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Sent via email to: cdconsultations@ofgem.gov.uk

8th August 2019

Dear Ms Tewari

Re: Draft Consumer Vulnerability Strategy 2025

Thank you for the opportunity to respond to the updated Consumer Vulnerability Strategy.

As well as working across Health and the wider Public Sector, Gemserv is an established expert service provider within the Energy Industry. We work in a diverse number of areas, including Governance, Consultancy and Digital Innovation. Our interest in addressing vulnerability comes from two areas: firstly, through our role in managing the Electricity Central Online Enquiry Services (ECOES), where we have been working with industry colleagues to develop improvements in how the Priority Services Registers (PSR) can be used to track vulnerable consumers; and, secondly, through our work in information security and data protection, where vulnerable consumers are in particular need of additional support.

Having clear themes and outcomes focused on vulnerability and affordability is an essential part of the strategy. We agree with those identified by Ofgem and have several ideas regarding steps that can be taken towards achieving these. The Energy Market needs to be unified and we would echo the call for each company working in the market to have a 'vulnerability champion' on their board. We need to ensure this issue has sufficient focus at a senior level, in order to make progress quickly. However, we would add that qualification for this role is not restricted to those with specialist expertise and/or knowledge. It is possible that individuals with the right intent can acquire the right aptitude with suitable training and support.

For a number of consumers, energy bills make up a significant amount of their household spend, and it does not take long for a change in circumstance, such as illness or redundancy, to have a negative impact on these households and for them to find themselves in arrears. Affordability is central to this scenario and we agree that it needs the focus and coordination of government, as well as cross-party and industry collaboration. We see Ofgem as having an active role in raising the profile of this issue with government and market participants. This is another area where having vulnerability champions at Senior Executive level, with decision-making authority within companies, can aid government engagement.

Gemserv strongly believes in innovation for all and the Energy industry needs to work better together to ensure consumers do not get left behind, regardless of their circumstances. This sentiment was shared by many attendees at the recent Utility Week Consumer Vulnerability Conference, as was the frustration at the pace of change to date. In many ways, the energy industry has traditionally been slow to innovate; and we need to do more to accelerate the introduction of new practices and systems, especially, when of these already exist in other sectors.

Sharing best practice, experience and research relating to vulnerability, will be fundamental to any future success. Responsible data-sharing must be central to any new approach, as the converse will only undermine confidence and trust. In addition, algorithms increasingly used in AI and machine-learning capability need to be properly assessed for their ethical suitability and potential for adverse impact on the vulnerable. To support this change in the energy sector, we believe a single, centralised and searchable PSR is indispensable. This would eliminate the discrepancies between registers and mean that, if a consumer has, for example, told their water company they need support, they do not need to have the same conversation with other utilities. Companies could share the associated costs with an obvious benefit to the overall financial burden.

If we want to put supporting consumers *“at the heart of innovation”*, we need to include **all** consumers in that category. For Suppliers to *“deepen their understanding of behavioural science to inform service design and delivery for vulnerable consumers”*, the playing field needs to be level for all industry participants. A central, easily accessible repository of research in this field, where interested parties regardless of their size can gain access to the latest learning, details on pilot schemes and results, funding or requests for research participation would be of considerable help. Participants would develop their own propositions, but best practice and information could be shared. Consumers need to be empowered, but so do the companies that serve them.

We have mentioned a level playing field for all industry participants, because we feel that the responsibility for this should no longer fall to suppliers and network operators alone. Price comparison websites (PCWs), companies which provide meter reading and installation services, and companies with new offerings such as auto switching equipment, all interact with consumers and have a responsibility to those they do business with. While the supplier hub principle works with some of these parties, PCWs fall squarely outside this. We believe that some governance and shared responsibility is necessary. A mandatory requirement for PCWs to make consumer satisfaction, service accessibility and/or BS 18477 accreditation should be considered, if they cannot come up with a voluntary uniform adoption of this requirement within the next twelve months. These companies need to take some responsibility for the suppliers they recommend.

One area where we differ in our view is around the use of the term “vulnerable”. We feel there needs to be more thought on changing the language around “vulnerable consumers”. We take Ofgem’s point that this is now an established term, but it would not be the first time that an established term has been changed due to negative connotations. We feel that this alone is not an adequate reason for keeping the term.

Focusing on what we want to do for these consumers may be a better approach than highlighting the reason they need it. This would also keep the concept dynamic. We can all draw on the experience of family members, colleagues and friends who have clearly needed support, but have taken exception to the idea of being termed “vulnerable”. Industry colleagues have previously dealt with consumers who have considered the term offensive.

If we want to increase self-disclosure, and encourage trust and an open conversation, we need to engage more on the language we are using. We recognise that organisations such as Citizens Advice are better placed in terms of expertise in this area and look forward to their research findings.

If the term vulnerability is found to be as problematic for consumers as our experience suggests, we would urge Ofgem to reconsider their current stance.

Attendance at various workshops and conferences relating to vulnerability, clearly demonstrates the wealth of information that is available, including extremely promising pilots, innovations and ideas. However, we need to share this knowledge and understanding more widely, and determine how we can roll out some of the successes on a wider scale.

There is an appetite to engage and make meaningful change to improve outcomes. In combination with the innovation opportunities smart meters and their data can provide, along with a centralised, digitised regulatory framework, there has never been a better time to make progress in this extremely complex and sensitive area. However, if we do not take practical steps to galvanise interest and action, there is a risk that we will lose momentum and an opportunity will be squandered.

We look forward to working with Ofgem and the energy industry to progress practical and innovative solutions. Solutions which have the potential to help simplify the approach for market participants and could make a real difference to all consumers, not just the vulnerable.

If you have any questions or would like to discuss any of the points we have made, we would welcome the opportunity to engage with you further.

Your sincerely

Sue Jackson
Consumer Advocate
Gemserve Ltd