

Energy UK response to Ofgem Proposals for a new Consumer Vulnerability Strategy

03 December 2012

Introduction

Energy UK is the trade association for the energy industry. Energy UK has over 70 companies as members that together cover the broad range of energy providers and supplies and include companies of all sizes working in all forms of gas and electricity supply and energy networks. Energy UK members generate more than 90% of UK electricity, provide light and heat to some 26 million homes and last year invested £10billion in the British economy.

Energy UK strongly believes in promoting competitive energy markets that produce good outcomes for consumers. In this context, we are committed to working with Government, regulators, consumer groups and our members to develop reforms which enhance consumer trust and effective engagement. At the same time, Energy UK believes in a stable and predictable regulatory regime that fosters innovation, market entry and growth, bringing benefits to consumers and helping provide the certainty that is needed to encourage investment and enhance the competitiveness of the UK economy.

These high-level principles underpin Energy UK's response to Ofgem's proposals for a new Consumer Vulnerability Strategy. This is a high-level industry view; Energy UK's members may hold different views on particular issues. We would be happy to discuss any of the points made in further detail with Ofgem or any other interested party if this is considered to be beneficial.

Executive Summary

- Energy suppliers take their responsibilities to vulnerable customers very seriously. The industry already offers a wide range of support to vulnerable consumers.
- Energy UK is supportive of the five key themes put forward by Ofgem as part of their proposed Consumer Vulnerability Strategy.
- We are broadly supportive of Ofgem's decision to review its approach to vulnerability. However, more information is required as to how Ofgem's preferred risk based approach would work in practice. A risk based approach by nature is subjective, necessitating a high degree of flexibility in determining whether a customer is vulnerable.
- Energy suppliers have to strike a fine and sensitive balance where vulnerability has been identified and make important but often difficult decisions on whether to take further steps into the lives of consumers.
- We would be happy to work with Ofgem, the British Standards Institute and others to identify any appropriate/relevant lessons for the industry from the BSI Standard for Inclusive Service (BS 18477) on a self-regulatory basis. However, it is important that Ofgem acknowledge that the Standard was not designed for the energy industry.

- It is important that Ofgem's strategy and future annual work plans are based on consumers' needs, that these are derived from detailed and extensive evidence, and subject to stakeholder consultation.
- Energy suppliers do not have unlimited resources. Suppliers need to prioritise how resources are used, both in terms of who receives support and who pays for it.
- Ofgem must also recognise that implementing changes can be a time and resource consuming process. Ofgem must ensure energy companies are given sufficient time to embed any changes across systems, processes and training etc.
- Ofgem should not be looking to duplicate or replicate work already done by others.

Q1. Do our proposed Strategy themes provide an accurate reflection of the work Ofgem should be doing to help protect consumers in vulnerable positions?

Energy UK is supportive of the five key themes put forward by Ofgem as part of their proposed Consumer Vulnerability Strategy. Broadly speaking, the themes provide an accurate, high level reflection of the work we believe Ofgem should be doing to help protect consumers in vulnerable positions. However, greater clarity is required to understand how the themes will be implemented beyond the 2013/14 annual work plan.

It is important that Ofgem's strategy and future annual work plans are based on consumers' needs, and that these are derived from a detailed and extensive evidence base, which includes a Regulatory Impact Assessment. To mitigate risks, proposals and work plans should also be subject to robust impact assessments and formalised, independent consultations. With this in mind, we are pleased to see that stakeholders, including Energy UK and its members, have been given the opportunity to comment on Ofgem's proposed 2013/14 work plan as part of this consultation (See answer to Q6 below). We hope that stakeholders will be given same the opportunity to feed into future annual work plans beyond 2014.

As part of this process, it is important that Ofgem are conscious of the wider political, legislative and competitive environment. It is currently a time of significant change within the industry. The Green Deal, a new fuel poverty measurement, smart metering, the Retail Market Review and the Energy Bill 2012 will all have profound impacts on the market over the coming years. Without taking the wider market context into account Ofgem risks unintended consequences for consumers and suppliers alike. In particular, Ofgem need to ensure that the Consumer Vulnerability Strategy aligns with the Retail Market Review and the two policy streams work together to support vulnerable consumers, avoiding unnecessary duplication, or worse contradiction.

It is also important to recognise that the energy industry already offers a wide range of support to vulnerable consumers, often going above and beyond its regulated obligations (See Annex A). Suppliers do not, however, have unlimited resources. Suppliers need to prioritise how resources are used, both in terms of who receives support and who pays for it. Ofgem must be mindful that new and existing obligations on energy companies which have costs implications are likely to have an impact on the bills of all energy consumers, including vulnerable consumers. According to Ofgem's own research, 17% of the average electricity bill is already made up of environmental charges and other costs, including those associated with delivering CERT, CESP and the Warm Home Discount (WHD).¹

To help ensure suppliers are able to make the best use of the resources available, Ofgem should also be looking at how it can take a more proactive role in promoting the industry and the work already done by energy suppliers to support vulnerable consumers. We know from experience that vulnerable customers are often not aware of the assistance available from energy suppliers, and where they are, many may be reluctant to approach their energy supplier for help for a variety of reasons. As an additional sixth theme for the Strategy, we would like Ofgem to consider how it could better leverage its position as an independent voice with consumers and third parties to help rebuild trust in the industry and raise awareness of the support already on offer.

¹ Ofgem, 'Updated household energy bills explained', Factsheet 97, 31/05/2012

Q2. Do you agree with our proposed perspective on vulnerability? Are there other risk factors or features of the energy markets that could present issues that we have not covered?

Energy UK has long stated that vulnerability should be assessed on a case-by-case basis. Each customer has their own needs and it is, therefore, not possible or desirable to agree an exhaustive list of what constitutes vulnerability. To offer the most appropriate support, each customer's individual circumstances must be taken into account. Hence the definition of vulnerability used in the Energy UK 'Safety Net for Vulnerable Customers'. The Safety Net defines a customer as vulnerable in the sphere of debt and disconnections "if for reasons of age, health, disability or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household".²

In seeking to develop a broader understanding of the needs and issues facing consumers in vulnerable positions, we have also urged Ofgem to recognise that while there is some overlap between those customers who are fuel poor and those who are vulnerable, the two terms are not interchangeable. Each situation needs bespoke solutions to help support the consumer, some of which it may be appropriate for their energy supplier or regulator to assist them with.

Energy UK is, therefore, broadly supportive of Ofgem's decision to review its approach to vulnerability. More information is, however, needed to understand how Ofgem's preferred risk based approach will work in practice and what, if any, reporting and monitoring Ofgem intend to put in place to review supplier performance. A risk based approach by nature is subjective, necessitating a high degree of flexibility in determining whether a customer is vulnerable on a case by case basis. It is, therefore, important that as part of any proposed approach, the reporting or enforcement activity conducted by Ofgem is clearly set out, but reflective of the need for flexibility. Ofgem must avoid simply creating a long list of vulnerability 'risks' and unintentionally creating a large de facto 'fixed group' of vulnerable consumers. We would, therefore, call on Ofgem to ensure the approach is subject to a detailed, impartial stakeholder consultation process and impact assessment, working with industry and stakeholders to ensure the most appropriate solution is chosen.

Given its subjective nature, a risk based approach will add significant complexity to identifying, recording and evidencing vulnerability. This is of particular concern in relation to existing and future social and environmental obligations. Under the Warm Home Discount for example, obligated suppliers are required to target support at those households in, or at risk of, fuel poverty, based on criteria set by Government that identifies those who are both vulnerable and on a low income³. Additional complexity identifying vulnerability is likely to result in additional costs, which will have an impact on the energy bills of all consumers, including the vulnerable consumers we are seeking to help. In administering supplier obligations we would, therefore, urge Ofgem to stay true to the intended approach to vulnerability set out in the original legislation/regulation.

Additionally, Ofgem must consider the approach's impact on suppliers' ability to offer support to those most in need. A risk based approach, if too broadly defined, could also result in increasingly large numbers of consumers being classified as vulnerable. Large increases in the number of vulnerable consumers, risks diluting suppliers' ability to deliver support to those most in need, by forcing them to either spread their resources thinly or pass extra costs onto consumers via the bill. On the other hand, rules or expectations which are too stringent will unjustly exclude potentially vulnerable consumers from support and exacerbate the challenge of finding eligible consumers. It is, therefore, important to ensure that factors/risks contributing to vulnerability are relevant to the energy industry, so that support can be targeted at those most in need.

With this in mind, it is vital Ofgem recognise that while there may be some overlap between the challenges associated with addressing vulnerability and promoting engagement amongst all consumers, the two are ultimately different challenges which require different solutions. For example, just because a customer has never switched supplier, or had insulation measures installed, this does

² Energy UK, 'Safety Net for Vulnerable Consumers', 2011

³ Ofgem, 'Warm Home Discount: Guidance for Licensed Electricity Suppliers and Licensed Gas Suppliers', Final Version, Ref: 64/11, p35

not mean they are vulnerable, e.g. the customer may have chosen not to switch, simply because they are happy with their existing supplier.

It is also worth noting that the success of any approach will largely be depend on consumers' willingness to engage and share information relating to their personal circumstances with their energy supplier (and what information suppliers are legally allowed to record about their customers - see Q3 for Data Protection Act concerns). We know from experience delivering obligations like CERT, CESP and WHD that consumers are often reluctant to approach their energy supplier and share even limited personal information for a variety of reasons. To help address some of these challenges, earlier this year Energy UK held a workshop on the best ways of reaching consumers who are vulnerable or at risk of fuel poverty. Key findings included the need for effective partnerships and communications from trusted sources.

In addition, it remains unclear how a 'risk based' approach to vulnerability will work with Ofgem's own statutory requirements to have regards to customers who are pensionable age, have a disability, are chronically sick, living on low incomes and living in a rural location. As the consultation document notes, while these groups may be more likely than the population at large to be vulnerable, there is no automatic link between them.

Furthermore, given that the EU is currently looking at a Europe-wide approach to vulnerability and that DECC are reviewing the Government's measurement of fuel poverty, it is vital that Ofgem's approach to vulnerability is looked at in conjunction with developments in the wider policy environment, and not developed in a silo. Different approaches must be able to co-exist, ideally reinforcing one another, and must not result in contradictions which undermine suppliers' ability to deliver support to those most in need.

Q3. What is your view on whether the BSI Standard on inclusive services could provide a practical approach to adopting our perspective on vulnerability?

AND

Q4: What are your views on other approaches suppliers and distributors could take to adopt our proposed perspective on vulnerability in practice?

Energy suppliers take their responsibilities towards assisting vulnerable customers very seriously. Our members each have their own policies and processes in place to identify and help vulnerable customers, providing them with the appropriate support to manage their energy use. Industry codes managed by Energy UK (the Safety Net for Vulnerable Customers⁴, the Code for Accurate Bills⁵ and the EnergySure Code⁶) provide a vehicle to enshrine many of these protections as voluntary minimum standards of best practice for the industry. Compliance with all three codes is independently audited on an annual basis.

Suppliers' commitment to their vulnerable customers is perhaps best demonstrated by the Energy UK Safety Net for Vulnerable Customers. Set up in 2004, signatories to the Safety Net have pledged to never knowingly disconnect a vulnerable customer at any time of year, where for reasons of age, health, disability or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household. The Safety Net also sets out enhanced measures to be integrated into all suppliers' debt management processes: an agreed universal definition of a potentially vulnerable customer, improved communication with support agencies and follow-up procedures to help identify and support potentially vulnerable customers.

Energy suppliers have to strike a fine, and sensitive, balance where vulnerability has been identified and make important but often difficult decisions on whether to take further steps into the lives of customers. For example, whilst it may seem sensible to contact social services in some instances, this

⁴ Energy UK, 'Safety Net for Vulnerable Consumers', 2011

⁵ Energy UK, 'Code of Practice for Accurate Bills', Version 5.0, September 2010

⁶ Association of Energy Suppliers, 'EnergySure Code of Practice', Version 6, October 2011

may seem like an invasion of privacy and an inappropriate use of data sharing in others. Yet, not doing so may not provide the holistic solutions a consumer needs.

We would, therefore, be happy to work with Ofgem, the British Standards Institute and others to see if the BSI Standard for Inclusive Service (BS 18477) has any lessons to offer the energy industry, above and beyond existing practices, which may help suppliers, identify and support their most vulnerable customers on a self-regulatory basis.

It is, however, important Ofgem remember that the Standard was not designed for the energy industry. It is a generic standard and not all of its clauses will be relevant to all sectors and all businesses.⁷ Before industry is, therefore, asked to adopt the Standard or Ofgem start using BS 18477 as a benchmark for supplier performance, greater clarification is needed around which elements of the Standard Ofgem is intending to promote as best practice.

Given the subjective nature of a risk based approach, monitoring compliance with the Standard is also likely to be challenging for both suppliers and Ofgem. Unlike the majority of BSI Standards, there are currently no independent certification schemes in existence to monitor compliance with BS 18477. Certification schemes are run by commercial entities and, as such, normally only established once there are sufficient levels of demand for accreditation from industry. It is, therefore, reasonable to assume uptake of the Standard remains relatively low. Consequently, it would be good to learn more about other businesses' experiences with implementing the Standard and any challenges, issues and successes they experienced so that we can learn from them.

We would, therefore, call on Ofgem to ensure the Standard is subject to a detailed, impartial stakeholder engagement and consultation process to help identify any examples of best practice appropriate for the industry and address any potential conflicts/risks. For example, how do the Standard's requirements around billing and consumer information fit with Ofgem's Retail Market Review proposals? How will the Standard's training requirements impact on the delivery of suppliers' environmental obligations? What impact will the Standard have on the timescales and costs associated with the forthcoming roll out of smart meters?

In particular, Ofgem must also engage closely with the Information Commissioner's Office (ICO) to ensure any recommendations are in line with the Data Protection Act (DPA). The Standard sets out how suppliers should be looking to collect and use customers' personal data, including data related to their health. Information about an individual's health is amongst the most sensitive data that a business can hold about a customer under the DPA. Suppliers, therefore, have to take great care in designing and implementing processes to record potential vulnerability, in addition to how they use and maintain the data on an ongoing basis.

Furthermore, given the broad scope of the Standard, implementing any changes is likely to be challenging, and would not happen overnight. It will be a long term and ongoing project for suppliers, with significant cost and resource implications for the industry. Suppliers would first have to make available the resources to audit current practices against the Standard, to identify gaps or inconsistencies, before then implementing and delivering on an ongoing basis the provisions of the Standard, including personnel, training, procedures, documentation, specialist support, materials and equipment, facilities, computer hardware and software. It is important Ofgem is conscious that additional costs for suppliers will likely have an impact on the bills of all energy customers, including the vulnerable consumers that the Standard is looking to support.

The Ofgem roundtable in November (26/11) was an important first step in helping to identify and answer some of the questions and challenges raised above in relation to BS 18477. However, more work is needed. Energy UK looks forward to working with Ofgem and others over the coming months to review the Standard and identify ways in which we could potentially, on a self-regulatory basis, better identify and support vulnerable customers on a practical level.

⁷ BSI (2010), *'Inclusive service provision – Requirements for identifying and responding to consumer vulnerability'*, BS 18477, p2

Q5. What are your views on our plans for developing a Consumer Vulnerability Network and are their additional organisations that we should engage?

Should there be sufficient appetite amongst grassroots consumer organisations to better understand how the energy market works, Energy UK would support Ofgem's decision to establish a Consumer Vulnerability Network. Should a Network be created we would, however, like to see it established within clear parameters, with clearly defined terms of reference. Citizens Advice, via its Regional Financial Capability Forums, the Money Advice Liaison Group, The Greater London Forum and others, already have highly engaged grassroots networks that that Ofgem should be looking to engage with, rather than replicate. Ofgem should also be conscious of developments within the wider consumer landscape, in particular the creation of the Regulated Industries Unit as Consumer Focus transitions into Citizens Advice.

If designed correctly, an Ofgem-led Consumer Vulnerability Network could provide a unique communication channel for Ofgem to not only canvas the views of grassroots organisations, but also promote the industry and critically drive awareness of the support already on offer for vulnerable customers (See Annex A). It is, however, important that the Network is not used as an alternative to the established formal consultation process. To mitigate risks for consumers and suppliers, when discussing changes to the energy market, it is vital that all changes continue to be built on robust impact assessments and subject to a formalised and impartial consultation process.

Q6. What are your views on our proposed annual work plan for 2013/14?

Energy UK welcomes the opportunity to comment on Ofgem's 2013/14 work plan. Our comments are set out below and we look forward to working with Ofgem over the next 12 months as proposals are further developed.

Priority Service Register (PSR)

Energy UK and its members welcome Ofgem's decision to review the PSR. As noted by the consultation document, it is important to ensure that the PSR is being used effectively by suppliers and distributors and that it continues to offer valuable support to vulnerable consumers.

However, we would urge Ofgem to carefully consider its proposals before recommending expansion of the eligibility criteria or range of services offered. It is vital that suppliers' and distributors' PSRs continue delivering services to those most in need (e.g. elderly, disabled, long term illness); suppliers already have over 3.7million customers on their electricity and/or gas registers.⁸ The PSR should not be a catch all set of services for all potentially vulnerable customers. If not targeted correctly, increasing the eligibility criteria or the range of services on offer, will only dilute suppliers' ability to assist those most in need, whilst also increasing the costs of delivering the service.

Furthermore, whilst we support Ofgem's decision to explore the potential for common branding and greater PSR data sharing on a change of supplier etc. to improve the performance of PSR services, there remain a number challenges to be addressed. Information held by suppliers on their Registers is amongst the most sensitive data that can be held by a business and the legality and technical requirements to share such data need to be carefully understood by Ofgem, suppliers and distributors, based on detailed engagement with the ICO.

It is, therefore, vital that any proposals for reviewing the PSR are built on a robust evidence base and subject to a formalised consultation process. Energy UK looks forward to working with Ofgem as the review progresses during 2013/14.

Debt Assignment Protocol

As noted in the consultation document, on the 1 November this year, the UK's six largest energy companies voluntarily agreed to increase their Debt Assignment Protocol (DAP) thresholds to £500. As part of the voluntary agreement suppliers also agreed to promote

⁸ Ofgem, 'Suppliers' social obligations:2011 annual report', October 2012

awareness of the DAP and to collectively review the DAP process, with a view to streamlining and improving the customer experience. To help raise awareness of the DAP, Energy UK on behalf of its members has worked closely with Citizens Advice to ensure DAP formed part of both the Big Energy Saving Week and Energy Best Deal training materials. Energy UK has also written to leading advice agencies and charities informing them of the change to the DAP threshold.

Ofgem is right to monitor the impact of these changes going forward as part of their annual ongoing social obligations reporting. However, it is also important that Ofgem give recent changes time to embed and a chance to work. For this reason we do not believe it would be appropriate for any further action to be undertaken by Ofgem as part of their 2013/14 work plan to review the Protocol or debt blocking more generally.

Off-gas-grid

Energy UK supports Ofgem's commitment to help facilitate partnerships that can help to deliver support for fuel poor and vulnerable customers who are not on the gas grid. Energy UK and its members look forward to working with network companies to help deliver support to off-gas-grid consumers via the Green Deal and Energy Company Obligation.

Best Practice in identifying vulnerability

Energy suppliers look forward to continuing to work with Ofgem to highlight examples of best practice in defining and identifying vulnerable customers. As highlighted in the consultation document, Ofgem's most recent social obligations report highlights the positive impact industry led, sharing of best practice has had on reducing the volumes of disconnections and average debt repayment rates.⁹

Suppliers, via Energy UK, have already done a significant amount of work to facilitate the sharing of best practice and to embed common approaches to identifying vulnerability across their organisations. This is perhaps best demonstrated by the Energy UK Safety Net, which sets out enhanced measures to be integrated into all suppliers' debt management processes, an agreed universal definition of a potentially vulnerable customer, improved communication with support agencies and follow-up procedures to help identify and support potentially vulnerable customers. Compliance with the Safety Net is independently audited on an annual basis and suppliers implement positive changes based on the audit reports, learning from past experiences.

Ofgem must, however, be conscious of the social and environmental obligations placed on suppliers to assist vulnerable and fuel poor customers. Differences in the various eligibility criteria for each programme, as set out in government regulation and Ofgem guidance, can have an impact on how specific indicators of potential vulnerability are identified, evidenced and used within individual suppliers.

Perspective on vulnerability

Energy UK's view on the adoption of a 'risk based' approach to vulnerability and BS 18477 are set out in detail as part of our responses to Q2, 3 and 4 above.

Consumer Vulnerability Network

Energy UK's views on the establishment of a Consumer Vulnerability network are set out in our response to Q5 above.

Advice and support

As noted above, we believe there may be a specific role for Ofgem, as an independent voice, to work with third parties to ensure greater consistency in energy advice across the UK. As the regulator, Ofgem is in a unique and valuable position to help rebuild trust in the industry and increase awareness and demand for the support already on offer (See Annex A).

Ofgem should not, however, be looking to duplicate work already done by others, especially given that DECC are also currently looking at how to proactively help vulnerable consumers

⁹ ibid

engage in the energy market.¹⁰ Energy suppliers for example, already work closely with a range of trusted third parties in the advice sector, offering face-to-face, telephone and online support for consumers who may be vulnerable.

Energy UK members fund the Home Heat Helpline (HHH), a free, not-for-profit phone line set up to help energy customers who are struggling to pay their fuel bills and keep warm. It was launched by the Energy Retail Association (now Energy UK) in October 2005 after research revealed that 75% of the most vulnerable customers were not aware of the assistance available from energy suppliers, and only a third would consider approaching their energy supplier. Since it began, the Home Heat Helpline has received over 250,000 calls from across Britain. Nearly half of callers said that they had cut down their energy bills after calling the Helpline and many more were able to access benefits and grants.

In addition, select Energy UK members also continue to work with Citizens Advice to fund and deliver the annual Energy Best Deal campaign as an Industry Initiative under the WHD. Energy UK and its participating members would be happy to work with Ofgem to discuss how future Energy Best Deal campaigns could be developed to provide additional information and support to consumers.

Suppliers also have links with a range of local organisations, including Citizens Advice, Local Authorities, Housing Associations, charities and advice agencies and often work with these organisations to resolve customers' difficulties.

Retail Market Review

It is vital Ofgem ensure that the Consumer Vulnerability Strategy aligns with proposals under the Retail Market Review. The two policy streams must work together to support vulnerable consumers, avoiding unnecessary duplication, or worse contradiction.

It is however, important to note that while there may be some overlap between the challenges associated with addressing vulnerability and promoting engagement amongst all consumers, the two workstreams are ultimately trying to address different challenges and require different solutions. For example, just because a customer has never switched supplier, or changed tariff with their existing supplier, this does not mean they are vulnerable, e.g. the customer may have chosen not to switch because they are happy with their existing supplier.

Working with others (Government and sectoral regulators)

Energy UK supports Ofgem's commitment to working with Government and others to help inform wider policy-making. In developing policy, it is vital that Ofgem, DECC, BIS, HM Treasury, Consumer Focus etc. have close working relationships. Awareness of the wider, political, regulatory and legislative landscape is vital if policy makers are to avoid duplicating efforts and unintended consequences for consumers and suppliers alike.

We also support Ofgem's decision to develop better links with other sectoral regulators. Just as there are valuable lessons we can learn from other regulated industries, there are lessons from the energy industry which we believe could help to inform approaches to vulnerability in other sectors. Energy UK would be keen to work with Ofgem to help facilitate cross-sector sharing of best practice.

¹⁰ DECC (2012), *'Ensuring a better deal for energy consumers'*, Discussion document, URN: 12D/437

Annex A

1.1. Warm Home Discount (WHD)

Between 2011 and 2015, under the WHD Energy UK members will be providing £1.1 billion worth of funding to support around two million vulnerable and fuel poor households annually. Under the scheme, over 700,000 poor pensioners received £120 off their electricity bill last winter. Each supplier also offered £120 discounts to a broader group of vulnerable customers who applied for assistance, helping a further 234,297 vulnerable households in 2011-12.¹¹

Suppliers also continue providing discounted tariffs to vulnerable consumers under the Legacy Spending component of the WHD, alongside non-financial benefits, under the Industry Initiatives component. This includes the provision of energy efficiency advice, support for customers in debt and referrals of eligible customers (activities which are currently undertaken by the Home Heat Helpline, among others).

1.2. Home Heat Helpline

The Home Heat Helpline is a free, not for profit phone line set up to help energy customers who are struggling to pay their fuel bills and keep warm. It was launched by the Energy Retail Association (now Energy UK) in October 2005 after research revealed that 75% of the most vulnerable customers were not aware of the assistance available from energy suppliers, and only a third would consider approaching their energy supplier. Calls to the Home Heat Helpline — 0800 33 66 99 — are free and answered by expert advisors. The advisors are trained to give quick, clear information on the grants, benefits and payment schemes that customers may be entitled to as well as basic steps that can be taken to save money on heating bills by making their home more energy efficient.

Since it began, the Home Heat Helpline has received over 250,000 calls from across Britain. Nearly half of callers said that they had cut down their energy bills after calling the Helpline and many more were able to access benefits and grants.¹²

1.3. Safety Net for Vulnerable Customers¹³

Suppliers have also signed up to Energy UK's 'Safety Net for Vulnerable Customers'. Under the Safety Net, signatories have pledged to never knowingly disconnect a vulnerable customer at any time of year, where for reasons of age, health, disability or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household.

In addition, the Safety Net provides enhanced measures that are integrated into all suppliers' debt management processes, an agreed universal definition of a potentially vulnerable customer, improved communication with support agencies, a range of debt management and repayment options and follow-up procedures to support vulnerable customers.

1.4. Advice agencies

Suppliers have links with a range of local organisations, including Citizens Advice, Local Authorities, Housing Associations, charities and advice agencies and can often work with these organisations to resolve customers' difficulties.

1.5. Priority Service Register (PSR)

Domestic electricity and gas suppliers have licence obligations to offer special services to customers who are of pensionable age, blind, deaf, disabled or have a long-term medical

¹¹ Ofgem, 'Warm Home Discount Scheme Annual Report Scheme Year 1', REF: 127/12, 8th October 2012

¹² <http://www.homeheathelpline.org.uk/about/>

¹³ Energy UK, 'Safety Net for Vulnerable Consumers', 2011

condition (i.e. chronically sick). The following services are available to these customers on their supplier's Priority Service Registers:

- Password schemes,
- Repositioning of pre-payment meters where the customer finds them difficult to use
- Redirecting bills to third parties
- Quarterly meter readings where relevant to the technology used
- Free gas safety checks

Suppliers encourage eligible customers to take up their PSR options and the industry continues to work towards improving awareness of the PSR by working with advisers, health workers and social service providers, to encourage eligible customers to register themselves on the PSR.

1.6. Energy Efficiency

Suppliers are also committed to improving the energy efficiency of Britain's housing stock. To date, energy suppliers have provided almost 2.2 million cavity wall insulations and over 3.2 million loft insulation (excluding DIY) measures under the Carbon Emissions Reduction Target (CERT).¹⁴ In addition, under the Community Energy Saving Programme (CESP), energy companies have been delivering efficiency measures to some of the most deprived areas in Great Britain.

Last December, Energy UK collaborated with the Department for Work and Pensions (DWP) and the Government in order to send over four million letters to the most vulnerable customers notifying them of free or heavily subsidised energy efficiency measures. These measures, provided by suppliers under the CERT programme, could help customers save hundreds of pounds off their bills. The letters were funded by energy suppliers and sent by HM Government via the Department for Work and Pensions

We look forward to continuing to work with Ofgem and the Department for Energy and Climate Change to ensure the success of the Green Deal and the Energy Company Obligation (ECO).

¹⁴ Ofgem, 'Carbon Emissions Reduction Target update', Issue 17, September 2012