

Minutes of vulnerability workshop, 31st March 2008

Background

Ofgem is hosting a series of workshops as part of the transition process from energywatch to the new NCC and Consumer Direct. The workshops are designed to bring together representatives from the new NCC, energywatch, consumer agencies, Consumer Direct, the energy retailers and network companies and agencies, facilitating dialogue and allowing input from all stakeholders on the key issues.

Agenda

- (1) Matters arising from previous meetings
 - a. Industry data on micro-business
 - b. Overall project timetable
- (2) Update on complaint handling standards and redress
- (3) Overall project communications strategy
- (4) Report back from "operational vulnerability" working group
- (5) Dates for future meetings

1. Matters arising from previous meetings

1.1. As Paul Bland (BERR) was unavailable for this meeting an update on the overall timetable was not provided. **Maxine Frerk suggested to the suppliers that it would be useful if they could think about their timescales and inform BERR so that they can be factored into the overall project plan.**

1.2. Following on from the micro-business workshop on 18th March, Maxine Frerk told the group that Ofgem would work with BERR to put together an informal information request for suppliers' small business data. Maxine expressed the hope that the letter would go out this week.

1.3. Audrey Gallacher (energywatch) told the group that she had been liaising with Ofcom on their definition of micro-business. They currently use fewer than ten employees or bill of less than £5000 as the criteria. **Audrey agreed to share the information with the group once she received it.**

2. Complaint handling standards and redress

2.1. The decision on the eligibility criteria has now been published and Ofgem has produced an application pack which is now available on their website. The complaint handling standards decision document has been completed and will be released shortly.

3. Communications strategy

3.1. In the business customer workshop held on the 18th March it emerged that there hadn't been any substantial discussion about the project's overall communications strategy. Maxine Frerk suggested that the meeting take a high level look at the issues and questions associated with this.

3.2. BERR began by saying that they were not planning a large scale advertising campaign for the new arrangements. They pointed out that individual projects within the overall project plan had their own communications strategy. The Consumer Voice Steering

Group on 1 April was due to discuss communications strategy. **The BERR website will be updated with the overall project plan and communications milestones will form a part of this.**

3.3. Philip Arend for British Gas said the key was to remember that different messages would be required for different audiences.

3.4. Audrey Gallacher, speaking for energywatch said that they would not wish to publicly launch the project before key messages and firmer plans had been agreed. This was because of the risk of stakeholders coming to energywatch for information that then could not be provided.

3.5. It was also felt that co-ordination with the NCC, Consumer Direct and other groups including the Ombudsman would be vital. It was felt that getting out the wrong or inconsistent messages too early would risk undermining the credibility of the new consumer empowerment arrangements. For this reason it was felt that business as usual would be the best approach to take with consumers for the time being.

3.6. Neil Avery speaking for the NCC said that he had met Tony Herbert and Teresa Perchard last Friday. This meeting also raised concerns about there being a void in the communications arrangements. CAB and other agencies are starting to ask about the new arrangements, particularly how the new NCC would interact with them. It was suggested that it would be useful to produce a short two page document giving an overview of the new arrangements for agencies. A two stage communications strategy was suggested comprising an early communication giving an outline of the overall process followed by more detailed information as key decisions are taken.

3.7. Gretel Jones speaking for Age Concern said that any steps towards providing greater clarity would be helpful. Tony Herbert representing the CAB said that a preliminary communication would be helpful to reassure advisors who had found out about the change and had concerns.

3.8. BERR agreed to work on the process, specifically who to go to with questions and incorporate the communications plan into the overall timetable.

3.9. Audrey Gallagher, Maxine Frerk, Consumer Direct and the NCC agreed to meet separately to work on the communications issue and to develop an overall message.

3.10. Consumer Direct pointed out the importance to them of having a narrative, so they could explain to callers why they had replaced energywatch.

3.11. Gretel Jones asked when energywatch would stop. Audrey Gallagher said that whilst they would be scaling back their activities in the run-up to the change over, energywatch are required by statute to assist those that ask for help up to the 30th September 2008.

3.12. Philip Arend stressed the importance of looking at the wider picture. He reminded the meeting that the suppliers would need to brief their front line staff and of the importance more generally of sharing messages so that there are "no surprises" in the changeover. It was suggested that front line agencies should also be party to this. MPs referrals could be looked at later.

3.13. How the transition was communicated to consumers was also viewed as important and avoiding the creation of unnecessary anxiety was agreed as a key issue.

3.14. energywatch said that they had been conducting research into where customer referrals to them come from. This work is part of their ongoing data capture work. Their

data suggested that roughly half of all referrals came from suppliers, the other half from the energywatch website and other sources.

3.15. energywatch is not in the Yellow pages, however it is currently registered in a number of online directories.

3.16. The question was raised what happens when energywatch is googled? It was pointed out that there are many references to the organisation on the internet not all of which could be kept under control/were up to date.

3.17. The energywatch website will redirect to Consumer Direct and much of the content will be retained in the energy area of the Consumer Direct website.

3.18. Philip Arend asked if Consumer Direct would be promoting the site, saying that the transition was an opportunity for them to widen awareness of their activities beyond energy and to prevent themselves being seen as a straight replacement for energywatch.

3.19. Maxine Frerk asked Audrey Gallagher and Neil Avery to look at how these issues fitted into the energywatch closure plan, including links to consumer agencies at a local/regional level.

3.20. Consumer Direct said that a detailed communications plan would be needed and that the messages and timescales should be closely mapped out. Maxine Frerk agreed but said that the purpose of this discussion was to discuss the high level building blocks required to take this forward.

3.21. BERR owns the overall communications plan and they described the process in the lead up to the changeover as "iterative".

3.22. Suppliers raised the question of the timescales associated with back of bill empowerment information. Maxine Frerk said she would check this and report back.

3.23. Consumer Direct asked how consistent the information to go on the back of bills should be. Audrey Gallacher said that at present there is not much consistency. Consumer Direct expressed a desire to agree a consistent message for the bills.

3.24. Philip Arend pointed out that the information is quite straightforward; essentially a telephone number, web address and description. He also said that the precise terminology used should be at the discretion of the suppliers. Maxine Frerk said that a suggested wording might be useful and that she would encourage dialogue between suppliers and Consumer Direct on this, but that Ofgem would not be prescribing wording.

3.25. Consumer Direct said that they would like to use the opportunity to reinforce their brand. Tom Ballard said that Consumer Direct's basic proposition, "Clear, practical consumer advice" would not be likely to change.

3.26. Tina Pearce said the key was to find the correct balance, since the new arrangements are about the suppliers taking up the mantle on consumer empowerment. Maxine Frerk said that the impact of the new arrangements on the licence will be limited. For the licence the changeover would more or less involve replacing the word "energywatch" with "NCC" or "Consumer Direct".

3.27. It was pointed out that consumers often confuse redress with energywatch.

3.28. Tina Pearce said that suppliers would prefer that customers use their procedures first.

3.29. Gretel Jones said that it will be very important to flag the change of approach to vulnerability for local CABs and Age Concern bureaux. Specifically she had concerns about local offices having different understanding of the new arrangements.

3.30. Maxine Frerk said she would try and incorporate these concerns into the communications to be discussed with Audrey and Neil.

4. Mini-working group report

4.1. In the workshop dated 18th February, Neil Avery representing the NCC presented a high-level conceptual model of vulnerability¹. This conceptualises vulnerability along two axes, complexity and the consumer's ability to deal with the problem. It was agreed at the February meeting that a mini working group should be formed to look at how this might be turned into more practical working guidelines for Consumer Direct agents.

4.2. Neil Avery said the working group had been asked to look at two points, how and when disconnection case should be referred by Consumer Direct to the NCC and referral guidelines for cases involving vulnerable customers. He also said that Ed Mayo was keen for suppliers to use similar definitions to Consumer Direct and the NCC for vulnerability.

4.3. After Neil's introduction Robert Hammond then summarised the paper produced by the mini-working group.² He then gave some details on some of the particular points that the group wanted to flag.

4.4. He said that the group wanted to avoid "ping-pong" of cases between Consumer Direct and the NCC. On this basis the working group felt that there were to be an "incorrect" referral to the NCC by Consumer Direct, the NCC would deal with it.

4.5. He also stressed that the mini working group felt that it important that there be an ongoing dialogue between Consumer Direct and the NCC, and that the group recognised that there would be much early learning that would occur as the NCC and Consumer Direct worked out the precise dynamics of their new relationship.

4.6. Additionally the working group felt it was important that the new arrangements do not act as a backdoor fast-track route to supplier's escalation teams, by-passing supplier's arrangements. On this point it was noted that the NCC has the discretion to refuse cases that it felt were not appropriate.

4.7. On the question of vulnerability Robert said that following on from Neil's model the key aim was to move away from vulnerable stereotypes and the use of explicit categories towards a more nuanced approach.

Disconnections

4.8. Philip Arend then asked Neil Avery for clarification on the NCC's position on disconnections. Neil Avery responded by saying that the vast majority of disconnection referrals were likely to be PPM customers. He said that because the NCC was still a new body the precise approach had not yet been looked at but the priority had to be ensuring that consumers have access to fuel. He also said there would likely be nominated contacts with suppliers to liaise on this issue. It was also noted that existing energywatch arrangements in this area work well.

4.9. Philip Arend said that clarity over the NCC's approach to these cases would be very important because in the extreme its mandate to deal with disconnections could be seen as pseudo ban on disconnections.

¹ See minutes for that meeting and the briefing paper on vulnerability produced for the mini-working group. Available at www.ofgem.gov.uk

² See mini working group report on vulnerability available at www.ofgem.gov.uk

4.10. Neil Avery recognised this point but said that the NCC has to fulfil its statutory obligations in this area and the initial approach would therefore look to capture “more than less”.

4.11. Maxine Frerk said that it was clear suppliers do have a right to disconnect in certain circumstances and that she hoped new NCC would see their role as facilitating resolution of the issues behind the disconnection not simply to demand reconnection.

4.12. There was some ambiguity within the group about the procedure for referring customers in network outage scenarios. Neil Avery said that in instances of network outage where there was a need for emergency heating/power the NCC would contact the network company on their behalf. If there is a scenario where consumers are off-supply then personal circumstances are key.

4.13. Consumer Direct said they would establish contact with the networks in the event of network outage. They also said that they would look to assist a consumer who was vulnerable (for example on health grounds) who hadn't notified their supplier of their status and was affected by an outage.

4.14. Whilst members of the working group were clear in their minds about the relationship between vulnerability and network outage scenarios, Robert Hammond agreed to make the understanding of the working group more explicit in his second drafting of the report which will take into account all the comments made in the session.

4.15. The issue of debt and theft as reasons for disconnection was raised. Neil Avery again pointed out that the NCC can choose whether or not to take up cases and that they would look to maintain a dialogue with the suppliers. He recognised that there are legitimate reasons for disconnecting customers.

4.16. Tina Pearce then asked what would be done in cases of revenue protection and meter tampering. Neil Avery said that what the NCC would do with a complaint was outside of the scope of this discussion, which was about the basis on which complaints are referred to it, though the NCC would look to act sensibly in all cases.

4.17. Consumer Direct asked what would happen in the event of PPM failure, specifically asking whether or not there would be a need to contact both parties. It was seen as important to avoid confusion.

4.18. NPower pointed out that there are already guaranteed standards of service that dictate how customers should be treated in such instances. It was suggested that Consumer Direct and the NCC should only become involved where these standards are not met.

4.19. Consumer Direct said that again they would need visibility of the wider issues, and training to ensure that they properly understood these guidelines.

4.20. Tina Pearce asked what the NCC would do about customers that can't afford to recharge their meter. Neil Avery said that the Act defines problems as problems with a device in other words system problems rather than the problems relating to a customer, though that customer might be vulnerable.

Vulnerable Customers

4.21. Robert Hammond gave a brief summary of the points in the paper before inviting comment.

4.22. Gretel Jones said that call centres were a particular problem for the elderly and asked whether or not the inability to cope with a call centre would constitute vulnerability?

Similarly Tom Ballard asked what would be the situation for those that do not want to deal with a call centre.

4.23. The question was raised of how the new regime would work for those with power of attorney for an elderly relative. It was pointed out that there are a number of issues with this from an agency's perspective, particularly the time it takes for authorization to be granted and how proof of power of attorney is provided and validated.

4.24. Philip Arend said that Data Protection issues were taken very seriously by suppliers, since it is their responsibility to ensure that standards are met.

4.25. Consumer Direct said that it was important that Data Protection issues were fully worked through.

4.26. Neil Avery said that there might be the possibility that escalated teams might exercise better judgement on data protection issues and suggested that perhaps the onus should be on suppliers to deal better with these situations.

4.27. Philip Arend said that when the new arrangements are rolled out it was important that these issues are looked at on a test and learn basis. **He also suggested that this issue be followed up in future meetings.**

4.28. The discussion then moved to how Consumer Direct and the NCC would operate under the new arrangements. Neil said that Ed Mayo refers to the NCC as the extra help team. The energy call centre would be in Glasgow with many of the same agents.

4.29. Tom Ballard said that Consumer Direct would proactively seek feedback on the quality of its referrals from the new NCC.

4.30. Audrey Gallagher said that during the transfer they would be looking to work with vulnerability teams and suppliers to make sure that the new arrangements fit with existing supplier empowerment processes.

4.31. Gretel Jones raised the question of how agencies will interact with and access the NCC. She said that for Age Concern their primary concern was simply to resolve issues as quickly as possible.

4.32. Grant Tierney asked whether or not performance on NCC referrals would be published, particularly whether or not it would be fair to do so at an early stage.

4.33. Neil Avery said that the NCC would need to consider this. He said that a wide range of data would be available from a number of other sources including Consumer Direct, the Redress scheme, CABs and the complaint handling standards and the NCC would look at this. Neil said that he would not recommend the exclusive use of complaints data since this was only part of the picture and that no decision has yet been taken on what might be published.

4.34. Tina Pearce stressed that the importance of consistency in supplier performance figures.

4.35. Neil Avery said that at present reporting on figures was not a top priority for the NCC and that this would be looked in more detail between May and July.

4.36. Tom Ballard raised the issue of how contacts with Consumer Direct and the NCC would be coded. It was agreed that this would be looked at offline. It was also recognised that more information on the fundamental relationships would be helpful to this process. Tina Pearce requested that the suppliers be involved in this process. **Tom Ballard agreed to produce a paper for the 15th on this.**

4.37. Consumer Direct said that the email empowerment pilot had been extended by a week because too few referrals had been collected.

4.38. It was agreed the going forward there would be meetings on a fortnightly basis.

5. Attendees

Age Concern	Gretel	Jones
BERR	Kerry	Jones
BizzEnergy	Alison	Hughes
British Gas	Philip	Arend
CAB	Tony	Herbert
Consumer Direct	Tom	Ballard
Consumer Direct	Peter	Hives
E.ON	Tina	Pearce
E4B	Robert	Enyon
EDF	Ann	Neate
energywatch	Audrey	Gallacher
energywatch	Robert	Hammond
NCC	Neil	Avery
NPower	Alan	Hannaway
Scottish Power	Grant	Tierney
Scottish Power	Pamela	Kelly
SSE	Frances	Muller