

Consultation Response

Ref 0416

Ofgem consultation on the final proposals from the Priority Services Register review

February 2016

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Phil Mawhinney
phil.mawhinney@ageuk.org.uk

Age UK
Tavis House
1-6 Tavistock Square
London WC1H 9NA
T 0800 169 80 80 F 020 3033 1000
E policy@ageuk.org.uk
www.ageuk.org.uk

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About this consultation

In December, Ofgem, the government regulator for gas and electricity markets, published final proposals from its review of the Priority Services Register that energy companies are obliged to offer to customers in vulnerable circumstances.

Introduction

Age UK is the country's largest charity dedicated to helping everyone make the most of later life. We help more than 5 million people every year, providing support, companionship and advice for older people who need it most.

In February we published a report entitled [Older people and power loss, floods and storms: Reducing risk, building resilience](#), which gives an insight into older people's experiences of, and attitudes towards, power loss and other crises.

Age UK welcomes the opportunity to respond to this consultation. This paper addresses the five questions posed in the consultation document, and outlines further considerations. It draws on the discussion between a range of stakeholders at our report launch on 15 February, e.g. the Environment Agency, insurance companies, local Age UKs, energy companies. We also refer Ofgem to the recommendations made on pages 5-6 of our report, many of which relate to how energy companies can improve their support for, and reach to, older people who need extra help in a crisis.

Key points

- Broadly speaking, we support the proposals outlined, in particular the industry 'needs codes' covering a wide range of customer vulnerabilities. However, we would like to see an awareness of the needs of people who: may not have a specific disability but who live with frailty; live in isolated locations on their own; live in park homes.
- We support moves towards better data-sharing between energy companies, to ensure vulnerable older people do not have to repeatedly register for PSR support. This is especially important in light of the expectation on people to repeatedly switch supplier to get a better deal.
- Further, we would ideally like to see a 'tell us once'-style system whereby vulnerable people can easily notify and receive support from multiple utilities. We appreciate this poses significant practical challenges, not least around data security.
- We would like to see energy companies improve their practice when dealing with people holding powers of attorney for people lacking mental capacity and, more broadly, around customers living with dementia.
- It is not completely clear to us whether PSR eligibility is limited to account holders or includes others living in a household. We would like to be assured that older people who are not the account holder in a household but have medical needs are not excluded from PSR support.

Q1: Do you agree with our final proposals for enhancing eligibility and customer identification and the associated proposed licence conditions?

1. Broadly speaking, we agree with the proposals. We consider that older people who need additional support do so due to a wide range of circumstances, which are fairly well covered by the proposed industry 'needs codes'.
2. We support the expectation on energy companies to identify eligible customers and offer support, and expect to see companies do this in a way that reaches people who do not use the internet.
3. We would like energy companies to also be aware of the potential risks and need for support among people who: may not have a specific disability but who live with frailty, i.e. with very low physical resilience; live in isolated locations on their own; live in park homes.

Q2: Do you agree with our final proposals for amending the PSR services and the associated proposed licence conditions?

4. We support the proposals. We would like to see greater and more consistent support for people who have granted powers of attorney (PoA) to a relative or other third party to manage their energy account. The Office of the Public Guardian has highlighted the need for energy companies to improve their practice in this area.
5. For example, some attorneys have to repeatedly explain their (and their donor's) circumstances to energy companies, especially if they switch supplier. Ofgem should consider how energy companies can improve their practice, including making sure staff are adequately trained in this area, especially to prevent vulnerable customers' PoA details being lost, or repeated explanations of complex circumstances. It is important that these processes do not hinder vulnerable people from being registered on a PSR.

Q3: Do you agree with our final proposals for recording and sharing information about customers in vulnerable situations and the associated proposed licence conditions?

6. We welcome the proposals, including for companies to share data in a two-way process between suppliers and distribution network operators (DNOs). We strongly encourage Ofgem to develop supplier-to-supplier data sharing as part of the next-day switching project, subject to appropriate data protection protocols. As older people are increasingly encouraged to switch suppliers to get a good energy deal, it is vital that this should not require them to repeatedly communicate their needs to a new company.

Q4: Do you agree with our final proposals for raising awareness of the priority services, including any specific suggestions for energy companies to improve awareness?

7. We found that many older people have not heard of a PSR or, indeed, DNOs. It is therefore vital to raise awareness of PSRs. We welcome the proposals, including to develop a shared 'priority services' brand, and for companies to find innovative ways to raise awareness of and promote PSRs.
8. There are around 167 local Age UKs throughout the country, covering 96 per cent of English postcodes, many of which promote PSRs. Ofgem should support advice workers in a range of agencies to understand and promote PSRs as part of their wider advice work. There may be a need for a technical advice line to explain in detail to advisors how PSRs actually work and who is eligible.
9. There are many different agencies that companies could consider partnering with to raise awareness of PSRs. For example, they could link with the Environment Agency to promote support alongside flood/weather warnings before a crisis. Age UK has been working with the banking industry to develop how providers should treat vulnerable customers; there could be a role for financial institutions here. Ofgem may have considered these already but there could also be a role for the Office of the Public Guardian, Fire and Rescue Services and neighbourhood action groups. The principle of 'make every contact count' should guide awareness raising activity.
10. Domiciliary carers provide care for many older people in their homes, including those who would be vulnerable in a crisis. Ofgem should consider encouraging energy companies to promote PSRs through domiciliary carers. This is likely to be challenging for care providers, given the time pressure on care visits, yet it may be an effective way of reaching people who would benefit from the support.

Question 5: Do you agree with our final proposals for the approach to monitoring energy company performance in this area?

11. In reference to paragraphs 4 and 5 above, we hope Ofgem will monitor company performance around meeting the needs of people holding powers of attorney and the vulnerable people who grant these powers. Ofgem should also monitor company performance around training frontline staff to meet the needs of people living with dementia.
12. We welcome the move towards quality of services and outcomes, rather than just measuring the number of people signed up to a PSR. An innovative customer outcome that may be worth monitoring is how well companies meet the needs of people living with dementia. An estimated 850,000 people are living with dementia in the UK, of whom 774,000 are aged 65+.

Other key points

13. A key point in our report – and echoed among stakeholders at our launch – is that older and vulnerable people would benefit most from a system whereby they can easily register with multiple utilities (electricity, gas, water, telecoms) through a 'tell us once'-style system. We appreciate this poses significant practical challenges, and data

security would be crucial, but the key point is to move beyond the present situation where a person has to register separately with their energy supplier and DNO as well as their water and telecoms providers. This simply isn't realistic for many older people coping with various vulnerabilities.

14. Following on from this, Ofgem should perhaps *require* energy companies to signpost customers to PSR-type services offered by water and telecoms providers, for example through providing web links and phone numbers. Ofgem could monitor the extent to which companies do this and its success in driving referrals to other utilities providers. Clearly, in the longer-term this requires cross-utility co-operation and we look forward to seeing UKRN and other bodies taking this agenda forward.
15. The point was made at our launch that DNOs know less about their customers than energy suppliers. We cannot verify this, but are concerned that there may be people needing PSR support who are 'hidden' from the view of DNOs (or suppliers), such as an older person living in a household with someone in their 40s who is the account holder. We would like Ofgem to require companies to account for this when promoting their PSR, for example by prompting new customers to consider if there is anyone in their household who would benefit from the PSR.
16. Indeed, it is not completely clear whether PSR eligibility is limited to account holders or can include others living in a household. We know that PSR services will be available to households including children aged 5 and under. Can or should there be a similar arrangement to ensure that older people who are not the account holder in a household but have medical needs are not excluded from PSR support?
17. Further, there may be a minority of people who are unknowingly customers of more than one energy supplier (or indeed cannot name their supplier). Ofgem should consider whether data-sharing between suppliers can help people in this situation stop this duplication.
18. Lastly, people impacted by major flooding typically need 12-24 months to fully recover, i.e. repair their home. This process often brings its own vulnerabilities, including mental health problems. Ofgem should consider whether PSR services can link people to other agencies who can provide different kinds of support later in the recovery process.

Contact

To discuss any of these points, please contact Phil Mawhinney, Policy Advisor, Public Policy Team, Age UK at phil.mawhinney@ageuk.org.uk or 0207 020 303 31391.