity] supplier? How helpful did you find this advice? **Probe**
- Were you given any other advice? **Probe** eg payment methods/schedules, budgeting, etc
- Were you offered any other help by your [gas or electricity or gas and electricity] supplier eg
 - handled by a special team, given a named contact to call if you need to
 - did anyone ask if you were in receipt of any benefits? Your energy supplier provides a benefits entitlement check for its customers
 - were you given information about Fuel Direct or helped to apply for it? (Note: Income Support, Pensions Credit or Jobseeker's Allowance combined with arrears qualify for Fuel Direct)
 - were you referred to other advice agencies (which? how?)
 - were you offered other assistance (eg Trust Fund etc)
 - etc
- Were you offered a pre-payment meter? **If not**, would you have wanted one? Why/why not? **If yes**, did you feel you had an option? Why/why not? **Probe** for attitudes towards PPMs: eg helpful for budgeting vs expensive as paying higher tariff
- Did your [gas or electricity or gas and electricity] supplier explain that your [gas or electricity or gas and electricity] supply might be disconnected? **Probe** for information given (particularly if there are children under 16 in the home, anyone of pensionable age, disabled or chronically sick.).
- Were you actually disconnected on this occasion? **If yes**: How long for? What happened to resolve the matter? What help/advice did you receive before supply was restored? Who from? **If no**: probe for impact of threat of disconnection.
- Were you satisfied with the way things were resolved? Why/why not? **Probe** (may still be ongoing)

Wrap	5 minutes (40)
-------------	-----------------------

- Overall, how would you describe the quality of the **communication** with your [gas or electricity or gas and electricity] supplier regarding your arrears?
- Thinking about that communication process, what do you think worked well and what could have been improved? What would you like your [gas or electricity or gas and electricity] supplier to do help communicate better with customers with arrears?

- And overall, how would you describe the quality of the **assistance** provided by your [gas *or* electricity *or* gas and electricity] supplier regarding your arrears?
- Thinking about the assistance provided, what do you think worked well and what could have been improved? What would you like your [gas *or* electricity *or* gas and electricity] supplier to do help customers with arrears?
- If you could make a recommendation to your [gas *or* electricity *or* gas and electricity] supplier for ways of improving how they liaise with their customers regarding arrears, what would that be?

Thank you very much for taking part in our research

Hand over incentive and remember to take signature

APPENDIX B

CAB Discussion Guide

Moderator:

Respondent:.....

Date:

Time:

Good morning/afternoon... My name is ... and I'm calling from Accent. You kindly agreed to take part in research we are conducting research for Ofgem as part of their Debt and Disconnection Review, looking at customers' satisfaction with the communication they receive from their energy suppliers. Thank you very much for agreeing to help us with this research.

Is now a good time to talk?

If not, reschedule.

The research is being conducted in accordance with the Code of Conduct of the Market Research Society (MRS) and also with the Data Protection Act, with whom Accent is registered. This means that everything you say is confidential and will not be attributed to you personally.

With your permission, I would like to record our conversation. This is standard market research procedure and is to ensure accuracy – so I do not have to try to remember what you have said – and for analysis purposes only. The recordings will not be passed to any third party not associated with the research project, and I assure you that none of your comments will be attributed to you by name.

The discussion will last around 20 minutes.

Reasons for debt

- First, thinking about the clients you see who have arrears with their gas/electricity supplier, what, in your experience, are the main reasons leading to these arrears?
 - high bill
 - billing errors
 - estimated meter reading
 - change in personal circumstances
 - too many other bills
 - more pressing demand on money
 - etc
 - **probe**
- Has there been any change here in the past 12 months?
- At what stage do you generally see clients who have arrears with their gas/electricity supplier:
 - prompted by threat of legal action?
 - prompted by threat of disconnection?
 - prompted by other creditor?

Repayment Plans

- When it comes to agreeing a repayment plan on behalf of a client with their gas/electricity company, how easy or difficult is it to agree on a repayment plan?
 - why do you say that?
 - do you feel companies take into account individual customers' circumstances? Are some better than others?
 - do you feel they take affordability into account? Are some better than others?
 - do you have a view on how successful your clients are at keeping to their repayment plans?

Prepayment Meters

- In your experience, how helpful do customers find prepayment meters as a means of clearing their arrears?
 - why do customers find them helpful? Which customers?
 - why do customers not find them helpful? Which customers?
- Do you find that customers are willing to consider having a PPM installed?
 - why/why not?
 - are they aware of higher tariffs? Do they have concerns about them or do they accept them?

Helpfulness of response from suppliers

- Do gas/electricity suppliers advise you or the customer to contact anyone else (eg energywatch, Energy Supply Ombudsman etc) regarding their arrears?
 - who have they recommended?
 - what circumstances prompt that?
- Do suppliers provide you with any information about Fuel Direct?
 - all/some; **probe**
 - do you offer clients information about Fuel Direct independently of the suppliers?
- In your experience, how helpful do customers find Fuel Direct as a means of clearing their arrears?
- Do suppliers provide you with any other information eg social initiatives that they offer? **Probe**
- When you contact a gas/electricity company on behalf of a client, do you have a nominated/dedicated point of contact to call?
 - do you have a direct contact telephone number you can call where you can speak to a person straightaway or do you have to contact their call centre and use the automated telephone system?
 - does this differ across suppliers?
 - if have dedicated contact: how well does that work?
 - if no: is that something you would want?
- Do you consider that you have a formal or informal relationship with energy suppliers?
 - does this vary across companies? **Probe**
 - what form do these relationships take? Eg regular meeting, ad hoc meetings etc
 - how effective are these relationships?
 - are they reviewed?
 - is there the opportunity for dialogue/feedback?
 - how could these relationships be improved? **Probe**

- In your experience, are some suppliers more helpful than others in their response to the issues you phone them about? **Probe**
- Overall, is there anything that gas and electricity suppliers could do to improve their processes regarding customers' arrears? **Probe**
- How do energy suppliers compare to other industries in the way they manage their customers in debt?

Scale of problem

- How big an issue do you think indebtedness to gas and electricity suppliers is? Is it a major issue for the CAB in terms of:
 - the scale of the problem
 - frequency of occurrence
 - flexibility of the supply companies
 - resolutions of consumers' problems
 - is it a growing problem area or is it decreasing?
 - how does it compare with other debt areas?
 - do you deal with it in the same way that you deal with other debt or are there differences across the debt range?

Wrap

- Is there anything else you would like to say about clients in arrears to their gas/electricity supplier?
- Is there anything else you would like to say about your dealings with gas/electricity suppliers?

Thank and close

APPENDIX C
CATI Questionnaire

Debt and Disconnection Review: CATI Questionnaire

The research is being conducted under the Market Research Society Code of Conduct and that means that any answers you give will be treated in confidence. You do not have to answer any questions you do not want to, and you may end the interview at any time.

Q1 to Q68 asked first about gas, then about electricity

Q1. Thinking first about gas, who is your **gas** supplier?

- British Gas Trading
 - EdF Energy
 - npower
 - Powergen
 - ScottishPower
 - Scottish & Southern Energy (SSE)
 - Other **please specify**
 - Not applicable
-

Q1b **If gas and electricity supplier are the same:** Do you receive a dual fuel discount?

- Yes
 - No
-

Q2. How long have you been with your gas supplier?

- Less than 6 months
 - Between 6 and 12 months
 - More than 12 months
 - Don't know/can't remember
 - Refused
 - Not applicable
-

Q3. Who was your gas supplier before that?

- British Gas Trading
 - EdF Energy
 - npower
 - Powergen
 - ScottishPower
 - Scottish & Southern Energy (SSE)
 - Other **please specify**
 - Didn't have gas before
-

Q4. Why did you change your gas supplier

- I was offered a cheaper rate
 - I was offered dual fuel discount
 - I was dissatisfied with my previous supplier **Probe**
 - Agent came to the door
 - Other **please specify**
-

Q5. Have you tried to change your gas supplier recently but not been able to?

- Yes
 - No
 - Don't know
-

Q6. **If Q5 = 1:** What were the reasons for that? Do not read out

- Because of having arrears
- Other reason
- Don't know

Q7. Do you know roughly how much your current gas bill is?
per week
monthly
quarterly
annually
don't know
refused

Q8. How easy do you find it to pay your gas bill? Please use a scale of 1 to 5, where 1 equals very difficult and 5 = very easy.
Very difficult
Difficult
Neither
Easy
Very easy

Q9. **If Q8 = 1 or 2:** What are the main reasons for that? **Do not prompt. Tick all that apply.**
The gas is expensive
I have difficulty budgeting
It costs a lot to heat the home in winter
I have other household debts
I have to buy things for the children and they come first
I need to spend money on Christmas
Other **please specify**
Any other comments

Q10. Do you have any arrears with your gas supplier? [Reassure if necessary]
Yes
No
Don't know
Refused

Q11. **If Q10 = 1:** Customers get into arrears for many reasons. What were the reasons that led to you having arrears with your gas supplier? **Tick all that apply and add any comments**
High winter bill
Incorrect billing
Estimated bills
Change in personal circumstances **Probe**
Too many other bills/not enough money to go round
More pressing demand on money (eg child's birthday, school trip, other creditor demanding money etc)
Other **Please specify**
Don't know
Other comments

Q12. Have you been in contact with your gas supplier about these arrears?
Yes
No

Q13. **If Q12 = 1:** Who made the first contact – you or your supplier?
Supplier made first contact
Customer made first contact
Other **PLEASE SPECIFY**
Don't know/can't remember

Q14. How did your gas supplier make that first contact?

- Reminder bill
- Letter
- Telephone call to landline
- Call to mobile
- Text to mobile
- Home visit
- Telemessage
- Other **Please specify**
- Don't know/can't remember

Q15. How else has your gas supplier contacted you in connection with these arrears? **Tick all that apply**

- Letter
- Telephone call to landline
- Call to mobile
- Text to mobile
- Home visit
- Telemessage
- Other **Please specify**
- Don't know/can't remember
- None

Q16. How have **you** contacted your gas supplier in connection with these arrears? **Tick all that apply**

- Telephone from landline
- Telephone from mobile
- Letter
- Other **Please specify**
- Don't know/can't remember
- Not contacted gas supplier

Q17. Did your gas supplier offer to visit you at home to discuss the best way of repaying these arrears?

- Yes
- No
- Don't know/can't remember

Q18. How acceptable do you think a home visit is as a way of helping to discuss with your gas supplier the best way of repaying arrears? Please use a scale of 1 to 5, where 1 equals totally unacceptable and 5 equals very acceptable.

- Totally unacceptable
- Unacceptable
- Neither
- Acceptable
- Very acceptable

Q19. **If Q17 =1.** Were you told that you might have to pay for a home visit at any stage of the process? (For info: suppliers will set out charges to customers once a warrant has been obtained)

- Yes
- No
- Don't know/can't remember

Q20. Thinking about the initial contact from your gas supplier, how satisfied were you that it was made in good time in terms of helping you deal with your arrears? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

- Very dissatisfied
- Dissatisfied
- Neither
- Satisfied
- Very satisfied

Q21. **If Q20 = 1 or 2:** Why do you say that?

Q22. When you called your gas supplier, did you call them on ... **Tick all that apply**

- An 0845 number
- An 0800 number
- A normal landline number
- Don't know/can't remember
- Other **Please specify**

Q23. When you called your gas supplier regarding these arrears, were you able to speak to a person straightaway or does your gas supplier have an automated telephone system (ie where the caller has to press a number according to the nature of their enquiry)?

- Spoke to a person straightaway
- Automated telephone systems
- Don't know/don't remember

Q24. How satisfied were you with the time taken to answer your calls to your gas supplier? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

- Very dissatisfied
- Dissatisfied
- Neither
- Satisfied
- Very satisfied

Q25. **If Q24 = 1 or 2:** Why do you say that?

Q26. How satisfied are you with any costs associated with calling your gas supplier by phone? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

- Very dissatisfied
- Dissatisfied
- Neither
- Satisfied
- Very satisfied

Q27. **If Q26 = 1 or 2:** Why do you say that?

Q28. When discussing your arrears, did your gas supplier give you any information regarding energy efficiency or other ways to reduce your gas bills?

- Yes, energy saving advice
- Yes, information about tariffs
- Yes, other ways to reduce gas bills **Please specify**
- No
- Don't know/can't remember

Q29. **If Q28= 1:** How helpful did you find this energy advice? Please use a scale of 1 to 5, where 1 equals not at all helpful and 5 equals very helpful.

Not at all helpful

Not helpful

Neither

Helpful

Very helpful

Q30. Also when discussing your arrears, did your gas supplier give you any information regarding Fuel Direct? (If necessary, explain: Fuel Direct is a scheme whereby a customer who is in arrears on their gas or electricity bill **and** who is in receipt of either income-based Jobseeker's Allowance, Income Support or Pension Credit can choose to have their current bill plus a contribution to their arrears deducted from their benefit and paid directly to their supplier.)

Yes

No

Don't know/can't remember

Q31. **If Q30 = 1:** How helpful did you find this advice regarding Fuel Direct? Please use a scale of 1 to 5, where 1 equals not at all helpful and 5 equals very helpful.

Not at all helpful

Not helpful

Neither

Helpful

Very helpful

Q32. Did you take up Fuel Direct?

Yes

No

Don't know

Q33. **If Q32 = 1:** How easy was it to set up paying your gas bill through Fuel Direct? Please use a scale of 1 to 5, where 1 equals very difficult and 5 equals very easy.

Very difficult

Difficult

Neither

Easy

Very easy

Q34. **If Q33 = 1 or 2:** Why do you say that?

Q35. How helpful do you find Fuel Direct as a means of paying your current gas bill and paying towards clearing your arrears? Please use a scale of 1 to 5, where 1 equals not at all helpful and 5 equals very helpful.

Not at all helpful

Not helpful

Neither

Helpful

Very helpful

Q36. **If Q35 = 1 or 2:** Why do you say that?

Q37. If Q32 = 2: Why did you not take up Fuel Direct? Do not read out. Probe and tick all that apply

- I prefer to be in control of my own money
 - I thought the amounts deducted were/would be too high
 - I want to have more money to spend at Christmas
 - Other **Please specify**
 - Don't know
-

Q38. Did your gas supplier offer you a prepayment meter?

- Yes
 - No
 - Don't know/can't remember
-

Q39. How helpful is, or would a prepayment meter be to you in helping you to clear your arrears with your gas supplier? Please use a scale of 1 to 5, where 1 equals not at all helpful and 5 equals very helpful.

- Not at all helpful
 - Not helpful
 - Neither
 - Helpful
 - Very helpful
-

Q40. **If Q38 = 1:** Have you agreed to have a gas prepayment meter installed?

- Yes, have had one installed
 - Yes, have agreed and am waiting for it to be installed
 - No, have not agreed to have one installed
 - Already have a gas PPM
 - Don't know
-

Q41. Did you agree on a repayment scheme with your gas supplier?

- Yes
 - No
 - Don't know/can't remember
-

Q42. **If Q41 = 1:** How satisfied were you with the repayment amounts agreed with your gas supplier? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

- Very dissatisfied
 - Dissatisfied
 - Neither
 - Satisfied
 - Very satisfied
-

Q43. If Q42 = 1 or 2: Why do you say that?

Q44. How easy or difficult did you find it to agree on a repayment amount? Please use a scale of 1 to 5, where 1 = very difficult and 5 = very easy.

- Very difficult
 - Difficult
 - Neither
 - Easy
 - Very easy
-

Q45. If Q44 = 1 or 2: Why do you say that?

Q46. Did your gas supplier explain that your gas supply might be disconnected?

Yes
No

Q47. Were you given any information about the process of disconnection?

Yes please specify
No

Q48. Were you actually disconnected on this occasion?

Yes
No

Q49. How long were you without gas?

One week
Two weeks
Three weeks
Four weeks
Longer **Please specify**

Q50. Were you given any help or advice before your gas supply was restored?

Yes Please specify
No

Q51. What happened to resolve the matter so that your gas supply could be restored?

Probe. Do not read out.

Agreed repayment terms with gas supplier
Held back on paying other bills to settle gas arrears
Borrowed money from relative/friend to settle gas arrears
Borrowed money from bank to settle gas arrears
Borrowed money from loan company to settle gas arrears
Other **Please specify**
Other comments

Q52. What happened to resolve the matter so that your gas supply was not disconnected?

Probe. Do not read out

Agreed repayment terms with gas supplier
Held back on paying other bills to settle gas arrears
Borrowed money from relative/friend to settle gas arrears
Borrowed money from bank to settle gas arrears
Borrowed money from loan company to settle gas arrears
Other **please specify**
Other comments

Q53. Did your gas supplier give you a dedicated team or person to contact to discuss your arrears?

Yes
No
Don't know/can't remember

Q54. Did your gas supplier advise you to contact anyone else regarding your arrears with them?

energywatch
Citizens Advice Bureau
Debt Helpline
Other debt advisor
Other **Please specify**
No

Q55. Overall, how satisfied were you with the helpfulness of the staff you have spoken to regarding your gas arrears? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

Very dissatisfied
Dissatisfied
Neither
Satisfied
Very satisfied

Q56. **If Q55= 1 or 2:** Why do you say that?

Q57. How satisfied were you that the staff you have spoken to regarding your gas arrears were understanding about your circumstances? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

Very dissatisfied
Dissatisfied
Neither
Satisfied
Very satisfied

Q58. **If Q57 = 1 or 2:** Why do you say that?

Q59. Overall, how satisfied were you with the clarity of any information given to you in respect of your arrears? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

Very dissatisfied
Dissatisfied
Neither
Satisfied
Very satisfied
Not given any information

Q60. **If Q59 = 1 or 2:** Why do you say that?

Q61. Overall, how satisfied were you with the helpfulness of the information given to you in respect of your arrears? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

Very dissatisfied
Dissatisfied
Neither
Satisfied
Very satisfied
Not given any information

Q62. **If Q61= 1 or 2:** Why do you say that?

Q63. Overall, how satisfied were you with the communication you have had with your gas supplier regarding your gas arrears? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

Very dissatisfied
Dissatisfied
Neither
Satisfied
Very satisfied

Q64. **If Q63 = 1 or 2:** Why do you say that?

Q65. Overall, how satisfied were you that your gas supplier got in touch with you in good time regarding your gas arrears? Please use a scale of 1 to 5, where 1 equals very dissatisfied and 5 equals very satisfied.

- Very dissatisfied
 - Dissatisfied
 - Neither
 - Satisfied
 - Very satisfied
-

Q66. If Q65= 1 or 2: Why do you say that?

Q67. Is there anything that your gas supplier could have done to improve their communications with you regarding your arrears? **Probe** (eg how they made contact, when they made contact, how often, how understanding etc)

- No
 - Gas supplier could have...
-

Q68. Is there anything else that your gas supplier could have done to improve the overall process regarding your arrears? **Probe**

- No
 - Gas supplier could have...
-

CLASSIFICATION

Q69. I'd now like to ask you some questions about yourself and your household. These are purely for classification to help us with our analysis, and all information will be seen in group format only. None of this information will be attached to you personally. First of all, how old will you be next birthday?

- 16-25
 - 26-40
 - 41-59
 - 60+
 - refused
-

Q70. Record gender

- Male
 - Female
-

Q71. Would you describe where you live as urban or rural?

- Urban
 - Rural
 - Semi rural
 - Other **Please specify**
-

Q72. And is your home a...

- Detached house
 - Semi detached house
 - Terraced house
 - Bungalow
 - Flat
 - Other **Please specify**
-

-
- Q73. And which of the following best describes your occupier status?
- Owner, outright
 - Owner, with mortgage
 - Privately rented
 - Local authority rented
 - Housing association rented
 - Tied property
 - Other **Please specify**
-
- Q74. How many adults, including yourself, live in your household? An adult is anyone over the age of 16.
- One
 - Two
 - Three
 - Four
 - More than four **Please specify**
-
- Q75. How many children live your household (at least three days a week)? A child is anyone under the age of 16.
- One
 - Two
 - Three
 - Four
 - More than four **Please specify**
-
- Q76. What is your employment status?
- Working full-time (30+ hours a week)
 - Working part-time (8-29 hours a week)
 - Student
 - Self employed
 - Seeking work
 - Retired
 - Looking after the home
 - Other
-
- Q77. To which of these ethnic groups do you consider you belong?
- | | |
|----------------------------------|---|
| A: White | D: Black or Black British |
| British | Caribbean |
| Irish | African |
| Any other White background | Any other Black background |
| B: Mixed | E: Chinese or Other Ethnic Group |
| White and Black Caribbean | Chinese |
| White and Black African | Any other ethnic group |
| White and Asian | |
| Any other Mixed background | Refused |
| C: Asian or Asian British | |
| Indian | |
| Pakistani | |
| Bangladeshi | |
| Any other Asian background | |
-
- Q78. Which language is mostly spoken at home?
- English
 - Other **Please specify**

Q79. Do you, or does anyone in your household, have any long-term physical or mental impairment that limits your daily activities or the work you can do, including problems due to old age? **READ OUT**

	Respondent	Other household member
Mobility impairment		
Age related mobility difficulties		
Visual impairment		
Hearing impairment		
Learning difficulty		
Mental health condition		
Serious long term illness		
Other Please specify		
None		

Q80. We would like to make sure that we take account of the views of people of all incomes. Could you tell me which of the following income bands your household falls into? Please take account of the income of all those in the household (before tax and national insurance) and include any pensions, benefits or extra earnings.

Less than £10,000
£10,000 to £19,999
£20,000 to £29,999
£30,000 to £39,999
£40,000 to £49,999
£50,000 to £69,999
£70,000 to £99,000
£100,000 or more
Don't know
Refused

Q81. And are you, or anyone in your household, in receipt of any of the following benefits?

Income Support
Jobseeker's Allowance
Pension Credit
State Pension
Family Tax Credit/Child Support
Council Tax Benefit
Housing Benefit
Incapacity Benefit
Carer's Allowance
Attendance Allowance
Disability Living Allowance
Bereavement Allowance
Industrial Injuries Disablement Benefit for accidents
Winter Fuel Payment

**TAKE FULL DETAILS INCLUDING POSTCODE.
THAT WAS THE LAST QUESTION. THANK YOU VERY MUCH**

APPENDIX D

Profile of Depth Respondents

DEPTH INTERVIEW CASE STUDIES

Ashford Respondent 1

- Respondent and her partner have two children and are expecting their third
- They rent their house from the council
- They have been with their supplier for both electricity and gas for the last five years
- Their bills are around £500 for electricity and £400 for gas per year
- She thinks she has a dual fuel discount but was not sure
- She currently has a prepayment meter
- She and her partner were both unemployed last Christmas for a few months; they now both work part-time.
- They have been in arrears for the last few years; the main reason given was that consumption was under-estimated. Her arrears payments are £9 each for gas and electricity.

Ashford Respondent 2

- Respondent lives with her young daughter in a council-owned house
- She receives income support and child care benefits
- She has been with her supplier for the last six months, for both gas and electricity and thinks she receives a dual fuel discount; before that, she was with different suppliers for gas and electricity. She switches often and is not always sure who her suppliers are.
- Both respondent and her daughter both have asthma.
- She is expecting her gas supply to be disconnected.

Ashford Respondent 3

- Respondent lives with his wife in a council house. He works as a counsellor.
- Believed he has never been in debt. He was therefore given a scenario and asked how he would advise a customer in debt to their energy supplier.
- Currently with one supplier for electricity and gas.
- He incurred arrears when he was incorrectly billed for two meters. This was discovered when he switched suppliers and has taken some 18 months to resolve. During this time he did not receive a gas bill but set money aside to cover it.

Birmingham Respondent 1

- Respondent was recently widowed. He had been a full-time carer for his wife, who had been disabled, for some nine years. He is receipt of Income Support and Bereavement Benefit and is still paying off the funeral costs.
 - He has two teenage children and two older children – one a student and one in receipt of Jobseeker's Allowance – living at home (he has ten children in all); the children have always taken priority over the bills.
 - He is with one supplier for both gas and electricity, having switched the electricity from another supplier; he cannot remember which one.
 - He had been threatened with disconnection on both gas and electricity while his wife was still alive.
 - He now has prepayment meters for both gas and electricity. He could not budget any other way but says that it had taken a long time to persuade his supplier to install the prepayment meters.
 - He is also in debt to his water company and is hoping to benefit from their Charitable Trust.
-

Birmingham Respondent 2

- Respondent has four grown up children and lives alone in a rented house. She suffers from vitiligo (loss of pigmentation in the skin). She is in receipt of Pension Credits.
- She says that she has “been with [her gas and electricity supplier] forever”.
- Respondent visits her daughter three or four days a week to avoid using gas and electricity at home. She comes home at around 8.00 pm and, if it is really cold, puts on a gas fire in the sitting room for an hour or two. She does not use heating in the rest of the house. She had not used gas since September in order to save for the winter and sits in the dark in the evenings with just the television on.
- She had previously paid her gas and electricity by direct debit but could not always guarantee there would be sufficient funds in her account to cover that. She now pays both by card at the post office and has arrears on her electricity only.

Birmingham Respondent 3

- Respondent lives in a shared, rented house. He thinks he has the same suppliers for his gas and electricity.
- He pays both electricity and gas with a card which, he says, means he cannot receive a dual fuel discount.
- He has arrears on his electricity and built up other debts by buying a car. He paid the car finance through a debt collection agency which caused him to neglect other bills, primarily the rent and the electricity. He said he had also been visited by a debt collection agency for his electricity arrears.
- He does temporary office work and took a second job at a supermarket a couple evenings a week and Saturdays to help pay off his debts.
- He said at different times that he had and had not been threatened with disconnection, and that he had and had not been offered a prepayment meter.

Bristol Respondent 1

- Respondent was in his seventies and in very poor health. He had had two heart attacks and a stroke leaving him with poor mobility. He has diabetes and failing sight.
- He lives alone in a one-bedroom flat.
- He disputes his gas bill which appears to bill him for two meters where there is only one.
- He also has photocopies of PayPoint payments which appear to be for more than his gas supplier acknowledges.
- He has been threatened with disconnection although this has now been changed to having a prepayment meter installed; he does not want one as, given his mobility problems, he would find it difficult to top up.
- He is very distressed; his doctor has written to his supplier regarding the effect of the dispute on his health.
- He is in touch with the CAB.

Bristol Respondent 2

- Respondent was in her early thirties and had had a stroke, leaving her paralysed down one side and with poor mobility. She receives Incapacity Benefit.
 - She lives in a Housing Association flat with her partner; they have a two year old and a baby.
 - Her partner is a heavy plant operator but was at home during the interview. He cannot read or write.
-

- They had switched to a single supplier because they thought it would be simpler.
- They thought they had set up a direct debit for both gas and electricity but found out, some months later, that this was not the case.
- They do not have a landline and are careful about using the credit on their mobile.
- Respondent does not open the door to visitors during the day unless they are expected.
- Respondent is waiting to be disconnected.

Bristol Respondent 3

- Respondent was in her thirties. She is a trained legal executive but has been unemployed since her contract ended last Christmas.
- She has Crohn's disease and, as a result, can sometimes be housebound.
- She lives in a 2-bedroom house on which she has a mortgage, in a semi-rural location. The house was very cold, with one small room being heated by an electric heater.
- She is expecting her gas supply to be disconnected any day.
- She has refused a prepayment meter as she could not easily top it up. The nearest PayPoint is some miles away and she no longer has access to a car. Her condition also means that she is not always able to leave the house.

Edinburgh Respondent 1

- Respondent is Turkish with literacy problems.
- He receives disability benefit.
- He only uses electricity, having stopped using his gas a couple of years ago.
- He thinks he has been paying towards arrears since 2002 and cannot understand why his arrears have not been repaid in this time; he is sure the supplier has made a mistake.
- He expects to be disconnected at any time.

Edinburgh Respondent 2

- Respondent lives alone and is in receipt of Jobseeker's Allowance and Housing Benefit.
- He does not have gas. He has been with his current supplier for 6 months. Prior to that he was with another supplier for four months, but switched due to poor customer service.
- He pays by direct debit as he thinks prepayment is too expensive.
- He has been in arrears for his electricity for five years.

Edinburgh Respondent 3

- Respondent lives with husband in owned house. Her husband receives Disability Living Allowance.
 - She has electricity only. She was briefly with one supplier but has now switched. She received an unexpectedly high bill (£1,500) after switching supplier in August/October 2005. She disputed this vigorously, and asked energywatch to investigate, although the outcome was unsatisfactory. This incident prompted her to switch. She is still paying arrears to this supplier.
 - She uses coal to help heat the house because it is cheaper than electricity.
 - She asked about a prepayment meter but found it too expensive.
-

Liverpool Respondent 1

- Respondent is in her thirties and lives with two children in a 3-bedroom house, which she rents from a Housing Association. She hopes to buy it at some stage.
- She says that she asked for a prepayment meter but was told that she could not have one unless she had arrears; she is not accumulating these arrears, largely to pay for Christmas.
- She has a relaxed attitude towards her arrears, saying she can pay them using credit card or ask her mother for help.

Liverpool Respondent 2

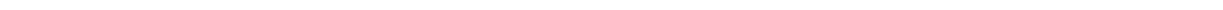
- Respondent is in his thirties and disabled through pulsatile tinnitus. He is not able to work and is largely housebound.
- He lives in a one bedroom flat in a Housing Association building.
- He is in dispute over the size of his gas bill, although this appears to have arisen from an increase in the bill that was not communicated to him.

Liverpool Respondent 3

- Respondent is in her fifties. She lives in a rented house with her two younger children (5 and 12 years). She also has five other children.
 - She cannot read or write, to the extent that she cannot read the numbers on a telephone to dial out. Her young children memorise their father's telephone number in case they need to call for help.
 - She is doubly incontinent, has arthritis and has compulsive behavioural disorders, for which she sees a psychiatrist.
 - She visits a local support centre where someone will read correspondence to her and write letters for her if necessary.
 - She says owes money to everyone.
-

APPENDIX E

Profile of CATI Respondents

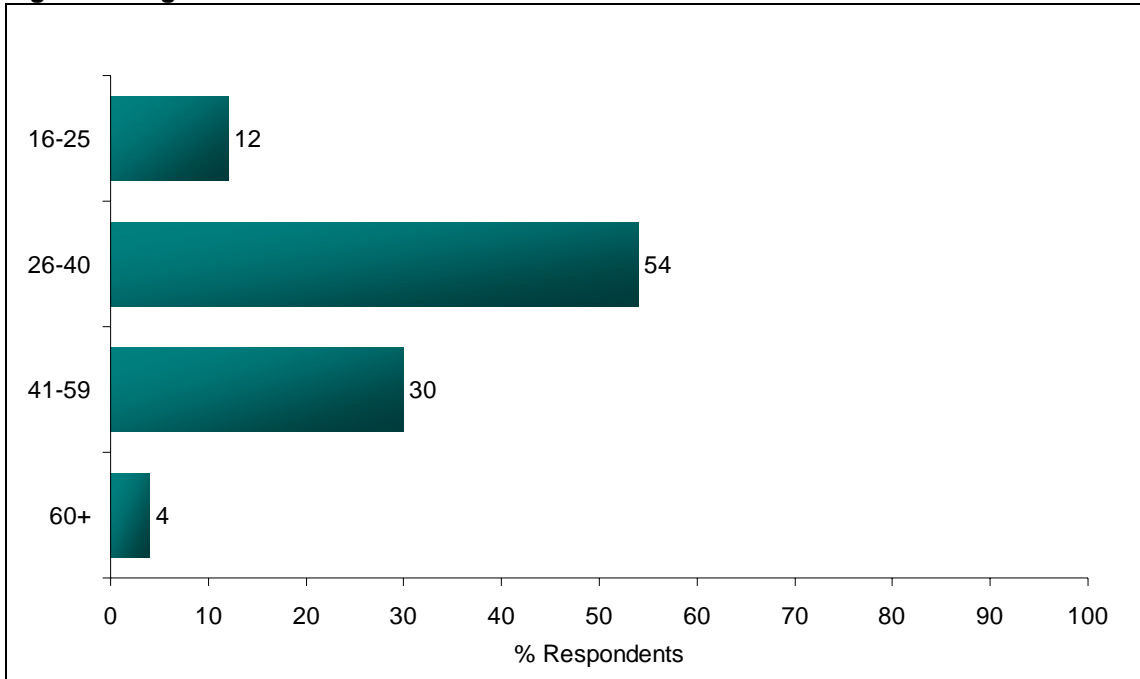


PROFILE OF RESPONDENTS TO CATI SURVEY

Fifty respondents were interviewed in the CATI survey. The following graphs show the respondent profile, which can be summarised as follows:

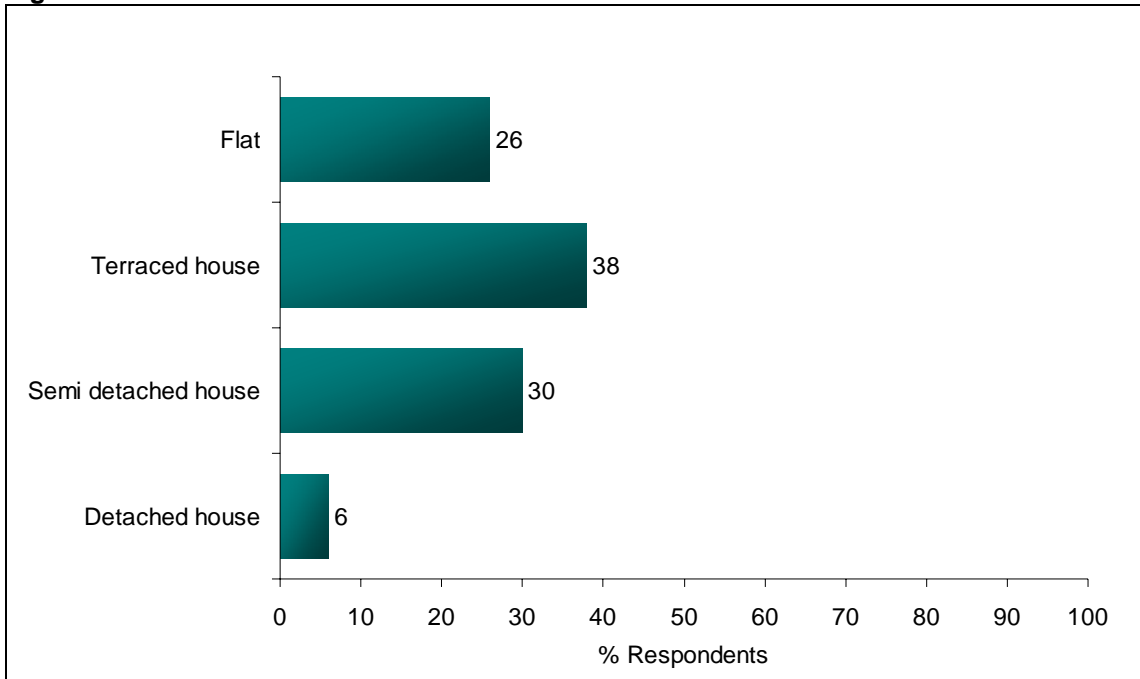
- Age
 - mostly aged 26 to 40 years (54%) and 41 to 59 years (30%)
 - Accommodation
 - most live in a terraced house (38%) or a semi detached house (30%) and rent privately (30%) or from the local authority (28%). Over a fifth (22%) were owner occupiers with a mortgage
 - the majority (72%) described where they live as urban
 - Household composition
 - 44% have two adults living in their household (including respondent) and 36% have one adult in the households
 - over half (54%) have children (ie under the age of 16) in their household with 42% having one or two children
 - Income and employment status
 - 70% of respondents said their household had an annual income of under £20,000
 - nearly half (48%) are employed: 28% work full time and 20% work part time
 - nearly a quarter (24%) said their household received no benefits. 46% said their household received Council Tax Benefit, 44% that they received Family Tax Credit/Child Support and 38% that they receive Housing Benefit. Nearly a quarter (24%) are in receipt of Income Support.
 - Ethnicity
 - the majority (88%) described themselves as British
 - Impairments
 - the majority of respondents said that no-one in their household has any impairment (78% respondents and 88% other household member); 10% of respondents are mobility impaired.
-

Figure 23: Age



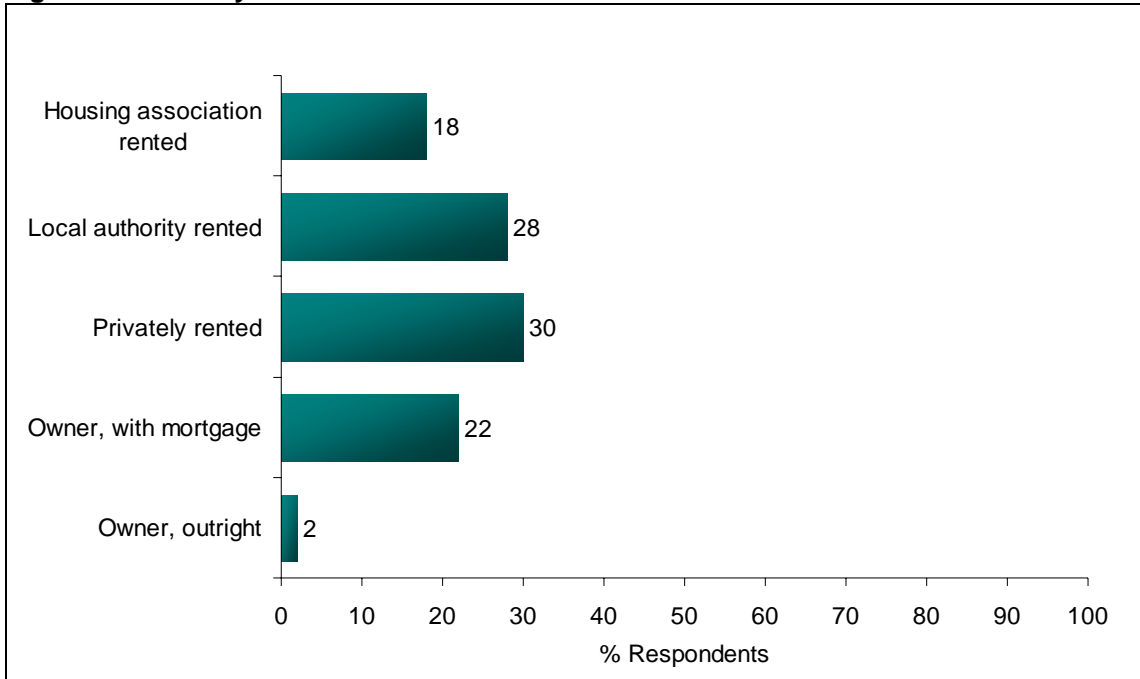
Base: 50

Figure 24: Accommodation



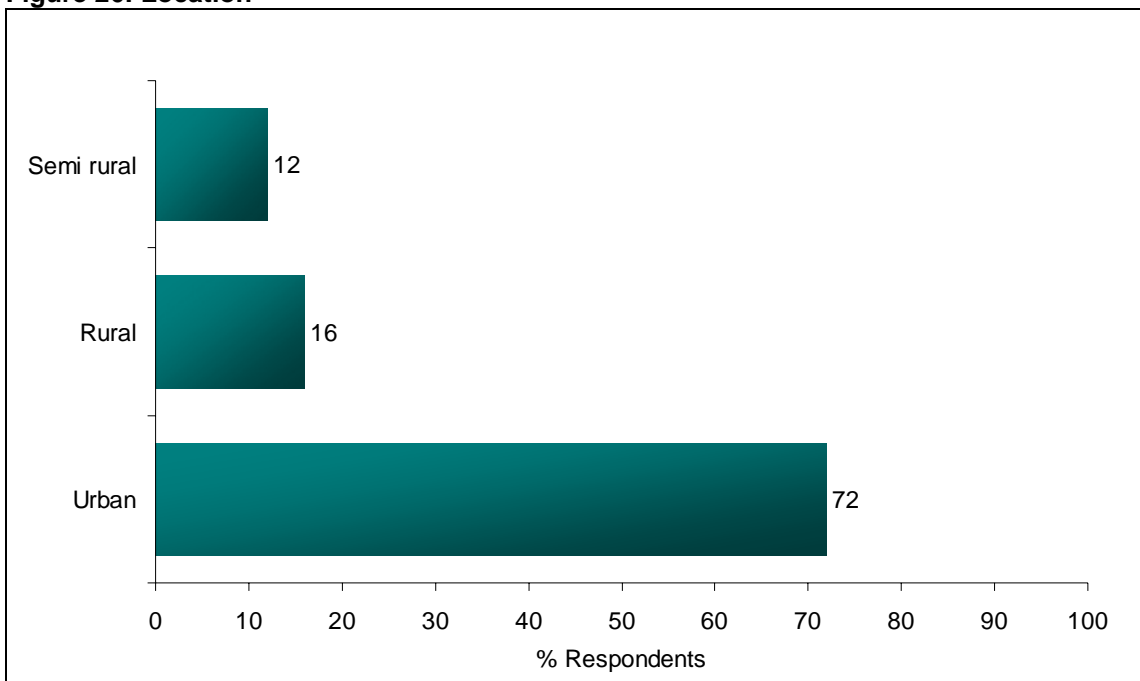
Base: 50

Figure 25: Tenancy Status



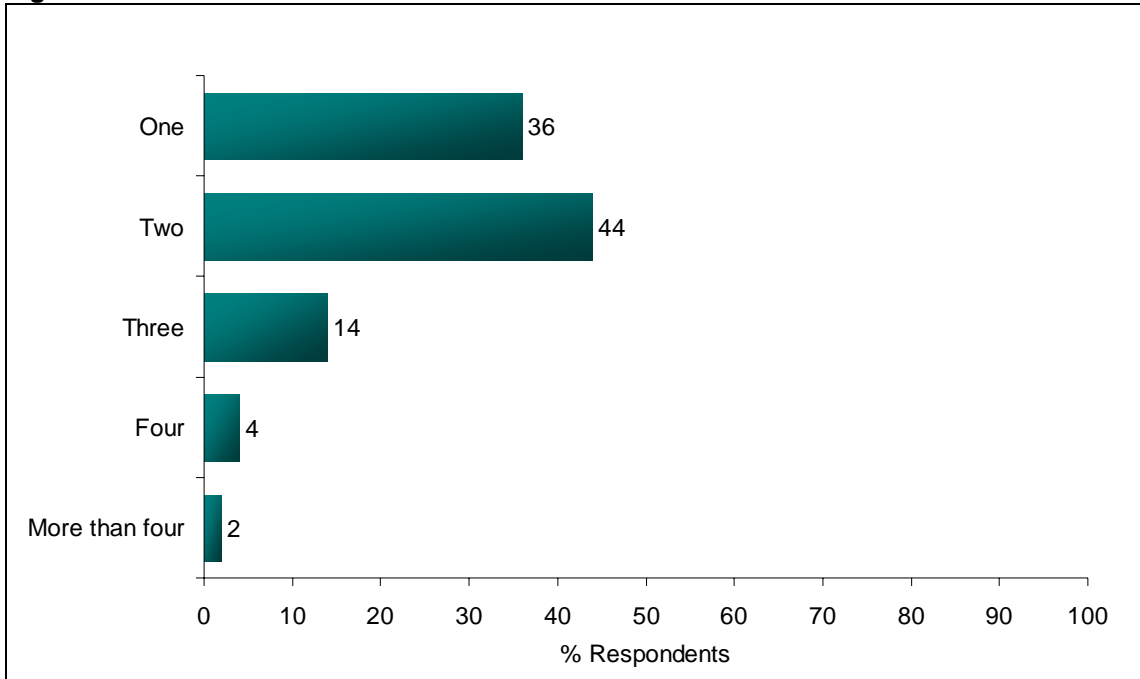
Base: 50

Figure 26: Location



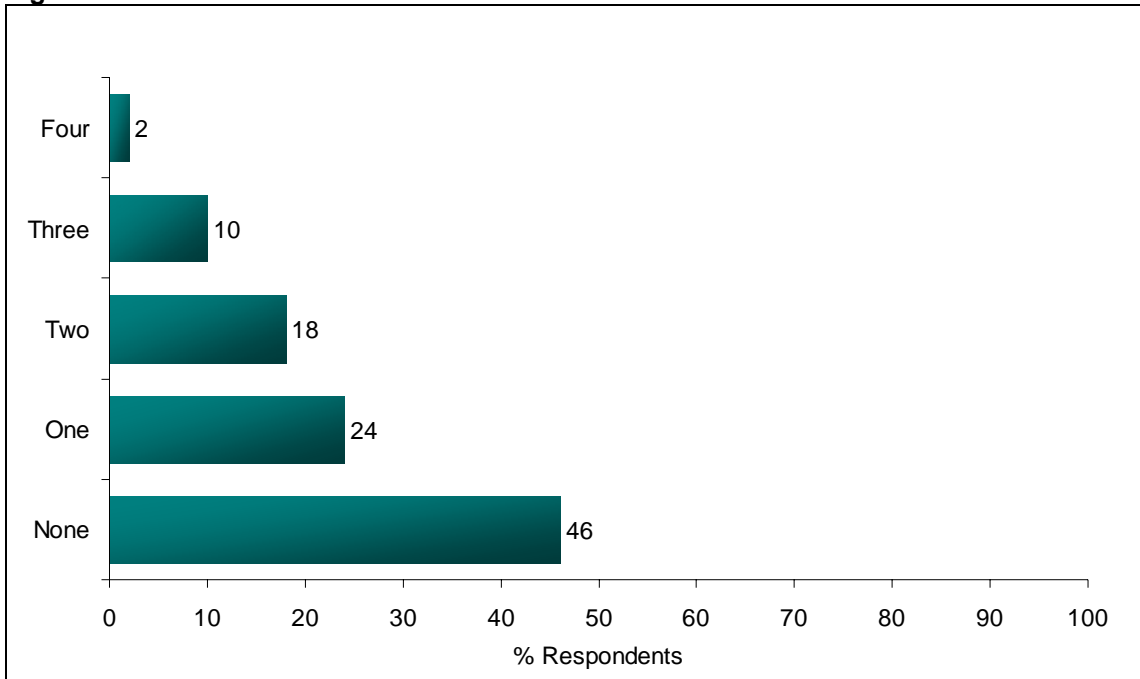
Base: 50

Figure 27: Number of adults in household



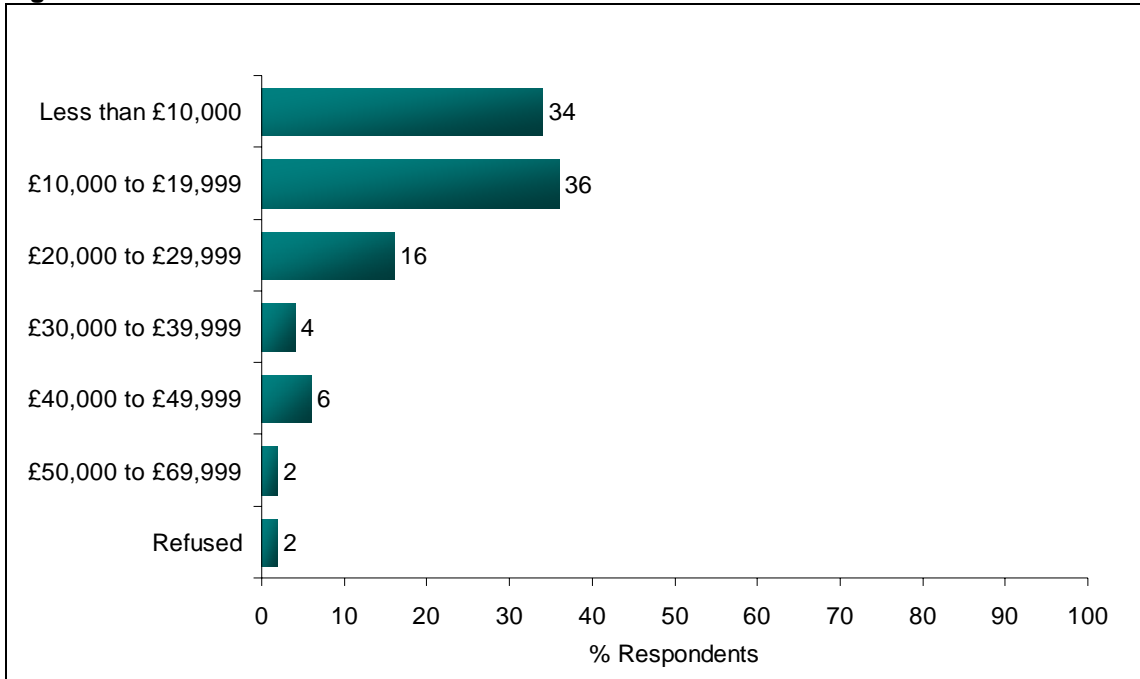
Base: 50

Figure 28: Number of children in household



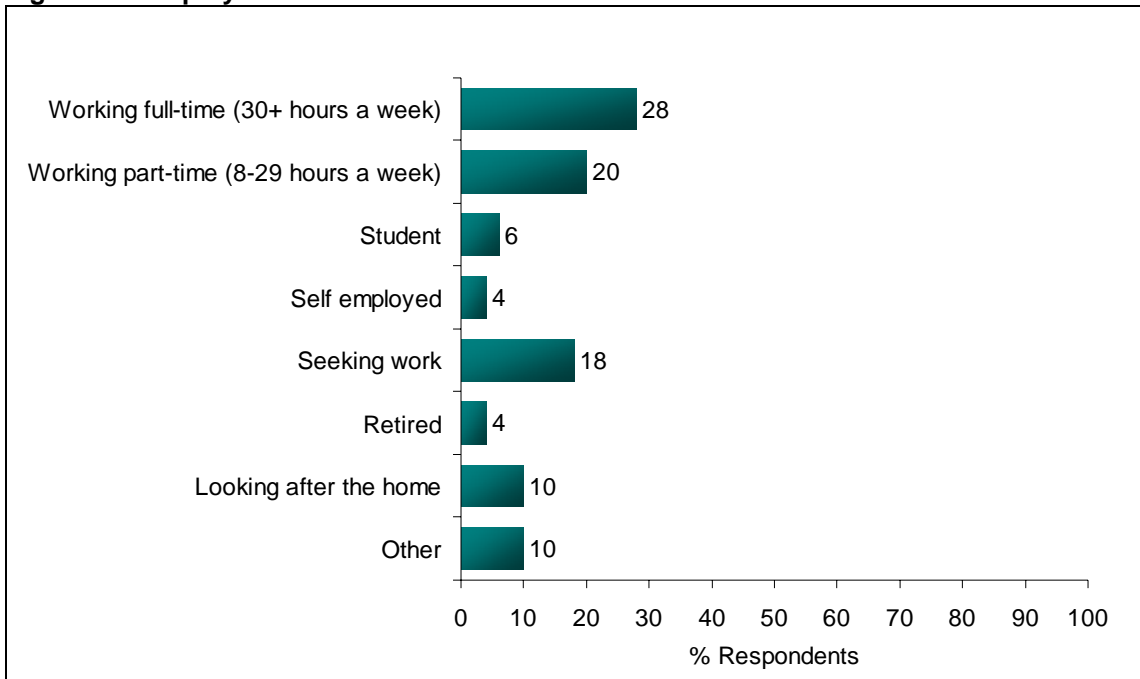
Base: 50

Figure 29: Income



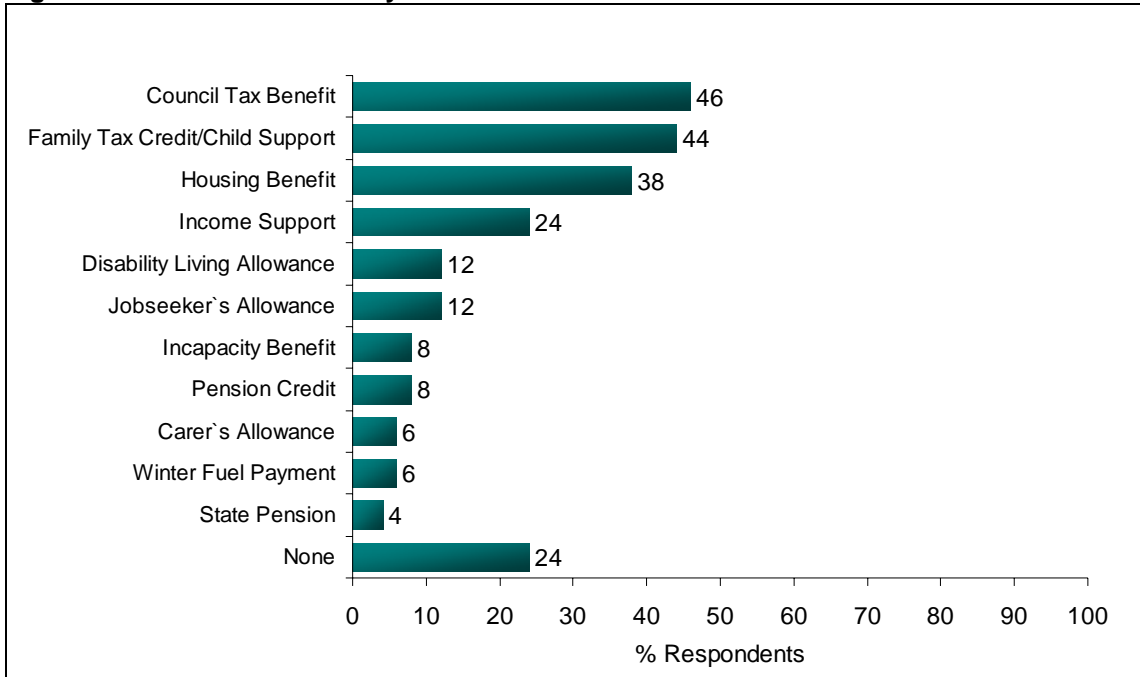
Base: 50

Figure 30: Employment status



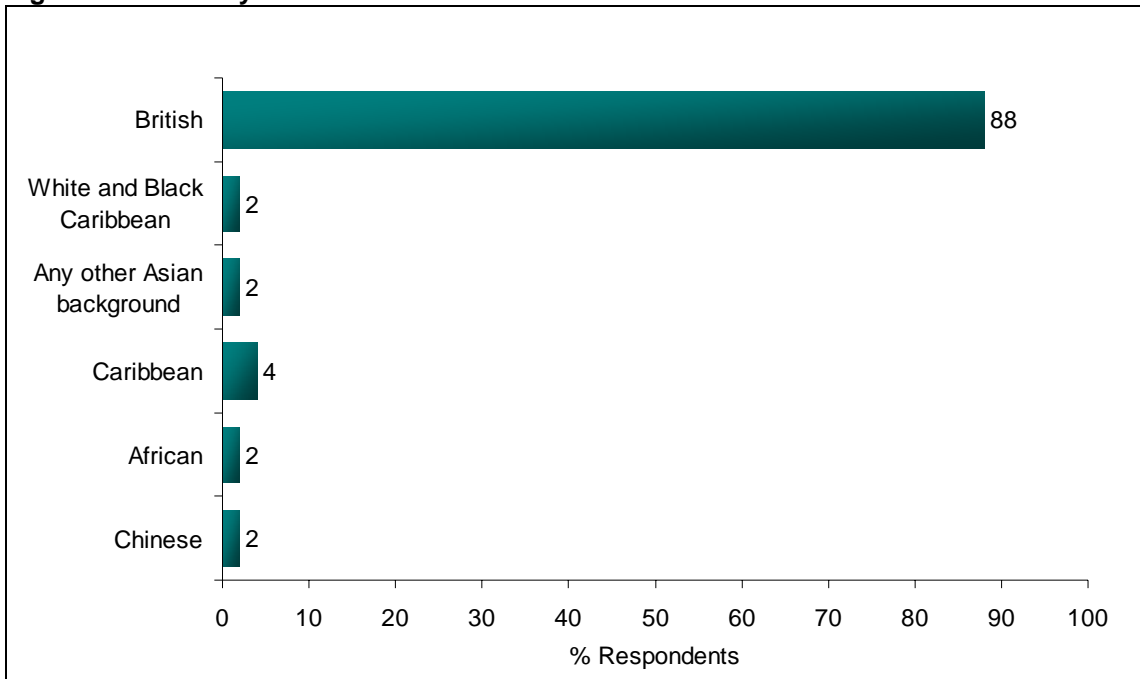
Base: 50

Figure 31: Benefits received by household



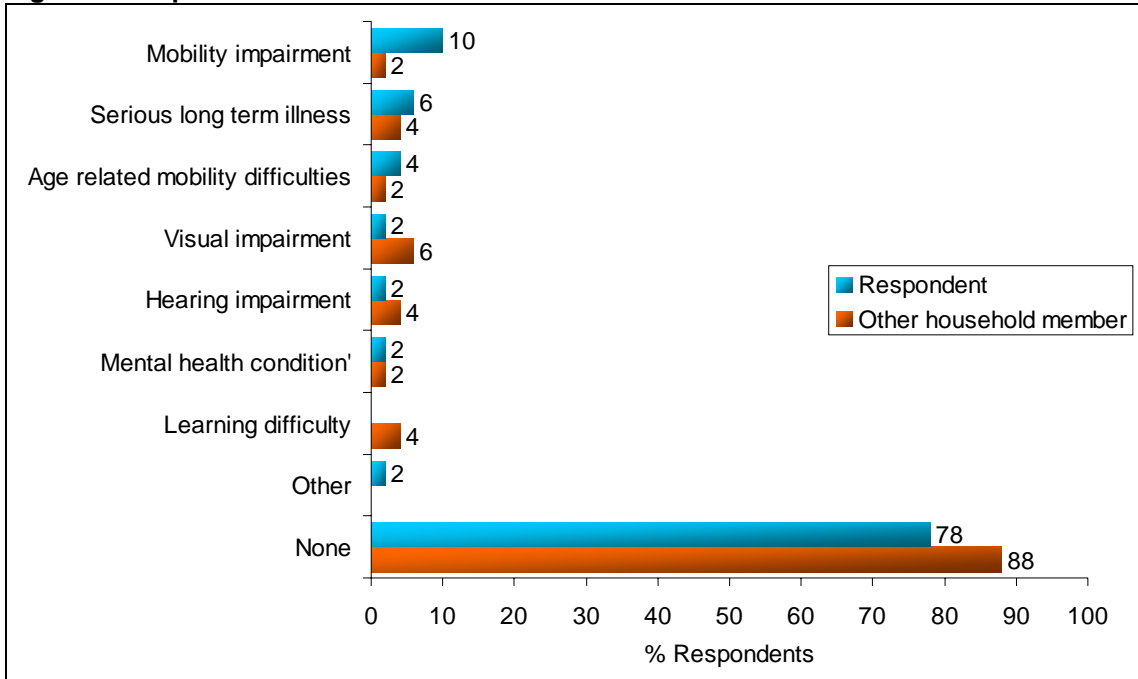
Base: 50

Figure 32: Ethnicity



Base: 50

Figure 33: Impairments



Base: 50