

Consumer Vulnerability strategy

October 2019



ofgem

Making a positive difference
for energy consumers

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Chief Executive's Foreword

Welcome to our updated Consumer Vulnerability Strategy

Making a positive difference for all consumers is our core objective. Over the last five years, we have increasingly focused on protecting consumers in vulnerable situations and we will further strengthen this focus going forward. We have made some excellent progress; led the way with our dynamic and situation-based definition of vulnerability, nearly eradicated disconnections for debt, placed vulnerability at the heart of suppliers' businesses by introducing a vulnerability principle licence condition, and restricted the amount suppliers are allowed to charge their customers when they wish to install a prepayment meter for debt without the customer's prior agreement.

Energy is an essential service that affects people's comfort and health, and the market cannot be considered to be functioning well until it is meeting the specific needs of a wide range of people across a wide range of circumstances.

We have recently launched an internal Customer Connections programme, which aims to bring the voice of the energy customer to the forefront of our work in an effort to lead to even more informed consumer focused decision making. This programme currently includes senior visits to charities and opportunities for our staff to engage with frontline advisors. As part of this, I have visited some inspirational charities and met with some of the most vulnerable consumers in society. This has helped the Ofgem board and staff, and me personally, to bring consumers and particularly vulnerable consumers, even closer to the heart of everything that we do.

The future market is likely to look very different from today's market. Many changes will be initiated in the next few years to make the energy system more flexible and cost-reflective, and the energy market more dynamic and competitive. We need to make sure the most vulnerable are adequately protected in this future market. These change programmes, such as half-hourly settlement and smart meters, in different ways, will redefine how the energy market functions to bring greater benefits to all energy consumers. However, these changes will also raise big questions about how costs are distributed across different groups of consumers and the emergence of potential new consumer risks where these did not previously exist.

I'm conscious of the challenges in this area – and know that there are no easy solutions. All I can say is that we will do the best we can, given our statutory mandate and statutory powers, and we will work with partners, including government to maximise our impact. Our strategy sets out areas where we can make the biggest difference to consumers in vulnerable

situations until 2025, and beyond. New priorities may arise during the life of the strategy and we will change priorities if required.

I believe that updating the Consumer Vulnerability Strategy is one of the most important things we are doing this year, and I look forward to working with you to achieve good outcomes for consumers in vulnerable situations.



Dermot Nolan

Chief executive officer, Ofgem

Executive summary

Supporting and protecting consumers in vulnerable situations is a key priority for Ofgem and aligned with our statutory duty.¹ Our vision is to enable an energy market that delivers positive and fair outcomes for all consumers including those in vulnerable situations. In 2013, we published our Consumer Vulnerability Strategy, in which we set out the definition of vulnerability and its temporary and situational aspects.² We have come a long way since the publication of the 2013 strategy focussing our efforts on the following:

- 1) Fair outcomes** – Our rules have increasingly improved outcomes by nearly eliminating disconnections for debt, introducing an enforceable vulnerability principle in our rule book, and recently introduced a default price cap which protects 11m consumers.¹ Our focus on incentivising networks has resulted in connecting over 64,000 households to the gas grid, giving them access to a cheaper source of fuel for heating. Our administration of the Warm Home Discount supported nearly 2.2m consumers with a £140 rebate.
- 2) Greater market transparency** - We publish our annual Vulnerable Consumers in the Energy Market report, the Consumer Impact report and the State of the Market report, which provides a report card on the extent to which the market is delivering positive outcomes using reputational regulation to drive culture change.
- 3) Tougher compliance and enforcement action** - We have undertaken a number of compliance and enforcement activities to make sure energy companies comply with the protections we have put in place for consumers in vulnerable situations.

Over the next few years, digitalisation, decarbonisation and decentralisation are likely to radically change business models, creating new costs and benefits and capability challenges for consumers. Important change programmes like the Future Charging and Access Review, RII0-2, the future retail energy market review and Half-hourly settlement will fundamentally change the way the market operates. In this period, Ofgem will also consider the appropriateness of retaining or replacing the default tariff price cap in 2023 at the latest,

¹ See section 3A (3) [Electricity Act 1989](#) and section 4AA (3) [Gas Act 1986](#).

² See chapter 1 and appendix 1 for more information on the definition of vulnerability

subject to ministerial decision following our assessment of competition in the market.³ This a key moment for us to reassess our priorities to ensure consumers in vulnerable situations are at the heart of key considerations.

Therefore, in our Forward Work Programme, we committed to update our Consumer Vulnerability Strategy, which sets out our priorities until 2025 and the outcomes we want to see. Based on extensive stakeholder engagement across Wales, Scotland and England, we have decided to focus on five areas where we can drive strong improvements for consumers in vulnerable situations:

- Improving identification of vulnerability and smart use of data.
- Supporting those struggling with their bills.
- Driving significant improvements in customer service for vulnerable groups.
- Encouraging positive and inclusive innovation.
- Working with partners to tackle issues that cut across multiple sectors.

Each of the five themes are underpinned by the outcomes we want to see realised during the lifespan of the strategy. For example, to support those struggling with their bills, we want to see better support for consumers who are at risk of self-disconnecting and a decrease in self-disconnections. To drive a step change in customer service for vulnerable groups, we want industry to tailor their customer service to consumers with specific needs. We will look to work closer with government on policy areas that affect our role as a regulator, such as fuel poverty policy or social security. We are committed to evaluating and monitoring progress towards these outcomes. We plan to report on them in the annual Vulnerable Consumers in the Energy Market Report and the annual Ofgem Consumer Impact Report.⁴

Vulnerability is a complex issue to tackle and one where all policy makers, consumer bodies and industry must come together to address consumer risks. Stakeholders have suggested our role could go further with respect to alleviating affordability pressures. While it is primarily for Government to set our remit in this area, we outline our approach later in this document.

³ See section 7 of the Default Tariff Cap Act 2018

⁴ See the latest [Consumer Impact report](#) and [Vulnerable Consumers in the Energy Market report](#)

In the first year of the strategy, we will focus on:

- Creating an analytical framework to consistently assess the impact of our policies on particular groups of consumers in vulnerable situations. This will enable us to assess consumer groups at risk in a more targeted way and propose tailored mitigations in changing policy contexts.
- We will strengthen rules to protect consumers in vulnerable situations from self-disconnecting their pre-payment meters.
- Consult on our proposals for the future energy retail market review.
- Update the Ability to Pay principles and include them in the licence conditions to provide targeted support to consumers facing payment difficulty.
- Propose a requirement on gas network companies to adhere to a vulnerability principle, similar to the obligation that we have placed on gas and electricity suppliers

1. Ofgem’s work to support consumers in vulnerable situations

1.1. Our primary duty is to protect current and future consumers. We have a statutory duty to consider the needs of people with disabilities, who are chronically sick, of pensionable age, on low income or living in rural areas. Statute also allows us to consider the specific needs of other groups of consumers.⁵ To translate this duty into our regulatory approach, in 2013 we published the first Consumer Vulnerability Strategy,⁶ which examined the complex nature of consumer vulnerability, and our definition.

1.2. A number of factors may put certain consumers at greater risk of detriment than others, or mean that they are less able to be active in the market. These can for example be factors related to the individual, such as cognitive impairment or not speaking English as a first language. Or circumstances such as being a full-time carer or not having access to an internet connection. The impact of any detriment can also be greater for certain consumers, for example due to the way a supply company engages with its customers.⁷ Whilst we recognise that any consumer can face detriment in a market, we focus on those most in need of protection or support. Risk factors can stem from individual circumstances or characteristics and the market itself, and how they interact. The range of risk factors means that vulnerability can often be multidimensional. Vulnerability can be transitory as circumstances change or permanent. The definition is intentionally wide and requires energy companies to invest time and effort to understand their customer

Ofgem’s definition of vulnerability

We define vulnerability as when a consumer’s personal circumstances and characteristics combine with aspects of the market to create situations where he or she is:

- significantly less able than a typical domestic consumer to protect or represent his or her interests; and/or
- significantly more likely than a typical domestic consumer to suffer detriment or that detriment is likely to be more substantial.

⁵ See section 3A (3) [Electricity Act 1989](#) and section 4AA (3) [Gas Act 1986](#).

⁶ Ofgem (2013) [Consumer Vulnerability Strategy](#)

⁷ We have included examples of risk factors in Appendix 1

context, customer needs and to provide appropriate support.

1.3. Ofgem’s definition has been referenced by other regulators and government, which shows their recognition of the multidimensional nature of vulnerability. The National Audit Office (NAO) also recognised our work in this area in its 2017 report and recommended regulators and government to work more closely together on vulnerability.⁸

1.4. Some respondents suggested not using the word vulnerable. We are mindful of the sensitivities of labelling consumers as vulnerable, we empathise with this and therefore mainly refer to vulnerability in relation to the circumstances of the individual. Our expectations of all energy companies is to focus on vulnerability flags, insensitive labelling of consumers as vulnerable is not in the spirit or the expectations of the strategy.

1.5. The term vulnerability is now well established and allows policy makers and consumer groups to target specific interventions. Some of the feedback flagged the difficulty of operationalising the definition. While it is important that companies can implement the definition, we think a concept as dynamic as vulnerability means that companies will need to put in additional effort to identify and support, even if that is challenging. Changing the definition to make it less dynamic would not do justice to the many types of vulnerable situations consumers can face and may result in a box ticking exercise. For these reasons, we have decided to maintain the existing definition. We considered expanding the scope of the definition to include microbusiness vulnerability, however we have not seen compelling evidence so far that this is required following our consultation. We will observe this area closely to investigate any new evidence that may materialise during the lifetime of the strategy. For example, we know Citizens Advice are undertaking looking into microbusiness vulnerability as part of their assessment of the microbusiness market, which they are due to publish in the near future. This does not detract from the fact that suppliers currently have an obligation to treat microbusiness consumers fairly in line with the standards of conduct.

1.6. Through this new strategy, we focus on changes the future market and system will bring, to ensure we are able to act quickly and anticipate potential detriment effectively.

1.7. Figure 1 illustrates the priority areas for the 2013 strategy. Key achievements since 2013 include:

⁸ National Audit Office (NAO) report (2017) [Vulnerable Consumers in Regulated Industries](#)

- We have pushed energy companies to keep reducing disconnections. It is now extremely rare that anyone is disconnected from his or her energy supply because they are in debt. There were only 6 disconnections for debt in 2018, compared to 640 in 2013.⁹ This is a continuing downward trend from just under 30,000 disconnection in 1998.¹⁰
- We have successfully administered the Warm Home Discount (WHD) and Energy Company Obligation (ECO), which have delivered significant benefits to consumers. In 2018, for example, WHD delivered £140 rebates to nearly 2.2m consumers.¹¹ We improved outcomes for consumers by introducing regular forums to link suppliers with charities who support vulnerable consumers.
- Under ECO2, through measures aimed at repairing and replacing boilers and electric storage heaters, vulnerable consumers will save over £6.2bn on their energy bills over the lifetime of the appliance.¹² Other parts of the scheme focused on improvements to the fabric of buildings for consumers on low income or in rural areas. To ensure that the scheme was effective and properly targeted, we introduced the framework for monitoring the quality of measures installed.
- Through our regulation of distribution companies, gas distribution companies have connected over 64,000 households to the gas grid, giving them access to cheaper fuel for heating (during the first five years of RIIO-GD1).¹³ In addition, electricity network companies have delivered a number of innovative solutions through RIIO-1 incentives, such as two-way texting in emergencies and vulnerability mapping tools to target support during power cuts.
- In both the retail and distribution sectors, we improved priority services

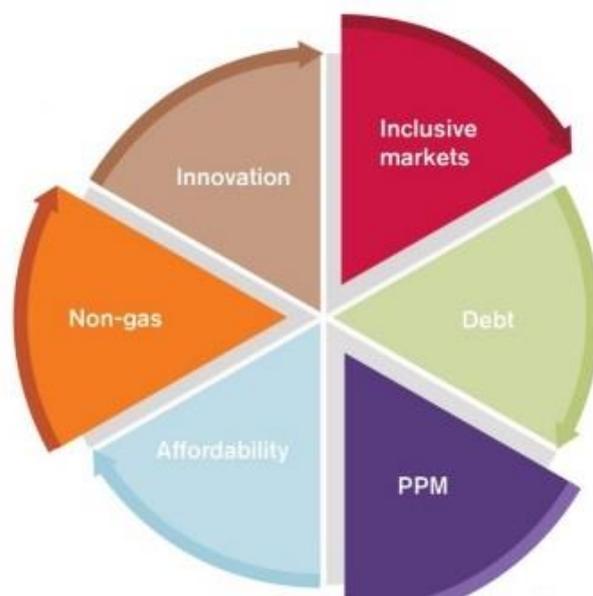


Figure 1: Priority areas CVS 2013

⁹ Ofgem (2019) [Monitoring social obligations: 2018 annual data report](#)

¹⁰ Ofgem (2008) [Domestic suppliers' social obligations: 2008 Annual report](#)

¹¹ Ofgem (2018) [Warm Home Discount Annual Report: Scheme Year 6](#)

¹² Ofgem (2019) [Energy Company Obligation, ECO2 Final Determination Report, 1 April 2015 – 30 September 2018](#)

¹³ See [Network regulation – the 'RIIO' model](#)

provision and data sharing between supply and distribution companies. Working with Ofwat and the UK Regulators Network, we have piloted Priority Services Register (PSR) data sharing between a water company and an electricity distribution company in the North-West of England.¹⁴

- For energy suppliers, we have introduced a vulnerability principle, which makes delivering fair outcomes for vulnerable consumers an enforceable obligation. We have protected the most vulnerable from excessive warrant costs, which we expect will save indebted consumers £18m.¹⁵ We have also put in place protections to make sure suppliers are not allowed to charge consumers for energy used over 12 months ago which they have failed to bill for. This helps to decrease shock bills and strongly benefits the most financially vulnerable.¹⁶
- We have implemented price protections for consumers on default tariffs and prepayment tariffs.^{17 18} We expect this to deliver consumers a direct benefit of £2,269m.¹⁹ These are likely to benefit vulnerable groups proportionally more as they are more likely to be on these tariffs.²⁰
- We have continued to build on our insight into how consumers in vulnerable situations are experiencing outcomes in the energy market, including by publishing data through the annual Vulnerability Report, working closely with charities and consumer organisations across GB and through publishing research, such as the Consumer Engagement survey.²¹ Through our research we provide high quality information on consumers experience. As part of this our research team has recently received an award for their excellent work on collective switching.²²

¹⁴ Priority services are there to help with access, safety and communication in relation to a customer's energy supply who needs additional support. Services can include advance notification of interruption to supply, agreeing a method to identify a company representative, regular meter readings.

¹⁵ Ofgem (2017) [Decision to modify gas and electricity supply licences for installation of prepayment meters under warrant](#)

¹⁶ Ofgem (2018) [Decision: Modification of the electricity and gas supply licences to introduce rules on backbilling to improve customer outcomes](#)

¹⁷ The default tariffs price cap also includes the previous price cap, which covered consumers in receipt of the Warm Home Discount.

¹⁸ Ofgem (2018) [Default tariff cap: decision - overview](#); Consumers and Markets Authority (2016) [The Energy Market Investigation \(Prepayment Charge Restriction\) order 2016](#)

¹⁹ Ofgem (2018) [Consumer Impact report 2017-18](#)

²⁰ Ofgem (2018) [Consumer Engagement Survey](#)

²¹ See [Consumer research](#)

²² Ofgem (2019) [Record numbers of people save money after taking part in Ofgem's latest collective switch trial](#)

2. Why we have updated our Consumer Vulnerability Strategy

The rapidly changing energy sector

2.1. There is widespread recognition that the energy market is going through great change with the impact of digitalisation, decarbonisation and decentralisation. These changes will create new costs and benefits. It will change the way consumers interact with their energy provider, new business models, data portability and the impacts of moving towards decarbonisation. Fundamental changes to the retail market are already underway. The rollout of smart meters is essential for the smart energy system. More and more people now have smart meters in their home and we will continue to work with BEIS on roll-out of smart meters across GB.²³ We are also already progressing structural change programmes to improve the functioning of the energy market. These include:

- Particularly related to decentralisation, the Future Charging and Access Review will ensure that network charges are fairly shared and consumers have fair access to the network.
- We are designing the next price controls for RII0-2, through which we want to continue to improve the service provided by distribution network companies to consumers in vulnerable situations including fuel poor.²⁴
- Through a joint review with the Department for Business, Energy and Industrial Strategy (BEIS), we are exploring reforms to retail energy market to ensure it works well for all consumers.²⁵ It will promote competition and drive innovation by allowing innovative business models to capture system benefits, including flexibility in consumers' demand, while ensuring that all consumers (including those in a vulnerable situation) receive energy at a reasonable price, with an appropriate level of service.
- Settlement reform will use data from smart meters to ensure suppliers are charged for the actual cost of their consumers' energy use. This will encourage them to reward their consumers for moving their electricity use to times when it is cheaper to

²³ See [Department of Business, Energy and Industrial Strategy, Smart Meters statistics](#)

²⁴ See [Network price controls from 2021 \(RIIO-2\)](#)

²⁵ BEIS (2019) [Future Energy Retail Market Review](#)

generate and transport, which will help create a more flexible, cost-effective and lower carbon electricity system.

2.2. This leads to some key strategic considerations for us, for example on the distributive fairness of costs, as they will fall differently across consumers. It's important that we develop a more robust understanding of new consumer risks where these did not previously exist. It also raises significant questions of existing cross-subsidies and the role we should play to redistribute costs across different consumer groups as the energy system becomes more decentralised and decarbonised.

2.3. In our Strategic Narrative for 2019-2023, we have set out that our position regarding affordability - that actions primarily intended to redistribute substantial costs are a matter for government.²⁶ In line with our current remit, we are already looking at alleviating affordability pressures by implementing the default price cap and conducting a review of self-disconnection in the prepayment meter market. After consulting with stakeholders who provided broad support for our existing position, we have decided to maintain the position that substantial redistribution is a matter for government. We will continue to work with government as part of the Consumer Forum to clarify the boundaries between regulatory and social policy.^{27 28}

2.4. As markets change, it also raises the question of which regulated entity is better placed to provide protections for the most vulnerable consumers. In this context, there is an opportunity to examine the role suppliers, networks and other energy system participants should play going forward against the backdrop of energy market transformation. For instance, should local monopolies be taking on an increased role to achieve more targeted support to consumers in vulnerable situations? Or should companies operating in a competitive retail market, such as suppliers, continue to be increasingly responsible for this? Network companies have played a crucial role in supporting vulnerable consumers in a variety of ways. One of these is the Fuel Poor Network Extension Scheme (FPNES), which connects fuel poor households to the gas grid and very significantly reduces heating costs for households previously reliant on electric or oil heating. Looking forward, however, increasing the number of homes heated by gas may conflict with Government policy on fossil fuels, and RII02 might be the last price control period in which the FPNES is funded.

²⁶ See [Ofgem, Our strategic narrative for 2019 - 2013](#)

²⁷ [Department for Business, Energy & Industrial Strategy \(BEIS\) Consumer Forum](#)

²⁸ National Audit Office (2017) [Vulnerable Consumers in Regulated Industries](#)

2.5. Respondents to the consultation have given us a number of views on the role of various companies in the energy sector and what role they should play to support consumers in vulnerable situations. We welcome these suggestions and will explore which type of organisation is best placed to deliver different types of vulnerability protections during the life of the strategy, for example for electricity networks through our policy work on RIIO-ED2 and for market participants that will likely play a larger part in the future through our work with BEIS on Future Energy Retail Market Review to examine the appropriate regulatory regimes as the market undergoes transformation with new business models.²⁹

Sustainability and the trade-offs between current and future consumers

2.6. This major transformation of the energy market is underway at the same time as the Government has committed to reducing the UK's carbon dioxide emissions to net zero by 2050. As we move towards a low-carbon, smarter and decentralised system, decisions over how we change the gas and electricity network and create markets for new flexible solutions will be fundamental in ensuring efficient low carbon energy use. Our role of assessing the trade-off between current and future consumers' interests in sustainability and in cheaper prices will come into greater prominence. We will play our full part in enabling the best value and most effective transition at lowest cost.

2.7. As stated in our Strategic Narrative for 2019-2023, we already investigate the impact on sustainability of major projects.³⁰ However, given the new circumstances above, we may be required to take a more active role in building the low carbon energy system in the interests of future consumers. This could involve direct decision making to support the low carbon transition and continuing to efficiently administer existing renewable generation and energy efficiency.

2.8. As a first step, we will review and update the guidance that we provide to our internal teams to ensure that environmental impacts are robustly assessed and better inform our decision making process.

2.9. We must also consider the benefits of energy efficiency to help us meet these targets. Through our work administering the renewable energy and social programmes on behalf of

²⁹ Ofgem (2019) [Our proposed overarching objective for RIIO-ED2 is to ensure that the DNOs deliver value for money services that both existing and future consumers need](#)

³⁰ See Ofgem (2019) [Our strategic narrative for 2019 - 2013](#)

government, we have expertise in designing, setting up and delivering large-scale programmes in the sustainable energy sector, in fields as diverse as renewable heat, renewable electricity, energy efficiency and fuel poverty. We are supporting BEIS in examining the efficiency and viability of funding low carbon power through a structure similar to our network regulation. This would also play a key role in achieving our priority to support decarbonisation at the lowest cost. Over time, we will assess the viability of extending this approach to different parts of the market.

The changing face of vulnerability and understanding barriers to engagement

2.10. We know there is a wide range of vulnerabilities and some of these are changing over time (see figure 2). Likewise, there may be new vulnerabilities that come about in the future due to factors like climate change and the UK energy system changing. We want to ensure consumers in vulnerable situations are adequately protected and supported where necessary. To help us gain better insight into the impacts of our policy decisions on different groups of consumers, we will continue to improve the distributional impact tools we have.³¹ This will allow us to make sure these difficult decisions are well evidenced.³²

2.11. Our consumer research shows that many consumers are not making informed, active choices in the energy market, even if they wanted to. This will be for a variety of reasons. Some of these may relate to a customer's capability, such as having the skills to understand their energy consumption. Some relate to their motivation, such as being unaware they could save money by switching tariff. There are also, as we know from behavioural science, less tangible barriers, that affect us all such as being forgetful, becoming distracted, or our natural preference to do an easy task over a perceived difficult one. These prevent us from making optimal decisions. We all have limited 'bandwidth' for decision making and rely on environmental cues and mental short cuts to help us make decisions quickly. These cues can either align with behaviour, or work against it.

2.12. Consumers in a vulnerable situation are more likely to face multiple barriers compared to other customers. They may have competing priorities, less free time, or feel unable to make complex decisions. This can for example be seen in research from Scope, Money and

³¹ Ofgem (2014) [Beyond average consumption - Development of a framework for assessing impact of policy proposals on different consumer groups, report for Ofgem by the Centre for Sustainable Energy](#)

³² Ofgem (2016) [Ofgem's regulatory stances](#)

Mental Health Policy Institute and Christians Against Poverty.³³ Therefore, they need more support in overcoming these barriers. We would like to see energy companies build a deeper understanding of behavioural science into how they design and deliver their services for vulnerable customers. It is encouraging to see that the sector has risen to the challenge with the Energy UK Commission on Consumers in Vulnerable Circumstances. The follow up work to the Commission's report should deliver positive results for vulnerable consumers.

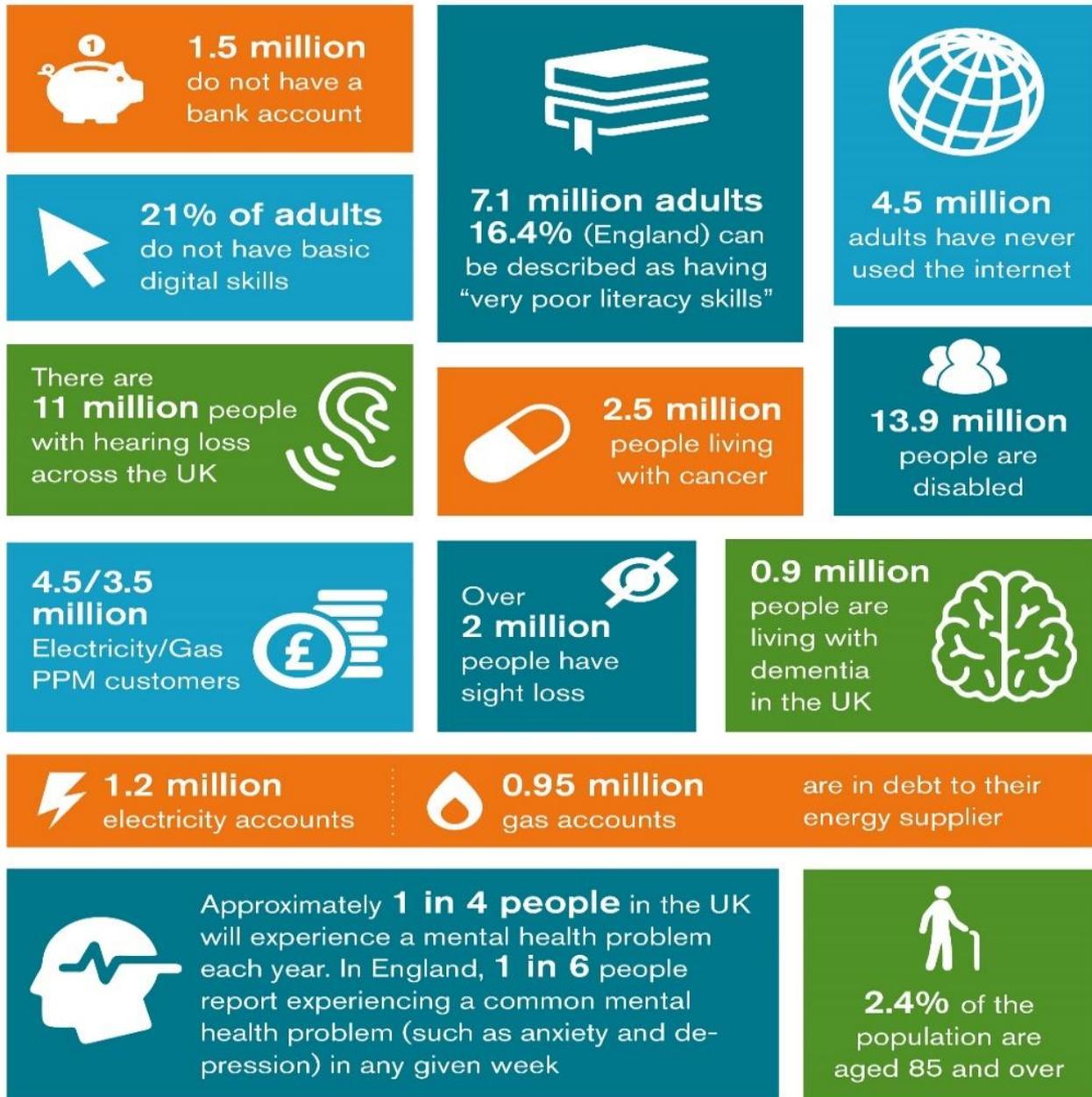
2.13. Our ambition is that, in the context of the changing energy system, consumers in vulnerable situations face fewer barriers to confidently engaging with the energy market, receive additional support where needed and are adequately protected.

³³ Scope (2019) [Disability Price Tag](#); Money and Mental Health (2019) [Minimum standards for mental health](#); Christians Against Poverty (2019) [Stacked against](#).

Vulnerability

Socio-economic characteristics

GB adults unless stated



Sources³⁴

Figure 2: Socio-economic characteristics

³⁴ Financial Inclusion Commission - [The Facts](#)

We have done extensive stakeholder engagement to inform our strategy

2.14. During the second half of 2018 and early 2019, we ran a programme of engagement to inform the update of the Consumer Vulnerability Strategy. We conducted a number of interviews with experts, academics and charities. We also ran workshops in Cardiff, Glasgow and London. The events were well attended by a range of stakeholders, including charities, consumer groups, suppliers, network distribution companies and third party intermediaries.

2.15. We asked stakeholders to consider the key issues affecting outcomes for consumers in vulnerable situations in the next five to six years, what role Ofgem can play to address those issues and how we can best measure success.

2.16. Stakeholders raised a number of important issues including changes to the welfare system and increasing income volatility, which can negatively impact people’s income and affect their ability to pay bills on time. A number raised particular concerns with affordability when the current default price cap is removed.³⁵

2.17. Among consumer groups, there was a strong sense that innovation will likely not benefit the most vulnerable; particularly those who are not online, on a low income or not able to move their energy use to a different time of day. There were also significant concerns about customer service, including inconsistency across suppliers and particularly, how some new market entrants limit the ways in which a customer can communicate with them.

2.18. Effective identification of vulnerability was raised as a continuing challenge, where some companies had developed effective partnerships and systems while other struggled. The

National Literacy Trust - [Adult literacy](#) “very poor literacy skills” is being able to understand short straightforward texts on familiar topics accurately and independently, and obtain information from everyday sources, but reading information from unfamiliar sources, or on unfamiliar topics, could cause problems.

Ipsos Mori (2018) [Basic Digital Skills UK Report 2018](#)

Department of Work and Pensions (2018) [Family Resources Survey: financial year 2016/17](#)

RNIB - [Key information and statistics on sight loss in the UK](#)

Action for Hearing Loss - [Facts and Figures](#)

Alzheimer’s Society & Dementia Statistics Hub - [Prevalence projections in the UK](#)

Office of National Statistics (ONS) report (2017) [Overview of the UK population: July 2017](#)

Ofgem (2018) [Monitoring social obligations: 2017 annual data report](#)

MacMillan (2015) [2.5 million people now living with cancer](#)

Mind - [Mental health facts and statistics](#)

Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#)

³⁵ The Default Tariff Cap Act requires us to carry out a review of whether vulnerable consumers need further protection after the price cap is lifted (section 9 Tariff Cap Act 2018)

better use of data was mentioned as a way to partly address this challenge. In Scotland, stakeholders were concerned about the poor outcomes consumers with restricted meters are experiencing.³⁶ Finally, there was a concern about unregulated entities, such as third party intermediaries, auto switching sites and how this could lead to consumer risks in the absence of regulatory protections for consumers in vulnerable situations.

2.19. Based on the feedback from stakeholders, we have developed the five themes and the outcomes that sit underneath them that we aim for during the lifetime of the strategy. In arriving at these we have had to make choices and prioritise. We have set out in more detail what stakeholders have told us in information on our engagement in a separate document published alongside the strategy. This document also sets out some of the areas we've decided not to pursue.

Five themes of the CVS2025

2.20. Following our stakeholder engagement, we published an open letter, in which we set out our five priority themes (see figure 3).³⁷ The five themes are:



Figure 3: The five themes of CVS2025

³⁶ Restricted meters are advanced Time of Use electricity tariffs, which are linked to a consumer's electric heating system. For more information, see Ofgem (2015) [Insights paper on households with electric and other non-gas heating](#)

³⁷ Ofgem (2018) [Updating the Consumer Vulnerability Strategy – CVS2025](#)

- 1.** Improving identification of vulnerability and smart use of data.
- 2.** Supporting those struggling with their bills.
- 3.** Driving significant improvements in customer service for vulnerable groups.
- 4.** Encouraging positive and inclusive innovation.
- 5.** Working with partners to tackle issues that cut across multiple sectors.

2.21. In the next section, we elaborate on the consumer harm we have identified and what outcomes we want to see for consumers in vulnerable situations under the five themes. To achieve the outcomes, we will consider the broad toolbox of regulatory intervention such as monitoring, compliance, enforcement, research, trials, engagement, incentives, signalling reputational regulation and policy development. We have set out our initial priority work in chapter 7.

2.22. We aim to monitor the desired outcomes for the strategy mainly through our annual Vulnerable Consumers in the Energy Market report and the Consumer Impact Report.

3. Improving identification of vulnerability and smart use of data

3.1. We want a market that is accessible, inclusive, and responsive to the needs of consumers in vulnerable situations. We recognise that vulnerability is complex, can have many factors such as health and financial situation, and can be transient.³⁸ However, for consumers in vulnerable situations to be supported in the energy market, energy companies need to have appropriate policies and procedures in place for identifying them. We are concerned that this is not happening as well as it should be.

3.2. Robust systems and approaches to target support rely on proper identification and good quality data. This is increasingly important as the energy market becomes more dynamic and new vulnerable situations may arise. We noted in our 2019 Vulnerable Consumers in the Energy Market Report that:

- The UK population is getting older. In 2018, 18.3% of the population was aged 65 and over and it is projected that 24.2% will be 65 and over by 2038.
- In 2017-18, one in five people in the UK (13.3 million) reported living with a limiting mental or physical disability. The most commonly reported impairments by disabled people were: mobility (49%), loss of stamina, breathing, fatigue (37%), dexterity issues (26%), and mental health problems (25%).
- It is also estimated that one million people will have dementia in the UK by 2025.³⁹

3.3. We want to see better use of data to enable a smarter, fairer and more flexible energy system. Companies need to be making better use of new and existing data and record it accurately. We see particular potential for the use of smart meter data, which will allow suppliers to more proactively support their customers when usage changes (for example periods of low usage or self-disconnection).

³⁸ Ofgem (2013) [Consumer Vulnerability Strategy. See annex 1 for further information on defining vulnerability.](#)

³⁹ Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#)

3.4. Based on stakeholder feedback, we know that consumers can be reluctant to self-identify, which can make it more difficult to identify someone in a vulnerable situation. This is particularly the case for consumers experiencing mental health issues.⁴⁰ Companies need to build trust and make sure that consumers are not penalised for self-disclosing. We propose to focus on the following areas of concern. We observe that some companies are better at consumer testing and use focus groups to bring the voice of the consumer as an active consideration of their business strategy. This helps design adept data systems and business processes.

I. Consumers in vulnerable situations are not identified effectively

3.5. Having information on a customer's potential vulnerability allows the company to tailor their interactions with that consumer. One specific way to provide support is through the Priority Services Register (PSR). However, stakeholders have told us that PSR data is not always up to date. A particular challenge for industry is that some vulnerabilities can be temporary in nature. Under their licence conditions, suppliers and electricity distribution companies are required to maintain a PSR. Gas distribution network companies are required to set up and maintain practices and procedures to identify domestic customers who may be eligible for additional services as a result of their customer interactions, and offer these customers specific priority services. As part of their obligations, all companies must ensure data is accurate and up to date.⁴¹ We are aware that most network companies validate their PSR data at set intervals, but we have concerns that not all suppliers are doing enough to make sure their PSR data is up to date. Failure to ensure that PSR data is kept up to date with current information leads to these services being diluted, or not being targeted at the consumers who need them.

⁴⁰ Citizens Advice (2018) [Essential Service Support for Customers with Mental Health Problems 2018](#)

⁴¹ Gas and Electricity Supply Standard Licence Condition 26 respectively, Electricity Distribution Standard Licence Condition 10, Gas Transporter Standard Condition 17, and Gas Transporter Standard Special Condition D13.

Case study on identifying vulnerability and lack of tailored support

The consumer was terminally ill and in a care home receiving end of life care. His wife had provided all relevant Power of Attorney paperwork to the energy supplier so that she could deal with the account.

She had been trying to speak to the supplier regarding an issue with the meter and the account itself. However, they had refused to discuss this with her despite her having provided the necessary paperwork previously.

Unnecessary stress was placed on her during an extremely difficult time and the issue had been left unresolved as the supplier did not progress matters.

The consumer very sadly passed away after the case had been raised with the Extra Help Unit, therefore his wife felt unable to continue with the case in the circumstances.

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3.6. From monitoring our social obligations reporting (SOR) data and stakeholder engagement, we know that some suppliers may not be going far enough to identify vulnerability. Suppliers must take all reasonable steps to promote their PSRs and proactively identify customers who might benefit from additional support services. They must offer to add these customers to the PSR, outline what services are available to that customer and if the customer accepts – provide these services for free. We are also concerned that not all consumers are having a good experience with PSR services, and we will consider whether or not we need to examine this further. The vulnerability principle in the revised Standards of Conduct, which require suppliers to identify each vulnerable customer in an appropriate way, complements the PSR requirements.

3.7. Poor identification of additional needs leads to consumers facing additional barriers in accessing the support they require to engage with their energy supply. In our 2019 Vulnerable Consumers in the Energy Market Report, we note that small and medium suppliers are getting better at identifying vulnerability, however the proportion of their customers on the PSR is still relatively low (see Figure 4) and that we do not think this is completely justified by the different customer bases these suppliers may have.^{43 44}

⁴² We have included a number of case studies that demonstrate the impact poor practices have on people's lives. These have been provided by the Citizen's Advice Extra Help Unit and have been anonymised.

⁴³ Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#).

⁴⁴ See appendix 3 for data table

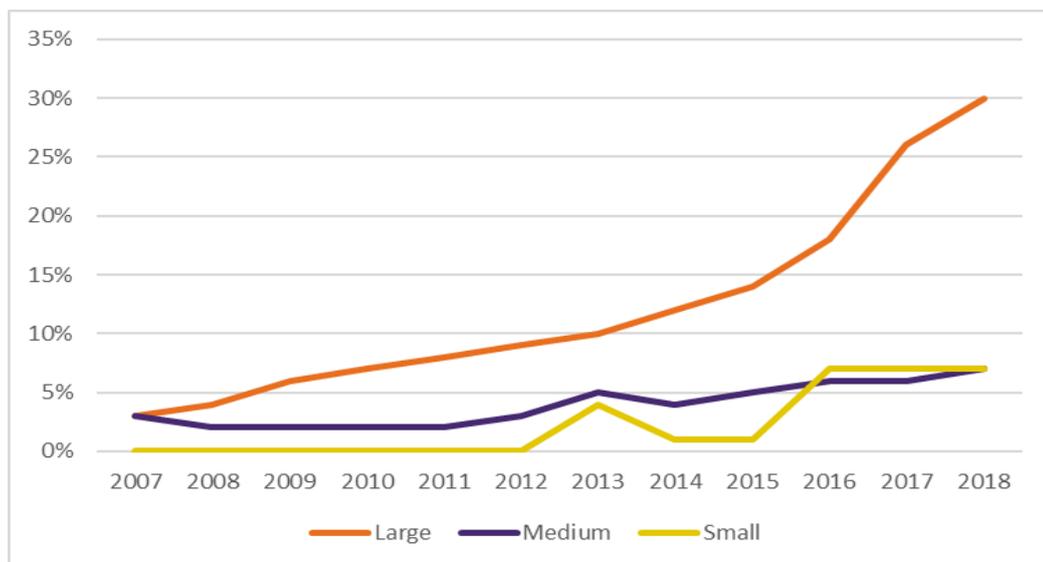


Figure 4: Proportion of electricity customers on a PSR (trend is similar for PSR gas customers) – by supplier type – suppliers will have different customer bases including varying sizes of consumers that might need additional support.

3.8. We accept that using PSR data alone does not provide the full picture as a person may be in a vulnerable situation, but not require priority services available from the PSR in relation to their access, safety and communication needs. Companies will therefore hold more data internally on customers who may need a tailored approach beyond the PSR. This data point is however useful as a benchmark in seeing which suppliers are doing well in identifying who needs priority support services, and those suppliers which are not. If suppliers are truly taking vulnerability into account, we expect to see these numbers to fluctuate as suppliers remove consumers who do not need to be on the PSR and add those that do.

What outcomes do we want to see?

Outcome 1A: We want energy companies to act swiftly to provide support to the people who need it. To ensure they can do this we want them to regularly maintain and proactively update the data they hold on their customers including their Priority Services Register data.

II. Consumers are not self-identifying as needing additional support

3.9. We recognise the challenges posed to companies when consumers do not tell them they may need additional support. We welcome research by consumer groups and industry to identify ways to address the perceived barriers for self-reporting.

3.10. Some suppliers have established extra care teams to provide additional support to consumers in vulnerable situations.⁴⁵ These teams have been specifically trained to recognise vulnerable situations and talk to these customers about the support that is available to them.

3.11. The Money and Mental Health Policy Institute have carried out research into the barriers faced by consumers with poor mental health in self-disclosing that they require additional support.⁴⁶ This research found that customers with poor mental health are unlikely to receive extra support from essential service providers and do not feel comfortable telling providers about their poor mental health.⁴⁷ Similar research was carried out by Citizens Advice.⁴⁸ In its draft forward work plan 2019/20, Citizens Advice outlined their intention to undertake research into barriers faced by consumers in self-disclosing.⁴⁹ This research will provide insight into the barriers for consumers self-reporting vulnerable situations in the energy market.

In 2016-17, DNO Western Power Distribution engaged with Dementia UK and MIND to provide its staff with specialist empathy training in order to improve engagement at first point of contact and identify warning signs of vulnerability. Another example comes from UK Power Networks who worked with the National Autistic Society to co-design virtual reality training to give employees an insight into autism.

What outcome do we want to see?

Outcome 1B: We want to see evidence that there has been an improvement to support consumers to self-identify, for example through best practice guides that are easy to access and understand.

⁴⁵ Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#)

⁴⁶ Money and Mental Health Policy Institute (2018) [Access Essentials](#)

⁴⁷ This report was across all essential services.

⁴⁸ Citizens Advice (2018) [Beyond good practice guides: Improving support with essential services for people with mental health problems](#)

⁴⁹ Citizens Advice (2018) [The Citizens Advice Draft Consumer Work Plan 2019/20](#)

III. Smart data is not being utilised sufficiently

3.12. We encourage companies to use the data available to them to identify potential vulnerability in line with data protection legislation. The majority of Electricity Distribution Network companies have now developed stakeholder-mapping tools from open source data to ensure they engage with relevant individuals and organisations at an appropriate level. Mapping tools are effective in helping organisations make informed strategic, organisational and operational decisions on where to allocate resources and develop actions to meet customer needs. We said in our 2019 Vulnerable Consumers in the Energy Market Report that suppliers can learn from Electricity Distribution Networks in their approach to identifying vulnerability.⁵⁰

3.13. We have seen appetite among essential service providers and regulators to build upon the PSR data sharing pilots that took place between United Utilities and Electricity North West. We facilitated this through the UKRN and in the 2018 report “Making better use of data to identify customers in vulnerable situations”, we found that key challenges to data sharing include the requirement for effective training of front line staff, technical issues in matching data sets, and data accuracy.⁵¹ The report concluded that there is still considerable scope for companies to go further in working collaboratively and across sectors. We support data sharing initiatives across industries, which help identification.

3.14. Through our own Data Services team, we are we are looking at data across regulated industries. Our ‘midata in energy’ project is enabling consumers to share their data with trusted third-party firms to find an energy solution that suits them best.⁵²

3.15. Our stakeholders have also said to us that they would like to see Ofgem work closer with BEIS in developing ideas which embed vulnerability in the market. As well as our continued participation in the consumer forum led by BEIS, we will also explore new joint working opportunities with BEIS.⁵³

⁵⁰ Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#)

⁵¹ UKRN (2018) [Making better use of data to identify customers in vulnerable situations](#)

⁵² See [Midata in energy project](#)

⁵³ See [Department for Business, Energy & Industrial Strategy \(BEIS\) Consumer Forum](#)

What outcomes do we want to see?

Outcome 1C: We want to see better use of data across regulated sectors to enable more holistic and targeted support for consumers in vulnerable situations.

4. Supporting those struggling with their bills.

4.1. Given the essential nature of energy, using our remit to lower bills for consumers is one of our key objectives as a regulator. Our work complements government’s wider work on affordability and fuel poverty.⁵⁴ We do this through regulating companies that consumers interact with directly, for example by putting in place price protections, rules around debt management and monitoring compliance with the delivery of schemes such as the Warm Home Discount and the Energy Company Obligation.

4.2. Elsewhere we drive down costs through our role in regulating network, by reviewing Future Charging and Access arrangement that will make the energy system more efficient, by making the system efficient through rewarding flexibility, and by our work on wholesale markets. As the market evolves to become more dynamic, we need to make sure that the protections for those who may struggle to afford energy are adequate.

A range of factors impact affordability

4.3. Insights from our consumer research shows groups of consumers that are more vulnerable are also less engaged in the market and therefore pay higher prices by being on standard tariffs. Our 2018 Engagement Survey shows that disengagement is significantly higher amongst consumers who are more likely to be vulnerable (see Figure 5).^{55 56}

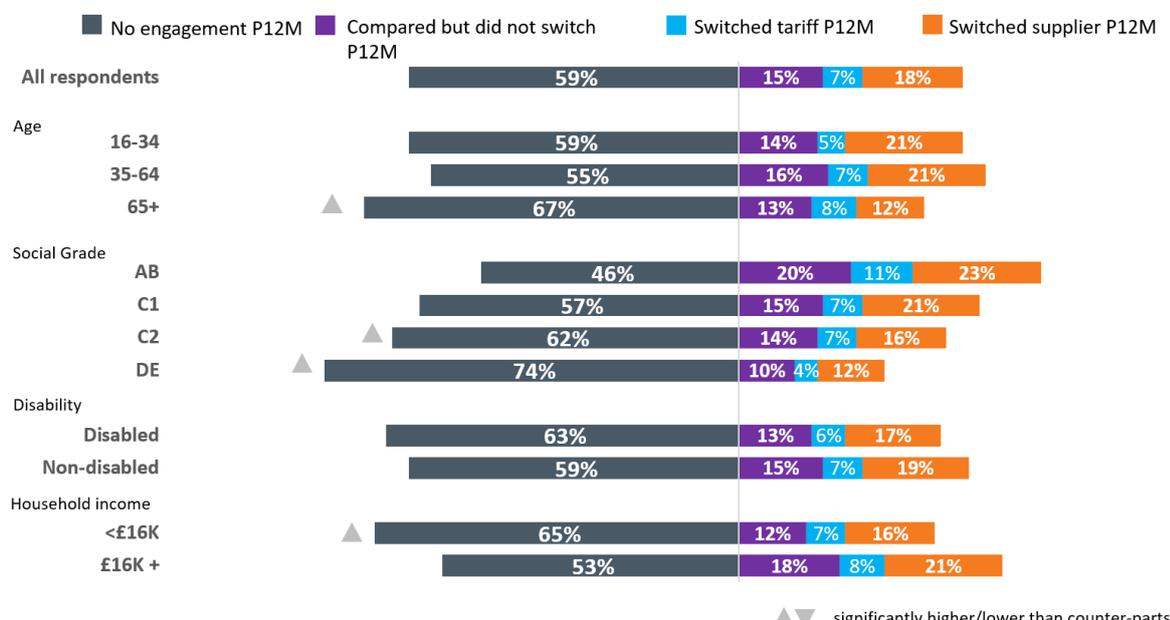


Figure 5: Ofgem Engagement survey, engagement split by various consumer groups

⁵⁴ Ofgem (2019) [Forward Work Programme 2019 -21](#)

⁵⁵ Ofgem (2018) [Consumer Engagement Survey](#)

⁵⁶ See appendix 3 for data table

4.4. Apart from engagement, there are a number of factors influencing affordability, such as low or variable income and higher usage due to a vulnerable situation. For example, over a third of disabled adults feel that their impairment or condition has an impact on what they pay for energy.⁵⁷

4.5. Some key factors influencing income lie outside of the energy market, such as changes to the welfare system, the rise of zero hour contracts, rising cost of living and low wages. These factors are linked to rising debt levels in household bills and limited capacity to cope with sudden financial changes. In the last four years, Citizens Advice have seen an increase in people seeking help with household bills such as council tax or energy arrears in comparison to previously more common consumer credit debts.⁵⁸ Many people also struggle with sudden bills due to limited financial reserves. In 2017, StepChange reported two in five of the clients they advised were behind on at least one essential household bill. Around 9.3m people used credit to cover household needs, with 1.4m of these turning to high cost credit. Households with the lowest incomes spend on average 93% of their income on household bills and buying food.⁵⁹

“4.1 million households with a disabled person spend over £1,500 a year on energy. Of these, 790,000 spend over £2,500 a year on energy. The average UK household spends around £1,200 a year.”

Source: Scope (2019) [Disability Price Tag](#)

⁵⁷ Scope (2019) [Disability Price Tag](#)

⁵⁸ Citizens Advice (2018) [Hidden Debts: The growing problem of being behind on bills and in debt to the government](#)

⁵⁹ StepChange (2017) [Behind on the Basics](#)

Fuel poverty

4.6. One way to measure affordability is by looking at rates of fuel poverty. Fuel poverty definitions differ between nations. In England a household is classified as fuel poor if they have higher than average energy needs and would be left with disposable income below the poverty line after having paid their energy bill. In Scotland and Wales, a person is in fuel poverty if he or she has to spend more than 10% of the household income on fuel to heat their home adequately.⁶⁰

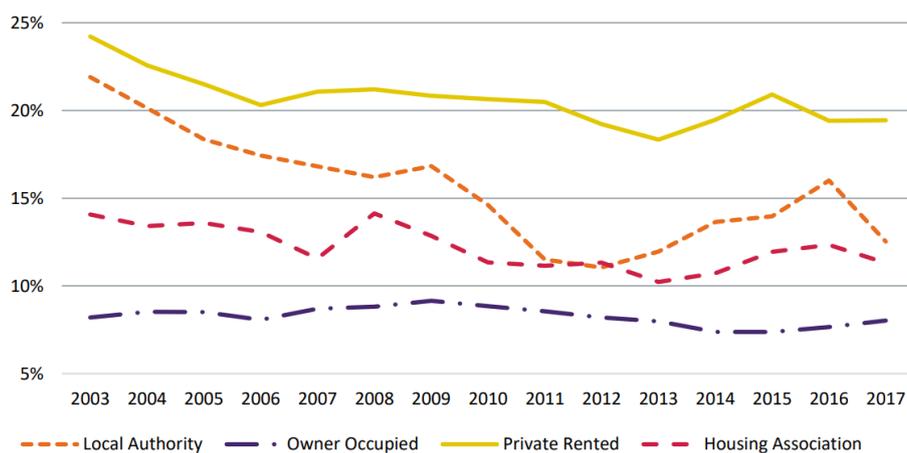


Figure 6: Rates of fuel poverty in England by property tenure

4.7. Latest government statistics indicate 11.1% of households in England were in fuel poverty in 2016, 12% in Wales and 25.5% in Scotland.^{61 62 63} Fuel poverty is highest in the private rented sector, with 19.4 per cent of households in fuel poverty, compared to 7.7 per cent in owner occupied properties. The UK government has put in place various schemes aimed at tackling fuel such as Winter Fuel Payments and The Warm Home Discount (which Ofgem administers).^{64 65} Central government and devolved administrations in Scotland and Wales also have dedicated fuel poverty strategies.⁶⁶ All of which are currently being updated.

⁶⁰ See appendix 3 for data table

⁶¹ Department for Business, Energy & Industrial Strategy (BEIS) report (2018) [Annual fuel poverty statistics report: 2018](#)

⁶² Scottish Government (2017) [Scottish house condition survey 2016: key findings](#)

⁶³ Definitions of Fuel Poverty are different across the nations, meaning the percentages are not directly comparable. The Scottish Government is consulting on amending their definition of fuel poverty.

⁶⁴ Department for Work and Pensions (DWP) report (2017) [National Statistics for Winter Fuel Payment recipient and household statistics](#)

⁶⁵ See [Warm Home Discount Scheme](#)

⁶⁶ Scottish Government (2018) [Draft Fuel Poverty Strategy for Scotland](#); Welsh Government (2010) [Fuel Poverty Strategy](#); Department of Energy and Climate Change (2015), [Cutting the cost of keeping warm – a fuel poverty strategy for England](#)

4.8. People who are not able to afford the energy they need are at risk of serious health and psychological consequences as a result. We are particularly concerned at the amount of people self-disconnecting through prepayment meters.⁶⁷

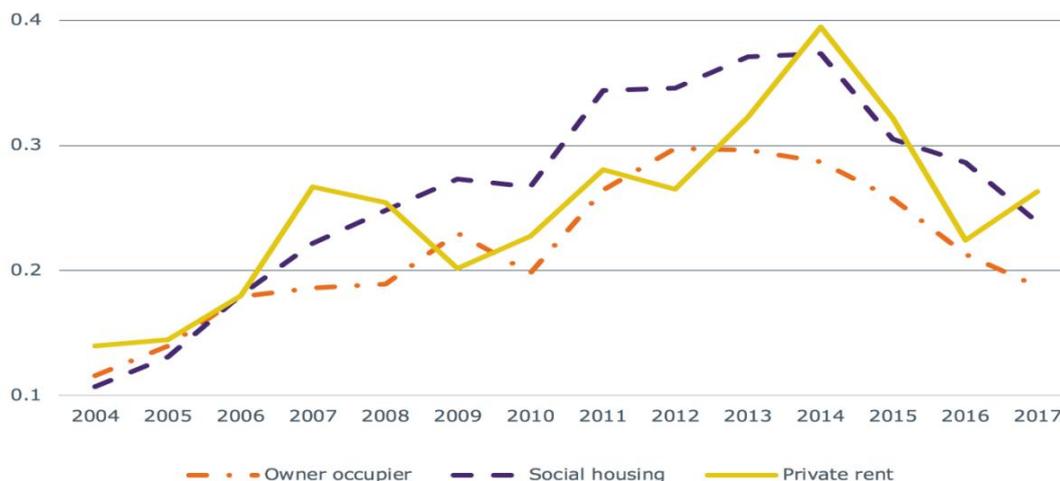


Figure 7: Rates of fuel poverty in Scotland by property tenure

Debt and payment difficulty

4.9. In 2018, the total number of customers in arrears or repaying a debt was 1,309,768 for electricity and 1,048,834 for gas, which is an increase from 2017.⁶⁸ When people get into debt or payment difficulty, supply companies do not always support these customers well enough. Not all suppliers are proactive enough when communicating with their customers in debt or arrears. There has been an increase recently in the number of customer in arrears without a payment plan being set up and we are seeing some suppliers increasing regular direct debit payments without considering the impact this has on the consumers.⁶⁹ We also have concerns about how they communicate with their customers and whether they take into account a person’s situation.

⁶⁷ See appendix 3 for data table

⁶⁸ Ofgem (2019) [Vulnerable Consumers in the energy market 2019](#)

⁶⁹ Ofgem (2019) [Monitoring social obligations: 2018 annual data report](#)

Case study on support for those struggling with their bills

The consumer went through a period of financial difficulty and his bills became unmanageable. He missed some payments and built up a debt. Once the household finances improved, he wanted help agreeing a payment plan. The debt had been passed to a debt collection agency and the supplier intended to install prepayment meters (PPM) under warrant. A PPM was not suitable due to the consumer's circumstances.

The consumer had agoraphobia, depression and anxiety. He received Personal Independence Payment and both he and his partner received Employment & Support Allowance (ESA). There were three children under the age of fifteen in the household.

The supplier stated they had not been made aware of any vulnerability before Extra Help Unit (EHU) contact. The debt built up over a period of months indicating opportunities to explore vulnerability with the consumer may have been missed by the supplier. The supplier stated they had requested an income/expenditure and proof of vulnerability in order to consider a payment plan and add the consumer to the PSR, but the consumer had not provided these. These requirements appear to have been difficult for the consumer to arrange due to his circumstances therefore impacting on this ability to engage with the supplier. For example, the consumer did not have access to a printer to print the requested income and expenditure form.

The EHU helped arrange the requested documentation with the assistance of a nurse supporting the consumer. An extended payment plan was set up, however a team manager in the EHU had to escalate the case to secure this outcome, requesting more support for the consumer. Debt action also continued in the background causing further distress and delaying resolution for the consumer.

4.10. There is a wide range of concerns we have around affordability and debt management, we have set these out below and include the future of price protection, consumers self-disconnecting when using a prepayment meter and poor outcomes for people in debt and payment difficulty. We propose to focus on the following areas of concern.

I. Price protections now and in the future for the most vulnerable

4.11. Ofgem introduced a prepayment meter price cap in 2017. This will end mid-2020. In addition to this, we implemented a broader default tariff price cap in 2019 which will be in

place in place until 2023 at the latest.⁷⁰ Our obligation as set out in section 9 of the Default Tariff Cap Act 2018 requires us to review whether further protection for vulnerable consumers is and if we think this is the case, to implement those further protections using our existing powers.^{71 72}

4.12. Both of these price caps cover a range of customers in vulnerable situations, but are not specifically aimed at consumers in vulnerable situations. Some groups, such as groups of consumers that have higher energy needs, consumption and therefore costs due to their personal circumstances, will still have higher than average bills. There are also some, particularly low users, for whom standing charges will be a large part of their bill (as opposed to usage costs).

4.13. We will carefully monitor the market including price cap compliance to consider the case for future price protection, particularly for various specific vulnerable groups. Many consumer groups have particularly emphasised that they want to understand how consumers in vulnerable situations will be protected post price cap and have explicitly expressed desire for longer lasting protections for consumers in financially vulnerable situations.⁷³

4.14. One specific current affordability concern raised to us by consumer groups, particularly in Scotland, is a lack of affordable tariffs for consumers with restricted meters. Consumers with restricted meters are charged energy at different rates dependent on the time of day that energy is being used. Restricted meter consumers often have complex heating systems and meters, which can lead to confusing tariffs and bills and higher bills to heat homes.⁷⁴ These customers are also more likely to be vulnerable. They face barriers to access information and switching (eg comparison websites don't allow for comparison of these types of tariff).

4.15. In 2016, the Competition and Markets Authority proposed a remedy to prevent adverse effects on competition for consumers with restricted meters with the aim to save these consumers money, which is included in the electricity supply licence.⁷⁵ The remedy requires suppliers to make their single rate tariffs available, without requiring customers to replace the

⁷⁰ See [About energy price caps](#)

⁷¹ See [Domestic Gas and Electricity \(Tariff Cap\) Act 2018](#)

⁷² Ofgem (2019) [Framework on conditions for effective competition in domestic supply contracts](#)

⁷³ Before lifting the Default Tariff Price Cap, we will review pricing practices of suppliers to ensure protection against excessive charges for consumers who pay, or in the future may pay standard variable and default rates. Within this review we will consider whether customers who appear to be in vulnerable circumstances due to financial or other reasons are in need of additional price protection.

⁷⁴ Ofgem (2015) [Insights paper on households with electric and other non-gas heating](#)

⁷⁵ Competition and Markets Authority (CMA) report (2016) [Energy market investigation](#)

meter and to provide information about switching designed to engage customers on restricted meters.⁷⁶ We will investigate evidence provided to us and consider appropriate action.

What outcome do we want to see?

Outcome 2A: We want consumers to have access to affordable energy.

II. Too many consumers are self-disconnecting their energy supply

4.16. Self-disconnection occurs when customers experience interruption to their gas or electricity due to lack of credit on their prepayment meters. Closely related to this is self-rationing, where customers may deliberately limit their energy usage to help their credit last longer, or save money for other essentials.

4.17. Our data shows that one in ten prepayment meter customers temporarily disconnected from their supply in 2017, which equates to 350,000 gas and 450,000 electricity customers self-disconnecting.⁷⁷ We have plans to gather better insight into self-disconnection by improving data collection in this area.⁷⁸

4.18. There are a number of reasons why prepayment meter customers self-disconnect ranging from affordability concerns, operational issues, forgetfulness and customer choice, whereas self-rationing is most likely to occur for affordability reasons. We are particularly concerned about the negative impacts on consumer's health and wellbeing and how these can get significantly worse by living without gas or electricity.⁷⁹

4.19. Smart meters offer additional functionalities which can prevent or reduce the risk of self-disconnection. Alerts can be sent in case of low credit or high consumption and a wider range of top-up channels are available, including mobile phone and online top-ups. Smart meters are also increasing consumer awareness of the amount of energy they use and as

⁷⁶ Standard Licence Condition 22G of the Electricity Supply Licence

⁷⁷ Based on 556 responses on the question "How often, over the last year, would you say that you have been temporarily disconnected from your (gas / electric) supply because the meter ran out of credit before you topped it up?" Total survey of 4,064 interviews. See Ofgem (2018) Consumer Engagement Survey

⁷⁸ Ofgem (2019) [Decision on Revisions to Social Obligations Reporting](#)

⁷⁹ Citizens Advice (2018) [Switched On – Improving support for prepayment consumers who've self-disconnected](#).

Around 50% of PPM customers surveyed by Citizens Advice in 2017 felt that self-disconnection brought with it a negative impact on their wellbeing, with significantly more negative impacts reported among consumers in vulnerable circumstances.

such, encourage consumers to use energy more effectively.⁸⁰ However there is also a risk that consumers will ration more energy than is good for them in an attempt to save money. Smart meters increase suppliers' ability to monitor and support customers in this area and we encourage suppliers to take up this challenge.

4.20. Overall, we are concerned that there are inconsistencies across suppliers with the support available. Customers seem unaware of support that may be offered and are unlikely to ask for support from their suppliers.⁸¹ We have started work to address these issues through our policy consultation, which we published on 23 August 2019.⁸²

What outcome do we want to see?

Outcome 2B: We want to see better support for consumers who are at risk of self-disconnecting and a decrease in the number of self-disconnections.

III. Poor outcomes for people in debt

4.21. In 2010, following a review of suppliers' approaches to debt management and prevention, we introduced the Ability to Pay principles.⁸³ The principles contain the key considerations we want suppliers to take into account when assessing a customer's ability to pay if they are in actual or potential payment difficulty. Currently these are contained in a guidance document based on the supply licence, and are taken into account with other relevant factors when assessing compliance with supply licence conditions.

4.22. We are concerned, based on evidence from stakeholders, that not all suppliers are applying the principles when considering a customer's Ability to Pay when setting repayment plans, monitoring repayment arrangements and ensuring consumers understand the arrangement.

4.23. Setting debt repayment rates too high can leave customers struggling to repay their debt, which in turn can lead to self-rationing or self-disconnection for customers on

⁸⁰ Sustainability First (2008), [The consumer implications of smart meters](#)

⁸¹ Citizens Advice (2018), [Switched On – Improving support for prepayment consumers who've self-disconnected](#). Citizens Advice survey only 22% of those who could not afford to top up contacted someone of authority, and just 9% of those contacted their supplier about the issue.

⁸² Ofgem (2019) [Proposals to improve outcomes for consumers who experience self-disconnection and self-rationing](#)

⁸³ Ofgem (2010) [Review of suppliers' approaches to debt management and prevention](#)

prepayment meters.⁸⁴ We are considering whether it is necessary to strengthen the Ability to Pay rules in place and the options for doing so.

4.24. We will also consider any further work we need to undertake to encourage suppliers to improve how they communicate with consumers in debt. We have previously reviewed aspects of suppliers communications regarding debt, such as the branding used when communicating with indebted customers.⁸⁵ But more can be done to understand how suppliers communicate with their indebted customers across all channels, understand how effective communication influences the likelihood of repayment plans being successful and promote good practice across industry.

4.25. We think that suppliers being pro-active and supportive of consumers in payment difficulty is a win-win for the customer and supplier. We currently don't see this across the whole market, with smaller and medium suppliers showing room for improvement.

What outcome do we want to see?

Outcome 2C: We want consumers in payment difficulty to be proactively supported, including by being put on an affordable payment plan. We want to see more consumers become debt-free for their energy debt as a consequence, and the levels of debt to come down overall.

IV. Lack of affordable heating for off-gas consumers

4.26. There are an estimated 4 million households in GB that do not use gas for central heating. These non-gas households are more likely to be fuel poor and just over half of all non-gas households use electricity as their primary heating source. The remaining households use other non-gas heating fuels, such as heating oil, liquid petroleum gas (LPG), solid fuels or district heating. We don't regulate these markets. These household typically face higher bills because of higher fuel prices.⁸⁶

⁸⁴ Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#)

⁸⁵ Ofgem (2014) [Using alternative branding to communicate with indebted customers](#)

⁸⁶ Ofgem (2015) [Insights paper on households with electric and other non-gas heating](#)

4.27. In England, households that are not connected to the gas network are 1.5 times more likely to be fuel poor than the national average, and gas currently remains the cheapest fuel type for heating in most cases.⁸⁷

4.28. The Fuel Poor Network Extension Scheme (FPNES) helps households that are not connected to the gas grid to switch to natural gas by providing funding towards the cost of the connection through our gas distribution network price control. Access to gas, a cost-effective fuel for heating, can be a good way to ensure fuel poor households can access affordable energy supplies and reduce fuel poverty.

4.29. We have consulted and published our decision on continuing the FPNES as part of the next gas distribution price control, RIIO-GD2, which will start in April 2021.⁸⁸ And we have decided to maintain the FPNES with the option to end the scheme earlier if required.

What outcome do we want to see?

Outcome 2D: We want new gas connections for fuel poor consumers who are not on the gas grid to be better targeted, to make sure those who need it most can benefit from the scheme and save on their heating bills.

⁸⁷ BEIS (2018) [Annual Fuel Poverty Statistics Report](#)

⁸⁸ Ofgem (2018) [RIIO-2 sector specific methodology decision](#)

5. Driving significant improvements in customer service for vulnerable groups

5.1. A positive customer service experience is crucial to building trust and engagement. There are multiple key engagement points for consumers where poor service can cause detriment if they are not appropriate for those who need additional support. These include: switching and choosing supplier, understanding bills and consumption, receiving accurate bills, reading a meter and communicating the reading to a supplier, updating account details, passing verification checks, complaining when things go wrong, supply interruptions and communicating with a supplier when facing financial difficulties.

5.2. A number of consumer groups reported that customer services are inconsistent across supply companies, with for example online or mobile phone application only companies creating particular barriers to certain consumers in vulnerable situation such as those who are digitally excluded because they cannot afford a smartphone or the internet or who are uncomfortable using such means of communication.⁸⁹

5.3. Even though an increasing number of consumers aged 75+ are using smartphones, they are still less likely to consider this their main device for connecting to the internet (preferring larger devices). This age groups' connectivity to broadband remains significantly behind other age groups. Furthermore, Ofcom found that people who are in particularly financially vulnerable situations are less likely to have different means of communications (eg mobile phone, broadband, and landline) and if they have broadband, this is less likely to be fast. Disabled people are generally less likely to use the internet, statistics showing 67% of disabled people using the internet compared to 92% without disabilities. It is worth noting that Ofcom found differences by various types of disability in using the internet.⁹⁰

Customer service is a strong driver of consumer complaints

Citizens Advice Extra Help Unit (EHU) reports that in 2017 the majority of complaints they dealt with were about:

- billing (37.1%)
- debt/disconnections (21.9%)

Ombudsman Services: Energy report that for 2017-18 the majority of complaints they dealt with were about:

- billing 30,886 (59%)
- customer service 5,637 (10.8%)
- transfer 4,436 (8.5%)
- payments and debt 3,992 (7.6%)

⁸⁹ Citizens Advice (2019) [Increasing numbers of small and newer energy suppliers delivering poor customer service](#)

⁹⁰ Ofcom (2019) [Access and Inclusion in 2018](#)

Mental Health

- There is ample evidence that many people who suffer from poor mental health have difficulties with different methods of communications.
- Money and Mental Health Policy Institute (MMHPI) found that 75% of customers who have experienced mental health problems have serious difficulties engaging with at least one commonly used communication channel.
- More than half (54%) of customers who have experienced mental health problems, and one-third (32%) of those who have not, have serious difficulties using the telephone.
- Consumers who experience mental health problems struggle to understand information provided by essential service providers. This is particularly prevalent when a consumer is acutely unwell or when information contains jargon or data that is not presented in a meaningful way.
- Four in ten (37%) people who have experienced mental health problems exhibit significant levels of anxiety when dealing with essential service providers, indicative of at least a mild phobia of this situation. This is almost three times the rate amongst people who have never experienced mental health problems (13%).⁹¹

Disability

- The CMA reports that consumers with physical conditions or disabilities were particularly unwilling to tolerate any uncertainty or disruption in markets that they are dependent on.⁹²
- Scope's research states that 56% of disabled adults consider a supplier's customer service reputation as an important factor when choosing a supplier.
- One of the challenges that disabled people face is having access to this information when switching. 62% of disabled people say they shop around, but Scope highlights that price comparison tools lack this information.⁹³

⁹¹ Money and Mental Health Policy Institute (2018) [Access Essentials](#)

⁹² Competition and Markets Authority (CMA) report (2018) [Vulnerable consumers](#)

⁹³ Scope (2018) [Out in the Cold](#)

Age related vulnerabilities

- The CMA reports that some older people will face challenges when navigating markets due to personal characteristics arising from multiple health conditions, sensory impairment, disability and cognitive impairment.
- Recent research into cognitive ageing has highlighted the complex nature of the ageing process and how this can affect the ability of older people to make decisions. A fear of change and unfamiliar decisions can increase the propensity to 'stick with what you know' which can in turn result in greater risks for older people of being left behind and/or receiving poor outcomes.⁹⁴
- Alzheimer's Society also highlighted the challenges faced by people with dementia and their carers. These include navigating bills and communications, differentiating what is the most important information, accessing and reading meters, understanding what they have to do in relation to utilities (such as providing meter readings), challenges caused by memory problems such as remembering passwords or information required to access their accounts, understanding different methods of paying bills, and more.⁹⁵

Low income

- People on low income are more likely to prefer to pay for their bills in ways other than direct debit because this allows greater control over their budgets.⁹⁶
- Consumers on low incomes are also less likely to have switched, because of limited access to banking and internet products.⁹⁷
- It also means that they are less likely to be able to communicate with their energy company through digital means

⁹⁴ Competition and Markets Authority (CMA) report (2019) [Consumer vulnerability: challenges and potential solutions](#)

⁹⁵ Alzheimer's Society (2018) [Dementia-friendly utility guide](#)

⁹⁶ SMF (2018) [Measuring the Poverty Premium](#)

⁹⁷ SMF (2018) [Eliminating the poverty premium in energy](#)

5.4. This shows how important it is that companies tailor the way they communicate with their customers. Companies need to take care not to disadvantage customers who may be in a vulnerable situation (eg digitally excluded). We are concerned that in the future, some consumers might struggle to find an energy provider which offers the tailored customers services they would want.

5.5. Every vulnerable situation will be different, but there are a number of things we know about various vulnerabilities that affect a person's ability to engage with the customer service function of an energy company. We have illustrated some of these in Figure 8.

I. We are concerned not all companies are taking sufficient steps to identify vulnerability and treat these customers fairly.

5.6. The updated Standards of Conduct, which include the Vulnerability Principle, came into effect in 2017.⁹⁸ We have seen some improvements in identifying vulnerability as evidenced by an increase of people on supplier PSRs, a number of good practice guides being published (eg by the Money Advice Trust) and an increase in partnership working between companies and charities.⁹⁹ There are now 6.7 million on electricity and 5.6 million gas accounts registered, the highest since we started recording the data.¹⁰⁰ However, as we have explained earlier, we have some concerns about using this indicator to determine supplier performance in identifying vulnerability and how up to date this data is.

5.7. Recent evidence from a wide range of stakeholders shows how some different groups of customers might be affected by poor customer service. They look into how this may cause or exacerbate situations, or indeed how certain situations might change needs of different customer services. For example, the Money and Mental Health Policy Institute reported that when people are unwell they can have panic attacks or even feel suicidal when dealing with essential services providers.¹⁰¹ Another example, highlighted by Citizens Advice is that some consumers strongly prefer contact over telephone, such as people with low literacy. Not being able to talk to someone will make it hard for these consumers to make complaints.¹⁰²

5.8. We want companies to demonstrate effective steps to they have taken to understand consumer needs better and how they have translated these into positive outcomes for those

⁹⁸ Ofgem (2017) [Final decision: Standards of conduct for suppliers in the retail energy market](#)

⁹⁹ Money Advice Trust (2017) [Vulnerability, mental health, and the energy sector: a guide to help identify and support consumers](#)

¹⁰⁰ Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#)

¹⁰¹ Money and Mental Health Policy Institute (2018) [Access Essentials Giving people with mental health problems equal access to vital services](#)

¹⁰² Citizens Advice (2018) [Why energy suppliers need to keep their customer phone services](#)

at risk. We are concerned that not all companies may be taking the appropriate steps to identify vulnerability and then tailoring their approach to treat these customers fairly and appropriately.

5.9. As part of minimum standards proposals for consumer vulnerability within RIIO-2, we proposed to introduce a licence obligation on how gas distribution companies treat consumers in vulnerable situations. We plan to consult on the licence changes required for this as part of our work in the first year of the strategy. We will consider a similar licence obligation for Distribution Network Operators at a later stage.

5.10. Similar to the obligation currently in retail for suppliers, the principles-based licence obligation will focus on understanding characteristics, circumstances and needs of vulnerable consumers and ensure that company actions result in fair treatment.

What outcomes do we want to see?

Outcome 3A: We want energy companies to have a corporate culture that focuses their efforts to identify and support consumers in vulnerable situations.

Outcome 3B: We want industry have systems to better target and to tailor their customer service to consumers with specific needs.

II. Smaller suppliers and new entrants show a poor understanding of vulnerability

5.11. Smaller suppliers and new entrants are often less aware of their obligations to consumers in vulnerable situations and less prepared to respond to their needs. We heard this from various stakeholders including Citizens Advice and reported on this in our Retail Supplier Compliance and Enforcement Report.¹⁰³ Suppliers are also entering the market with different business models (eg online only, community-based) and different aspirations. This provides both challenges and opportunities to meet the customer services needs of consumers in vulnerable situations.

¹⁰³ Ofgem (2019) [Retail Supplier Compliance and Enforcement Report 2019](#)

5.12. As mentioned earlier, stakeholders have reported that suppliers are inconsistently identifying consumers in vulnerable situations. This is particularly the case for smaller and new suppliers. If a supplier does not identify needs, then it is not surprising they are not able to respond appropriately.

5.13. To clarify our expectations and improve entry level requirements we recently consulted and published a decision on new entry requirements for suppliers.¹⁰⁴ We expect new entrants to be ready to meet their customer service obligations from day one, and our new licence application criteria reflects this. New suppliers will need to satisfy three criteria:

- The applicant has the appropriate resources for their proposal to enter the market.
- The applicant understands their regulatory obligations and has appropriate plans in place to meet these.
- The applicant is fit and proper to hold a licence.

5.14. As part of this, we expect companies entering the market to understand vulnerability and to tell us how they expect to ensure consumers in vulnerable situations are not disadvantaged by their products and services.

What outcome do we want to see?

Outcome 3C: We want new companies entering the market to provide the level of customer service needed by consumers in vulnerable situations.

III. We are worried not everyone is getting the right support services under the Priority Services Register

5.15. Priority services, such as accessible communications, regular meter reads by the supplier or emergency notification of interruption to supply, provided by supplier and network

¹⁰⁴ Ofgem (2019) [Supplier Licensing Review: Final Proposals on Entry Requirements](#)

companies are intended to help with access, safety and communication in relation to a customer's energy supply.¹⁰⁵ We modified the PSR licence conditions to:

- expand the eligibility criteria,
- create a more proactive approach to promote and identify, and also
- require supply and network companies to share relevant data in a consistent way in so far as permitted by any laws relating to data protection and/or privacy.¹⁰⁶

5.16. Our latest data (2018) shows an increase on 2017 of 12% for electricity and 19% for gas for the number of people registered on the PSR. The number of people on electricity and gas supply PSRs continue to be the highest since we started recording the data.¹⁰⁷ Whilst it is positive to note improvements, we are mindful of the concerns raised with us through consumer groups. Such as the variance of PSR services provided by different suppliers (in eligibility criteria, quality of service provided, and breadth of services provided) and the lack of promotion of PSR services. This causes confusion for customers and deters them from switching for fear of losing the support they receive. Customers are also often unaware of priority services and the benefits of informing their supplier or network company of their needs. We will consider this as an area for further investigation.

What outcome do we want to see?

Outcome 3D: We want consumers to be effectively identified as eligible for priority services; and for them to receive consistent and high quality priority services in a timely way.

IV. Consumers who receive additional support may be reluctant to switch because of a lack of information on support services across suppliers

5.17. Access to key information is crucial to encouraging consumer switching to access better value deals. Consumers in vulnerable situations find it difficult to change suppliers if

¹⁰⁵ Suppliers and electricity distribution companies are required to have a Priority Services Register. Gas distribution companies must set up and maintain practices and procedures to identify domestic customers who may be eligible for priority services as a result of their customer interactions.

¹⁰⁶ Ofgem (2016) [Decision to modify gas and electricity supply, electricity distribution and gas transporter licences for PSR arrangements](#)

¹⁰⁷ Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#)

they are not sure that they will receive the services they need. This can negatively impact engagement by causing stress to consumers looking to switch and in certain cases worsen pressure on their energy bills. Switching services such as price comparison websites and auto switching services provide an increasingly important service to access competitive deals. It's important that industry works together in the interest of ensuring that together they are providing clear information to consumers to build consumer confidence.

5.18. We believe that greater transparency of market providers performance in supporting consumers in vulnerable situations will incentivise companies to do more and provide important information to consumers and their representatives to access good value deals. We will continue to build on this approach in our market reporting and research reports. Currently, Ofgem, the Energy Ombudsman and Citizens Advice (including the Extra Help Unit) collect and share data to have a more strategic approach to prioritising actions through this engagement. We will also work closely with Citizens Advice on its work plan commitment to develop an easy to understand vulnerability supplier indicator, which will show how well each supplier is treating consumers in vulnerable situations.

What outcome do we want to see?

Outcome 3E: We want consumers to have easy access to relevant information on how well energy suppliers support consumer needs. This will allow them to take this into account when switching.

7. Encouraging positive and inclusive innovation

7.1. Innovation is the lifeblood of the economy, fuelling greater choice, enhancing service and driving competitive prices for consumers. Ofgem is focussed on encouraging innovation in the energy market towards achieving positive consumer outcomes. However, there are certain risks particularly for some consumer groups that can be worsened.¹⁰⁸ For example, increased expectations on consumer capability to engage with the market.

7.2. With the imminent changes to the energy system driven by digitalisation and decarbonisation, we are witnessing development of a smarter and more flexible system with greater responsiveness of demand to both price and non-price signals based on consumer behaviour, a more decentralised energy system and increasing interdependence of energy related services (power, transport, heat and efficiency).

7.3. Positive innovation for consumers in vulnerable situations is possible and there are a number of good examples that we have highlighted in the annual Vulnerable consumers in the energy market report. In 2018, we co-sponsored the Project Inspire: Energy for All – Innovate for All report by Sustainability First, to examine the case for innovation to support vulnerable consumers.¹⁰⁹ It found there are pockets of effective innovation out there, which requires to be better

communicated and replicated, as well as future opportunities with smart metering, data analytics and new technologies. However, the report warns we cannot take it for granted that these customer groups will be well-served by new technology – nor that they will be a priority for companies or product manufacturers as our energy system ‘smartens’.

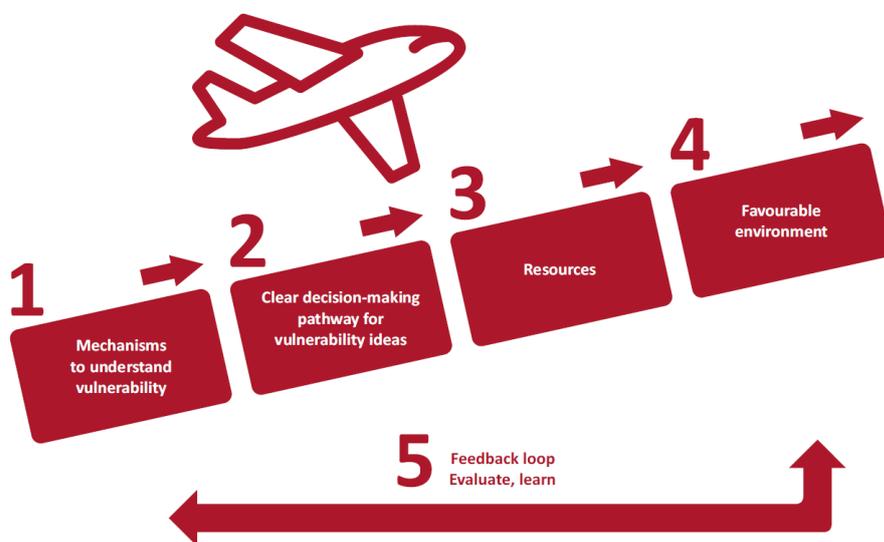


Figure 8: Flight path to embedding innovation

¹⁰⁸ See for example Laura Sandys et al. (2018) [Redesigning regulation, powering from the future](#)

¹⁰⁹ Sustainability First (2018) [Project Inspire](#)

7.4. Amongst other things the report provided eighteen practical recommendations and a Vulnerability Innovation Flight Path tool to help companies embed vulnerability innovation (see figure 8).¹¹⁰

7.5. While innovation has the potential to bring many benefits, we are concerned that it may also have negative impacts on the most vulnerable groups, or that they will be excluded and unable to benefit from changes. For example:

- Energy market reforms and changes may disproportionately negatively affect vulnerable groups, who might be unable to respond to changes or unaware of their implications.
- Innovation can require a substantial upfront investment, which places additional pressure on consumers' bills, excluding them from participating.
- Due to better visibility, for example with smart meters, some consumers who are in a vulnerable situation may self-ration energy to their harm.
- Technologies that might financially benefit vulnerable consumers may be out of reach due to high initial investment costs (such as solar panels, home storage batteries, electric vehicles, smart management technologies incorporating Artificial Intelligence). Some vulnerable consumers may end up paying for some of those costs if additional systems costs associated with innovation are shared across the energy market.
- Some innovative products such as bundled products and/or services may be complex, difficult to understand and hard to leave without penalties.
- Some innovations like self-generation, private networks and behind the meter may fall outside of our current remit, which means consumers will not be covered by our protections.

7.6. We propose to focus on the following areas of concern:

I. Vulnerable consumers may not benefit from innovative products

¹¹⁰ Sustainability First (2018) [Energy for all – Innovate for all: Project Inspire Summary Report](#)

7.7. The innovative products and services that will support the UK’s transition to a smarter and more flexible future could introduce new and exacerbate existing issues for certain groups of consumers.

7.8. The basis for many innovations are smart meters and data. These will enable Time of Use (ToU) tariffs that reward consumers for shifting their load to cheaper times of the day. We are concerned that some consumers will be unable to take advantage of the most competitive tariffs, such as ToU tariffs, due to their specific circumstance and inability to move their energy consumption.¹¹¹ We will continue to explore what impacts this may have on various groups of consumers eg those reliant on electricity for medical equipment, social housing tenants or those on a low income and unable to afford supporting technology.

What outcome do we want to see?

Outcome 4A: We want all consumers (particularly those in vulnerable situations) to have access to affordable energy and suitable services. We want products and services to be designed to meet the needs of a wide range of consumers (including the most vulnerable).

II. We are only seeing a limited number of social innovations

7.9. New and innovative business models pose both opportunities and risks. In the future, we are likely to see a more prominent role for intermediaries such as mobile applications, brokers, auto-switching sites and price comparison websites, which are currently unregulated. From our engagement survey we know that the use of price comparison websites, as the most established type of third party intermediary (TPI) in the domestic market, is the main tool for consumers who engage with the market. Use of price comparison websites continues to grow (54% of those who had engaged with the energy market found out about deals using a price comparison website (up from 45% in 2017)).¹¹² We recognise the growing role of TPIs and the importance of engaging with unregulated energy market participants. We held an Ofgem-led TPI forum in September 2019 which aimed to establish a forum for conversation between Ofgem and TPIs on various topics, including vulnerability. We will continue to engage with TPIs as they play a crucial role in encouraging consumer engagement and it’s important

¹¹¹ We have launched a call for evidence get better insight into the potential risks here.

Ofgem (2019) [Call for Evidence: Potential impacts for consumers following market-wide settlement reform](#)

¹¹² Ofgem (2018) [Consumer Engagement in the Energy Market 2018](#)

that consumers in vulnerable situations are able to use this resource. We encourage price comparison websites and other intermediaries to make their services as accessible as possible, to support those who struggle to engage digitally or struggle with sight-loss. We encourage these companies to take responsibility for this important consumer group and build trust and support engagement at the same time.

7.10. Other changes to the energy market may result in an increase in local energy projects, on-premises energy services (like solar panels installed by businesses on domestic roofs) and heat networks. There can be greater complexity with regulating local energy projects than conventional sources or supply of energy. The latter two are areas currently not regulated by Ofgem and therefore only have limited obligations towards the most vulnerable consumers.¹¹³

7.11. There is also a risk that future business models might see innovation focus on those who may be perceived to have a lower cost to serve, in a similar way as we see many new suppliers focus on lower-cost consumers now.

7.12. For network companies, changes to RIIO-2 brings the potential for further innovation. We decided to implement a £30m use-it-or-lose-it allowance to provide flexibility for gas distribution companies to deliver ambitious and innovative bespoke initiatives that go beyond business as usual in supporting customers in vulnerable situations. This can be used by the networks flexibly over the price control period, and all initiatives will need to have clear outcomes for consumers in vulnerable situations or to raise awareness of carbon monoxide (not specific to vulnerable consumers).

7.13. We will set out clear governance around what can be funded, but will not set out explicitly what the initiatives need to be. This will allow creativity, ambition and initiatives to be developed with partners. Examples of things that could be funded are: development of partnership networks, initiatives that identify vulnerable consumers and provide energy advice such as educating on dangers of Carbon Monoxide. This will be implemented for Gas distribution networks and we will consider including a similar allowance for Distribution Network Operators.

¹¹³ See for example CMA (2018) [Heat networks market study](#)

What outcome do we want to see?

Outcome 4B: We expect suppliers and networks to demonstrate practical innovative measures to support consumers in vulnerable situations.

8. Working with others to solve issue that cut across multiple sectors

8.1. Consumers in vulnerable situations will face some similar issues across different markets, such as payment difficulty. Addressing the challenges of vulnerability requires collective action by policy makers, consumer bodies and industry, including across sectors. Recognising the importance of cross sectoral working, in the last few years Ofgem has collaborated through the UK Regulators Network to: pilot a PSR data sharing project between a water company and an electricity distribution company with the ambition to roll this out across the water and energy sectors by 2020; publish a guide to power of attorney that will help policy makers in utility companies provide straightforward and consistent information for staff; and publish an affordability report with the aim to better understand affordability pressures across regulated sectors. We want to strengthen this collaboration with others to make sure we can solve the problems we cannot solve alone.

I. Addressing similar issues across regulated markets

8.2. When a person is struggling with debt with their energy supplier, they are also likely to struggle with debt in other markets.¹¹⁴ The same will apply in ways a customer can engage with the company that provides them regulated goods or services. Many individuals will have characteristics, which can impair their ability to engage with, or benefit from different services and therefore experience challenges across different aspects of their lives. We believe that consumers should not be hindered by the circumstances they face and we want to continue to build on our good progress so far of ensuring an inclusive, accessible and responsive energy market. With regulated markets facing similar issues on areas such as affordability, customer service and identification, there is a clear opportunity for collaboration. There are a number of ways in which we can achieve this including through the UKRN. A common challenge across sectors is to develop a thorough understanding of consumers groups most at risk and consumer expectations from markets. We would welcome more targeted collaboration such as joint studies into specific areas such as customer communications, effective debt management and identifying best practice in customer service. This would be an effective way to assess the consumer experience in comparable markets. By combining our views and making strong statements jointly, we would signal our intent to continue to lead the next wave of consumer protections for those in vulnerable situations and contribute to improved outcomes for consumers beyond the energy market.

¹¹⁴ National Audit Office (2017) [Vulnerable consumers in regulated industries](#)

Our recent work with the UKRN includes producing new guidance on the recognition of power of attorney in regulated markets.¹¹⁵ The project has built on previous work to provide clarity on what the law requires with the aim of meeting consumers' needs and achieving greater consistency. Through the UKRN the guidance will be revisited in the new year to assess its impact. Other current work areas include minimum standards for consumers with mental ill health. The regulators, through UKRN, aim to identify where there are benefits to introducing a set of minimum standards and agree principles for improving services to these consumers. We remain committed to feeding into these important work areas.

What outcome do we want to see?

Outcome 5A: We want to achieve greater understanding and consistency across essential services markets for more joined up action to improve the experience of consumers in vulnerable situations.

II. Maintaining strong relationships with consumer organisations

8.3. Consumer bodies, including charities, contribute greatly through their consumer research to identify pressure points for consumers in vulnerable situations and inform policy initiatives. In this regard, the research by organisations such as Scope, Money and Mental Health Policy Institute, Christian Against Poverty, National Energy Action, Centre for Sustainable Energy and Citizens Advice has made a rich contribution to our thinking and proposals in this strategy. At present, a large proportion of consumer research is conducted through support organisations, consumer groups and charities.

8.4. We work with a number of consumer organisations, with ongoing work with the Extra Help Unit being one successful example. They provide us with evidence on issues faced by consumers in vulnerable situations, which feeds into our assessment criteria when considering enforcement action to non-compliant companies.¹¹⁶ We want to continue this effective engagement where our work interlinks, gaining a holistic and early view of market issues, helping us target efforts to improve consumer outcomes.

8.5. This collaboration is advantageous to both parties. Charities have asked us to make information on our work more accessible so frontline advisers can use this when helping

¹¹⁵ UKRN & OPG (2019) [Guide to Power of Attorney](#)

¹¹⁶ See [Extra Help Unit](#)

clients. We are happy to engage in further discussion on what kind of materials charities would find helpful to support their clients. On the flipside, with advice groups being equipped with more resources at their disposal, we are likely to receive a larger volume of information on where consumers in vulnerable situations are experiencing poor outcomes.

What outcome do we want to see?

Outcome 5B: We want to further improve our information sharing approach with the third sector, which will help target our policy, compliance and enforcement actions and support organisations who provide advice to energy consumers.

III. More clearly defining our role and that of government

8.6. Government, via parliament, gives the regulators their duties. Government also sets the high-level policy priorities for the regulated sectors. Independent regulation plays an important role in the protection of consumers, including and perhaps in particular so for those who find themselves in a vulnerable situation. Stakeholders have told us they would like a better articulation of Ofgem’s role versus government in tackling vulnerability.

8.7. The NAO, in its 2017 study on vulnerable consumers in regulated industries, noted that responsibilities of government and regulators are not always sufficiently clear when it comes to consumers in vulnerable situations.¹¹⁷ This is particularly the case when it comes to policies with significant distributional impacts. The report found that this could be made clearer and recommended developing a framework on how to balance the interests of different groups of consumers, such as where measures designed to benefit consumers overall may disadvantage those in vulnerable situations.

8.8. Developing such a framework was a recommendation from the 2017 NAO report as well as a priority for the new Consumer Forum set up by BEIS, which was committed to in the Consumer Green Paper.¹¹⁸ The Consumer Forum will help to avoid action falling between

¹¹⁷ A more recent report from the NAO also highlights the general difficulties regulators have when facing trade-off between different regulatory objectives, eg competition and consumer protection. National Audit Office (NAO) report (2019) [Regulating to protect consumers in utilities, communications and financial services markets](#)

¹¹⁸ Department for Business, Energy & Industrial Strategy (BEIS) paper (2018) [Modernising Consumer Markets – Consumer Green Paper](#)

organisational boundaries and provide greater transparency about how regulators and Government work together.

8.9. There are also significant government activities that impact our work as a regulator. For example, BEIS is updating the Fuel Poverty Strategy for England over the next year, which includes the future of schemes we operate on behalf of government. There are also other government departments such as the Department for Work and Pensions, who own benefits data that could be used to identify and support consumers in vulnerable situations. We will continue to be proactive and feed into government policy development and feedback on how existing schemes we operate, such as Warm Home Discount and Energy Company Obligation, are functioning.

What outcomes do we want to see?

Outcome 5C: Through E-Serve, we will continue to improve the operation and effectiveness of the government social programmes.

Outcome 5D: We will work with government on common consumer challenges to complement its social policy measures.

9. Next steps and areas of immediate focus

9.1. In this document, we have laid out the issues and priorities for the next few years, as informed by our market monitoring and extensive stakeholder engagement. A summary of outcomes is set out in annex 2 along with a high level view of how we intend to measure and report on these. Our actions will be informed by wider prioritisation considerations. We intend to place our immediate focus in the first year of the strategy on the following five deliverables:

Create an analytical framework to consistently assess the impact of our policies on particular groups of consumers in vulnerable situations. This will enable us to assess consumer’s groups at risk in a more targeted way and propose tailored mitigations.

9.2. The consumer archetypes, which are used as part of our distributional impact tool, segment UK households into 12 consumer or household groups based on detailed population and housing survey data. They allow for a granular look at the average consumption levels of different groups of consumers rather than using a 'broad average', which doesn't always represent what many households actually experience.

9.3. Our original archetypes were commissioned in 2012 and formed part of our previous vulnerability strategy. However, they need to be updated again in order to reflect the emergence of new available data and produce a more representative model of today's society.

9.4. We want the archetypes to be effective and used in a standard approach for assessing distributional impact across Ofgem. Over the next few months we plan to develop this work to develop a more robust and consistent measure of consumer risks. This is in line with the NAO's recent report calling on regulators to further improve their understanding of consumer impacts.¹¹⁹ We are currently working with an external partner to update the archetypes.

We aim to strengthen protections for consumers in vulnerable situations who self-disconnect from their prepayment meters.

¹¹⁹ NAO (2019) [Regulating to protect consumers: Utilities, communications and financial services markets](#)

9.5. We are concerned that the levels of self-disconnection for prepayment customers have not improved over recent years and are seeing inconsistencies across suppliers with regard to the support available to their customers.

9.6. We intend to deliver additional protections for consumers with prepayment meters who self-disconnect and self-ration in the first year of the strategy. We launched a call for evidence on the scale of self-disconnection and self-rationing and the potential impacts that this can and self-rationing have on consumers. Further to this, we have requested that energy companies provide us with information and data in connection with consumers who self-ration their energy consumption to help further our analysis.

9.7. We are looking to get better insight into self-disconnection by improving data collection in this area through our market monitoring activity. As we move toward a smarter world, additional functionalities, which could prevent or reduce the risk of self-disconnection are becoming available. Smart meters increase suppliers' ability to monitor and support customers in this area and we encourage suppliers to take up this challenge. We have now published our policy consultation outlining proposals to improve outcomes for consumers who experience self-disconnection and self-rationing.¹²⁰ The consultation sets out our key findings following the prepayment self-disconnection and self-rationing review and includes proposals to introduce a new requirement on suppliers to identify customers who are self-disconnecting and self-rationing, formalise the emergency, friendly and discretionary credit offering by suppliers and incorporate the Ability to Pay principles within the supply licence. Subject to the responses we receive, we intend to publish a statutory consultation later this year and to issue our decision in early 2020.

Consult on our proposals for the future energy retail market

9.8. Section 9 of the Tariff Cap Act 2018 makes a separate provision for Ofgem to carry out a review to consider whether there are categories of domestic consumers that require protection against excessive charges. Under this provision, Ofgem must consider whether consumers that may be vulnerable, financially or otherwise, will require protection.

9.9. Considerations regarding loyalty penalty protections also form part of the scope of the Future Energy Retail Market Review that we are undertaking jointly with BEIS. This review is identifying a package of reforms to promote competition and drive innovation, while ensuring that all consumers remain protected from harm and can share the benefits. The Tariff Cap Act

¹²⁰ Ofgem (2019) [Proposals to improve outcomes for consumers who experience self-disconnection and self-rationing](#)

sets out that the cap must come to an end no later than the end of 2023 and the review will ensure appropriate protections for all consumers in a post-price cap world.

9.10. In July 2019, BEIS and Ofgem consulted on the proposed vision for the future of the energy retail market, the key challenges and the outcomes that we want to see the energy retail market deliver. This consultation has now closed and we are analysing the responses and will further consider future protection for vulnerable consumers.¹²¹

Consider incorporating the Ability to Pay principles in our rulebook to provide targeted support to consumers facing payment difficulty

9.11. In 2010, following a review of suppliers' approaches to debt management and prevention, we introduced the Ability to Pay principles.¹²² The principles contain the key considerations we want suppliers to take into account when assessing a customer's ability to pay if they are in actual or potential payment difficulty. Currently these are contained in a guidance document based on the supply licence, and are taken into account with other relevant factors when assessing compliance with supply licence conditions.

9.12. We are concerned, based on evidence from stakeholders, that not all suppliers are applying the principles when considering a customer's Ability to Pay when setting repayment plans, monitoring repayment arrangements and ensuring consumers understand the arrangement.

9.13. Setting debt repayment rates too high can leave consumers struggling to repay their debt, which in turn can lead to self-rationing or self-disconnection for customers on prepayment meters.¹²³ As part of our work on self-disconnection, we proposed to incorporate the principles into the supply licence. We believe that this will give the principles further prominence and emphasise consumer protections by ensuring that all suppliers sufficiently consider a customers' ability to pay and uniformly apply the principles. We are also proposing to update them to better reflect changes in debt recovery practices and future-proof them to provide room for innovation.

¹²¹ Ofgem and BEIS (2019) [Flexible and responsive energy retail markets](#)

¹²² Ofgem (2010) [Review of suppliers' approaches to debt management and prevention](#)

¹²³ Ofgem (2019) [Vulnerable consumers in the energy market: 2019](#)

Propose a requirement on gas network companies to adhere to a vulnerability principle, similar to the obligation that we have placed on gas and electricity suppliers.

9.14. We will introduce a new principles-based Licence Obligation for RIIO-GD2, which would require the Gas Distribution Networks (GDNs) to support consumers in vulnerable situations as part of business as usual. We think that a principles-based Licence Obligation will make the network companies more accountable for the minimum service they provide consumers in vulnerable situations, while providing scope for innovation.

9.15. The Licence Obligation will require the GDNs to identify and understand the characteristics, circumstances and needs of consumers in vulnerable situations. It will also require the GDNs to ensure that their actions are resulting in consumers in vulnerable situations being treated fairly, and that the GDNs' actions result in good outcomes for their consumers in vulnerable situations. To achieve this, the Licence Obligation will require the GDNs to set up and maintain partnerships with relevant organisations, such as charities and councils. This Licence Obligation will be comparable to Condition 0 of the Gas and Electricity Supply Licence.

9.16. We have published our consultation on the RIIO-2 sector specific methodology earlier this month.¹²⁴ We plan to develop this Licence Obligation through our future RIIO-GD2 Licence Drafting working group.¹²⁵

9.17. We have also begun work on the RIIO-ED2 price control for electricity network companies, which will come into effect in 2023. We are currently consulting on the proposed framework for the price control and are seeking views on how to ensure that we continue to protect the interests of consumers in vulnerable situations, particularly in light of the energy system transition.

¹²⁴ Ofgem (2019) [RIIO-2 Sector Specific Methodology Decision](#)

¹²⁵ See [RIIO-GD2 working groups](#)

10. Appendices

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Appendix 1 – Defining vulnerability

Our strategy aims to support some of the poorest and most vulnerable households in the energy market. For this purpose, a vulnerable consumer is defined as one who is:

- significantly less able than a typical consumer to protect or represent their own interests; and/or
- significantly more likely to experience detriment, or for that detriment to be more substantial

We recognise that whether a customer is vulnerable in the energy market, and the likelihood of them suffering detriment, depends not only on personal characteristics such as age, or disability, but also the situation or scenario they are in, and how the market responds to their needs.



Vulnerable characteristics - risk factors

In practice there may be a range of characteristics that put a consumer or member of a household at greater risk of detriment, and/or impact in different ways their ability to represent their interests. These include, but are not limited to:

- living with physical health issues or mental illness
- cognitive impairment
- literacy or numeracy difficulties
- having a speech impairment
- not speaking English as a first language
- being a child
- low confidence

The extent to which an individual is aware of their vulnerability may also impact the depth and likelihood of any detriment they suffer, and their ability to limit that impact.

Circumstances - risk factors

There are also a range of circumstances or situations that can make consumers with vulnerable characteristics more likely to suffer detriment. These risk factors include but are not limited to:

Personal circumstances

- living alone
- not having internet access
- being on a low income
- being unemployed or being made redundant
- being a full-time carer
- being a lone parent
- leaving care
- experiencing relationship breakdown

- experiencing bereavement

Wider circumstances

- living in a rural area
- living off the gas grid
- living in private rented accommodation
- living in a cold, energy-inefficient home
- having a certain meter type eg prepayment, dynamic tele-switching meter.

The list above is not exhaustive, nor does it indicate that a consumer in such circumstances will always experience detriment. However, these circumstances can make a customer more vulnerable to detriment and the likelihood and impact of the detriment tends to increase if consumers have more than one of these risk factors.

Characteristics or circumstances can change over time

We also recognise that individual characteristics or circumstances can change over time. Vulnerability can affect anyone at any time and for many different reasons. It may be permanent or long-term, but equally it can be transitory following a bereavement or relationship breakdown. A consumer can quickly fall into a vulnerable situation, but it may take them time to recover from it. For example, if someone is made redundant, their vulnerability may continue even once they have a new job if they have accumulated debt during that time.

The role of markets

Markets themselves in combination with a customer's characteristics and situation can also cause or exacerbate vulnerability. This includes the action or behaviour of suppliers, network companies or third parties. The nature, design and delivery of goods and services for example, can put some consumers with vulnerable characteristics, at greater risk of detriment. For example:

- lack of affordable phone access can result in an increased likelihood of detriment for consumers without internet access on low incomes

- complex information on products or services can limit any consumer's ability to make appropriate decisions, but this may particularly cause problems for customers with cognitive impairments
- consumers with sight, hearing or speech impairments may struggle to communicate with a company if their written communications or customer services are not designed to be accessible and inclusive.

Consumers in some vulnerable situations may also be served less well by competitive markets because, for example:

- they may be more expensive to serve
- they have less market access
- they are a higher debt risk so greater risk to the company
- it is not cost-effective to meet their needs

Appendix 2 – Summary table of outcomes

Below we have set out a summary of the outcomes mentioned in this report alongside some indicative measures. Across all the outcomes we will look to measure the impact of our work through work such as policy evaluation, consumer research, engagement and regulatory intervention (eg monitoring, policy development, compliance). We will report on our outcomes annually in our Consumer Impact Report.¹²⁶

Theme 1 - Improving identification of vulnerability and smart use of data

Outcome	How we aim to measure
<p><i>Outcome 1A:</i> We want energy companies to act swiftly to provide support to the people who need it. To ensure they can do this, we want them to regularly maintain and proactively update the data they hold on their customers, including their priority services register (PSR) data.</p>	<p>Through our ongoing monitoring and dialogue of suppliers' compliance with their obligations under SLC 0 and SLC 26.¹²⁷</p> <p>Reporting PSR data trends through Social Obligations Reporting (SOR) including assessing the consumer experience of some of these measures.</p>
<p><i>Outcome 1B:</i> We want to see evidence that there has been an improvement to support consumers to self-identify, for example through best practice guides that are easy to access and understand.</p>	<p>Evidenced by innovative approaches used by industry on the basis of consumer engagement, learnings from other sectors to show improvements in access.</p>

¹²⁶ We made a commitment in our "[Forward Work Programme 2018-19](#)" to carry out an annual assessment of the expected impact of some of our key decisions on consumers. Our most recent Consumer Impact Report is available [here](#).

¹²⁷ SLC0.3(d)(i) of the gas and electricity supply licences places an obligation on suppliers to seek to identify Domestic Customers who may be in a Vulnerable Situation, SLC26.3 (c)(i) of the gas and electricity supply licenses places an obligation on suppliers to identify Domestic Customers in the course of their interactions who may be eligible for priority services.

<p><i>Outcome 1C:</i> We want to see better use of data across regulated sectors to enable more holistic and targeted support for consumers in vulnerable situations.</p>	<p>Observing the number of data sharing initiatives, including those part of the Data Services project.¹²⁸</p> <p>Increased examples (including trials) by energy companies using data to better identify consumers in vulnerable situations (eg publicised through vulnerability report case studies or through network regulation incentives).</p>
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Theme 2 - Supporting those struggling with their bills

Outcome	How we aim to measure this
<p><i>Outcome 2A:</i> We want consumers to have access to affordable energy.</p>	<p>Through our ongoing monitoring of supplier’s compliance with the price caps.</p> <p>An increase in the number of supplier initiatives to support consumers in payment difficulty.</p> <p>An increase in consumers on affordable debt repayment plans measured through SOR reporting.</p> <p>The implementation of any measures proposed through Future Retail Market Design on future price protection.</p>

¹²⁸ Ofgem (2019) [Using Big Data to empower energy consumers](#)

Outcome	How we aim to measure this
<p><i>Outcome 2B:</i> We want to see better support for consumers who are at risk of self-disconnecting and a decrease in the number of self-disconnections.</p>	<p>Monitoring through vulnerability report and Consumer Engagement Survey.</p>
<p><i>Outcome 2C:</i> We want consumers in payment difficulty to be proactively supported, including by being put on an affordable payment plan. We want to see more consumers become debt-free for their energy debt as a consequence, and the levels of debt to come down overall.</p>	<p>Monitoring through the vulnerability report and Social Obligations Reporting (SOR) indicators. This can be measured through a number of indicators on payment plans and the number of customers who are debt free.</p>
<p><i>Outcome 2D:</i> We want new gas connections for consumers who are not on the gas grid to be better targeted, to make sure those who need it most can benefit from the scheme and save on their heating bills.</p>	<p>Further connections to the gas grid through the Fuel Poor Network Extension Scheme (FPNES).</p>

Theme 3 - Driving significant improvements in customer service for vulnerable groups

Outcome	How we aim to measure this
<p><i>Outcome 3A:</i> We want energy companies to have a corporate culture that focuses</p>	<p>Through our ongoing monitoring and dialogue of suppliers’ compliance with</p>

Outcome	How we aim to measure this
their efforts to identify and support consumers in vulnerable situations.	their obligations under Standards of Conduct (SLC 0).
<p><i>Outcome 3B:</i> We want industry have systems to better target and to tailor their customer service to consumers with specific needs.</p>	<p>Energy companies have processes in place to get insight into what different consumers expect from their services. This can be through having a consumer panel.</p> <p>As part of the vulnerability report, collect good practice case studies of tailored support. From this, assess suppliers approach to making improvements to their customer service targets.</p> <p>Continued publication of best practice guides by charities to support companies.</p>
<p><i>Outcome 3C:</i> We want new companies entering the market to provide the level of customer service needed by consumers in vulnerable situations.</p>	<p>Measured through ongoing engagement with the tripartite group on customer service performance.¹²⁹</p> <p>Assessment of new supplier compliance with more stringent entry requirements.</p>
<p><i>Outcome 3D:</i> We want consumers to be effectively identified as eligible for priority services; and for them to receive</p>	<p>Through our ongoing monitoring of suppliers’ compliance with their obligations under SLC 0 and SLC 26.</p>

¹²⁹ The tripartite working group meets bi-monthly consists of Ofgem, Citizens Advice, and the Energy Ombudsman.

Outcome	How we aim to measure this
<p>consistent and high quality priority services in a timely way.</p>	<p>Evaluation of the effectiveness of the PSR and its services through consumer research.</p> <p>SOR data on numbers of services provided for consumers on the PSR.</p>
<p><i>Outcome 3E:</i> We want consumers to have easy access to relevant information on how well energy suppliers support consumer needs, which they can take into account when switching.</p>	<p>Measured through tailored consumer research.</p> <p>Measured through Citizens Advice proposed vulnerability customer service indicator.</p>

Theme 4 - Encouraging positive and inclusive innovation

Outcome	How we aim to measure this
<p><i>Outcome 4A:</i> We want all consumers (particularly those in vulnerable situations) to have access to affordable energy and suitable services. We want products and services to be designed to meet the needs of a wide range of consumers (including the most vulnerable).</p>	<p>Hosting innovations days to showcase good examples and to encourage inclusive innovation.</p> <p>Collecting evidence from energy companies of inclusive design processes.</p>

<p><i>Outcome 4B:</i> We expect suppliers and networks to demonstrate practical innovative measures to support consumers in vulnerable situations.</p>	<p>Monitored and measured through the Innovation Link’s work and RIIO-GD2 monitoring of the ‘use it or lose it’ allowance.</p>
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Theme 5 - Working with others to solve issue that cut across multiple sectors

<p>Outcome</p>	<p>How we aim to measure this</p>
<p><i>Outcome 5A:</i> We want to achieve greater understanding and consistency across essential services markets for more joined up action to improve the experience of consumers in vulnerable situations.</p>	<p>Greater understanding of consumers impacts through joined up research between regulators.</p>
<p><i>Outcome 5B:</i> We want to further improve our information sharing approach with the third sector, which will help target our policy, compliance and enforcement actions and support organisations who provide advice to energy consumers.</p>	<p>More targeted engagement to build understanding and support our work to develop policy and take compliance and enforcement action.</p> <p>Increased support from Ofgem to advice bodies to help them use our rules and regulation that protect consumers in their advice work.</p>
<p><i>Outcome 5C:</i> Through E-Serve, we will continue to improve the operation and effectiveness of the government social programmes.</p>	<p>Advising government on improvements to schemes.</p>

Outcome	How we aim to measure this
	Reduced supplier non-compliance and error within the schemes we administer.
<i>Outcome 5D:</i> We will work with government on common consumer challenges to complement its social policy measures.	Increased engagement with government as through the BEIS Consumer Forum, and on the development of the future ambition of its fuel poverty strategies. ¹³⁰

¹³⁰ See [BEIS Consumer Forum](#)

Appendix 3 – Data tables for Graphs

Figure 4: Proportion of electricity customers on a PSR

Year	Large Supplier - average % of electricity consumers on the priority services register.	Medium Supplier - average % of electricity consumers on the priority services register.	Small Supplier - average % of electricity consumers on the priority services register.
2007	3%	3%	0%
2008	4%	2%	0%
2009	6%	2%	0%
2010	7%	2%	0%
2011	8%	2%	0%
2012	9%	3%	0%
2013	10%	5%	4%
2014	12%	4%	1%
2015	14%	5%	1%
2016	18%	6%	7%
2017	26%	6%	7%
2018	30%	7%	7%

Figure 5: Ofgem Engagement survey, engagement split by various consumer groups

	No engagement P12M	Compared but did not switch P12M	Switched tariff P12M
Children under 5	42%	17%	9%
Children aged 5 - 15	47%	16%	7%
No children	53%	16%	10%
Direct debit	46%	17%	10%
Standard credit	77%	12%	5%
PPM	67%	13%	4%
Owned / mortgage	46%	17%	11%
Private rent	53%	15%	7%
Rent local authority	67%	11%	6%
£16K+	43%	17%	11%
<£16K	56%	16%	8%
Non-disabled	50%	16%	9%

Disabled	55%	15%	9%
DE	64%	12%	6%
C2	55%	13%	8%
C1	46%	18%	9%
AB	42%	19%	12%
65+	59%	13%	11%
35-64	46%	18%	9%
16-34	51%	15%	7%
All Great Britain	51%	16%	9%

Figure 6: Rates of fuel poverty in England by property tenure

Year	Local Authority	Owner Occupied	Private Rented
2003	22%	8.2%	24.2%
2004	20%	8.5%	22.6%
2005	18%	8.5%	21.5%
2006	17%	8.1%	20.3%
2007	17%	8.7%	21.1%
2008	16%	8.8%	21.2%
2009	17%	9.2%	20.8%
2010	15%	8.8%	20.6%
2011	12%	8.6%	20.5%
2012	11%	8.2%	19.2%
2013	12%	8.0%	18.3%
2014	14%	7.4%	19.5%
2015	14%	7.4%	20.9%
2016	16%	7.7%	19.4%
2017	13%	8.0%	19.4%

Figure 7: Rates of fuel poverty in Scotland by property tenure

Tenure	Owner occupier	Social housing	Private rent	Total
2004	12%	11%	14%	11%
2005	14%	13%	14%	14%
2006	18%	18%	18%	18%
2007	19%	22%	27%	20%
2008	19%	25%	25%	21%
2009	23%	27%	20%	24%
2010	20%	27%	23%	22%

Decision – Decision on Consumer Vulnerability Strategy 2025

2011	26%	34%	28%	29%
2012	30%	35%	26%	31%
2013	30%	37%	32%	32%
2014	29%	37%	39%	32%
2015	26%	31%	32%	28%
2016	21%	29%	22%	23%
2017	19%	24%	26%	21%