

OFGEM

SELF-DISCONNECTION AND SELF-RATIONING FINAL PROPOSALS – STATUTORY CONSULTATION

SUBMISSION FROM THE SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS (SFHA)

AUGUST 2020

Introduction

SFHA is the voice and membership body for housing associations and co-operatives in Scotland. Our ambition is that everyone has a good home in a successful community, with a range of high quality, affordable, safe, and accessible homes that meet people's changing needs and aspirations throughout their lives. Housing associations and co-operatives are central to achieving this, going way beyond the bricks and mortar, with social justice built in and delivering from generation-to-generation.

Response

SFHA welcomes the opportunity to respond to Ofgem's proposals aimed at ensuring that all energy suppliers are taking steps to identify and provide support to customers who are experiencing financial difficulties, including those who are at risk of self-disconnection. As social housing providers, SFHA members house some of the most vulnerable members of our society; those who are at most risk of self-disconnection and will therefore benefit most from the additional support measures proposed by Ofgem. As such, we very much welcome and support the proposals laid out in this consultation and would hope to see these implemented according to the timeline set out.

COVID-19 has only served to exacerbate the situation we have seen for quite some time now in that too many people are being forced to choose between eating and heating. With the predicted economic impact of COVID-19 – we are already starting to see job losses – it is imperative that this does not result in many more people choosing to self-disconnect. While help is available – including from SFHA members, through inhouse energy advice provided to tenants – it is still the case that people are slipping through the

net, unaware that there are mechanisms in place that should stop them building up energy-related debt with their supplier.

While support mechanisms are in place, again it is still in fortunately the case that some suppliers do not make these as visible as they could be, or simple to access. Appended below is evidence representing the experiences of a selection of SFHA members and their tenants in engaging with energy suppliers at the start of lockdown. Clearly, this was a stressful time for everyone and unfortunately in some of the examples below, energy suppliers only increased this stress for those involved.

We are pleased, however, that the situation has improved since March. It is appreciated that, like all businesses, the rapid move to remote working inevitably had an impact on service delivery by energy suppliers. We have discussed our concerns with Energy UK throughout, and are assured that their members will ensure to learn lessons from the early stages of lockdown. This is crucial, within the context of any potential 'second wave' of the virus and local (or national) lockdowns. While issues with access to e.g. payment cards caused difficulties in March/April, the impact will be much more severe in winter – particularly in rural/remote areas of Scotland, where levels of fuel poverty are already higher.

In conclusion, we are pleased to endorse the proposals set out by Ofgem as part of this consultation. We see them as crucial to ensuring the most vulnerable are able to access support easily and quickly, and do not continue to be the worst affected by this crisis. Evidence is already pointing towards concerns over winter fuel bills; it is vital that protections such as those proposed are implemented as soon as possible.

Contact

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Energy supplier issues: evidence from SFHA members (May 2020)

Are you still seeing some tenants being cut off or having to pay back emergency credit before getting back on supply?

- *We have seen some cases of this, particularly tenants that have prepay legacy meters. It has also been an issue with some suppliers changing from pay-point to pay-zone. This has resulted in some tenants having to travel quite a distance to top up. In one example of a tenant with Scottish Power, the tenant had to walk more than an hour each way to collect a top up which obviously is not in line with the current lockdown regulations.*
- *No, we have not been aware of this. However most of our tenants would contact the utility company direct rather than approach Hjalmland Housing Association.*
- *An issue that I was informed about was when our tenant (pensioner) with a key meter, telephoned their provider (SSE) in an effort to 'top up' to ensure that they would have sufficient credit following public transport being stopped on the island. Tenant was advised to call back when their credit was under £5.00. Tenant had spent considerable time on the phone & was upset at being refused & told to call back.*
- *Yes, with pre pay meters any emergency credit used needs to be paid back before more credit is added. If the tenant has to pay back debt, this also comes off any credit added.*

Are there inconsistencies in the approaches of different suppliers – and are there any particular examples of good or bad practice you can highlight?

- *There are very large inconsistencies between suppliers. Most suppliers are well set up if the tenant has smart metering and this can be topped up online, or credit can be applied by a third party or the supplier to keep tenants on supply. Some suppliers like British Gas, Scottish Power, Bulb, E and Utility Warehouse will not take a payment by phone for an RTI code for legacy meters. HEAT have been forced to arranged a top up on payback from the supplier when we have a fund to do this. Most suppliers have provided the emergency top up by sending a key or card to the tenant, but this is taking days to get there and the tenant will more than likely be off supply by the time it arrives. SSE seem to have the fairest and most consistent approach to dealing with the issues that tenants are facing. This has been in the form of raising RTI codes when needed, taking payment from third parties for these and a combination of the 2 to keep tenants on supply.*
- *Most customers that have experienced difficulties have been with Scottish Southern Energy (SSE). Citizens Advice Bureau advises that SSE Agency Staff have worked well with them.*
- *Yes, if a tenant hasn't updated the account details, some smaller companies refuse to do anything until the account has been updated. The larger suppliers seem to be able to communicate better with their customers, especially when it comes to emergency top ups. It very much depends on who answers the phone, and how much experience they have. Example 'I contacted Utilita a couple of times for the same issue – customer unable to top up but has no credit in phone to call, requested a call back, one called back and one didn't.'*

- *Apart from poor customer service and lack of ability for people to engage. Tenants have reported the ease of talking to SSE.*
- *Tenants have reported difficulties engaging with energy providers (Eon especially) to discuss bills and negotiate changes to fixed rates annual bills (due in part to online chat).*

Have you heard of suppliers looking to change people to smart meters rather than topping up existing meters?

- *In the early stages of Lockdown, Utilita made it clear that they would be treating smart meter customers as a priority. Given that smart meters make up the majority of Utilita's customer base, this is understandable; however, the proposed solution for customers with legacy meters is inadequate and, in many cases, quite inappropriate. Through email correspondence with Utilita's Partnership Managers, Hillcrest Energy Advice Team was advised that Utilita had no provision to provide remote credit top-up for legacy meters. Utilita's proposed solution for legacy meter PPM customers who were off supply was to book an appointment to change the legacy meter to a smart meter; thereby enabling top-up to be administered remotely in the future. Not only does this policy extend the customer's off-supply period, it also puts Utilita's engineers and its customers at risk through un-necessary contact during Lockdown conditions. A further negative consequence becomes clear when considering Utilita's dual MPAN customers. Utilita has never attempted to bill or service dual MPAN supplies correctly and, as there is currently no smart meter solution for meters of this type, Utilita's position has been to force customers to take meters that do not match their original tariff. To suggest that Economy 7 (Domestic Economy/White Meter) or Economy 10 is a suitable or like-for-like replacement of either Total Heating Total Control, Comfort Plus or Comfort Plus White Meter shows a clear and distinct failure to understand the nuances and positive benefits of this type of metering. Irrespective of the loss of heating hours inherent with a switch to E10 or E7, it is inconceivable that this change would be made without consultation with the customer; however, Utilita has been known to replace THTC and Comfort Plus metering without providing any advice on the requisite behavioural change. It is difficult to believe that dual MPAN customers are anything more than a thorn in Utilita's side under normal circumstances; however, it is clear that Utilita is using the Coronavirus pandemic as an excuse to install smart meters to meet its own target, at the expense of its customers' health and well-being; customers whose only fault was that they had taken advantage of a supplier change (Our Power Take Control tariff) where no realistic alternative had been previously available.*
- *Smart meters are not used in [our area] at present.*
- *Yes, Utilita say they are unable to top up keys, but will change meters to smart meters.*

Have you heard of tenants continuing to be pursued by debt collectors?

- *We are not aware of any tenants that are currently being pursued by debt collectors.*
- *Yes, so far British Gas, Utilita and Scottish Power, also a previous debt being pursued from British Gas and Scottish Power. Scottish Power recovery was sent out to customer's house in another instance.*

Have any tenants experienced issues with accessing replacement payment keys or cards?

- An employee of Scottish Power recently stated that Priority Service Register electricity customers should be prioritised over gas customers as it had been determined that ‘gas is a luxury’. I am certain that this stance would be disputed if queried with Scottish Power; however, our recent attempts to assist Scottish Power customers indicate that this is very much a reality. We have a tenant in Edinburgh who is with Scottish Power for both gas and electricity. On 31st March, we contacted Scottish Power to purchase £50 electricity and £50 gas. A code was provided for the tenant to pick up the electricity credit that day; however, we were advised that a gas card, pre-loaded with £50 credit, would be sent by post. On the 6th of April, our tenant contacted us to advise that he had not yet received the gas card and we again contacted Scottish Power. At that time, Scottish Power stated that the card could take longer to arrive due to delays with the post. It later transpired – during a further call on 13th April – that the tenant had contacted Scottish Power directly on the 9th April and a second card had been requested. The tenant was advised that the cards were sent via courier rather than Royal Mail, which has subsequently proved to be incorrect. During the call on the 13th, we were advised to wait a further day and to call back if the card had still not arrived. On the 14th April, we again contacted Scottish Power and were given an alternative to the pre-loaded gas card. Instead, a code would be sent so that our tenant could pick up a new gas card. Unfortunately, the nearest shop with cards was a 70 minute walk from the tenant’s property and so he set-out to get a new card. When we spoke to the tenant the following day, it was clear that this process had not worked; therefore, a further call was made to Scottish Power. Only at this point were we advised that the code would only work following 3-5 top-ups over consecutive days, meaning un-necessary excursions for our tenant under Lockdown conditions. We were also advised during this call that none of the previous cards were issued due to an address error on their system; therefore, a complaint was raised to Scottish Power on the 15th April. The advisor who logged the complaint also arranged for a new card to be issued and for an engineer to attend that day to re-set the meter. The engineer did not attend and our tenant was forced to borrow money from a neighbour to get back on supply. The gas card eventually arrived on Saturday 18th April, almost three weeks after assistance was requested. Our attempts to ensure a tenant was able to access gas for cooking and heating were thwarted by false statements and bad advice over an extended time period by multiple advisors and, while it easy to dismiss the aforementioned comment that ‘gas is a luxury’ as hearsay, the evidence exists that Scottish Power employees believe it to be true. Anyone dealing with gas and electricity prepayment meters will understand that electricity is traditionally far easier to service; however, the disparity has never been so extreme. Given the circumstances, it is unacceptable that gas customers should be treated so poorly, and with so little compassion.*
- To our knowledge this has not been an issue. Citizens Advice Bureau have been involved in some instances and the SSE Agency Team have been proactive in assisting.*
- Yes, Scottish Power sending out blank keys/cards and low stock in the shops. RTI top up codes not working, British gas - pay zones, fewer of these and not as visible or as assessable as Pay Point.*

Are you seeing suppliers not deeming unsafe meters as a priority at this time?

- *This has not been an issue for us.*
- *We have not had any involvement with unsafe meters so have not experienced this issue.*
- *No nothing at this time.*

What has been your experience of tenants being able to access additional support services at this time, e.g. with increased energy costs due to being at home more now.

- *We have not had any real issues here, as we have our own top up fund. This has been particularly useful at this time. All Hillcrest tenants have been contacted by housing staff and one of the questions they asked in the script was if they were fine for energy supply. To our knowledge, no Hillcrest tenant will go off supply due to us having this fund. I appreciate that it would have been very difficult for organisations that do not have access to this kind of fund and it is a real worry for us that people will be off supply or very close to it the only option for them is to take credit from their supplier on payback. There are some organisations that we have given advice to and will be using going forward. These are Home Energy Scotland and One Parent Families Scotland who are making funds available for people who are struggling with energy bills just now. It is also worth noting that HEAT have given advice to a growing list of external agencies with guidelines on energy supplies during COVID 19. This has been appreciated by them all and will lead to some joint working when lockdown is over.*
- *We are concerned that the colder weather conditions in Shetland alongside more time spent at home are exacerbating fuel poverty which was already significant. This is resulting in higher energy bills. Whilst mainland Scotland has enjoyed warmer weather, Shetland's weather conditions have remained cold and households have needed to heat their homes for longer periods while staying at home. Citizens Advice Bureau advises that some households have needed to take utility payment holidays (1 or 2 months) or use Crisis Grants (£30) to help pay for electricity but we anticipate additional fuel poverty to be an on-going issue due the additional costs. Citizens Advice Bureau is anticipating a spike in energy enquiries once the next quarterly bills are issued at end of May. Additionally many households in Shetland have restricted tariff options due to being on market restricted tariffs such as Total Heating Total Control and Economy and Heating Load and have therefore been unable to tap into cheaper market deals that have been available elsewhere.*
- *No real issues. Would have liked to see more voucher schemes like Scottish Power, easy to use and quickly dealt with. Support varies between suppliers. Call wait times are lengthy. Can be difficult to speak to supplier regarding bills, these are being sent out but difficult to update or query depending on supplier.*
- *In terms of support I would have expected priority register customers being contacted at the start of lockdown that would have been an easier way to engage with vulnerable households, also a faster way to engage with shielded groups. Of the tenants I know to be on priority register none have been contacted.*

- *Tenants have been concerned with the thought of increased energy bills as lockdown continues they will prioritise heat and light over other priority bills. Emergency crisis funding from SWF is more likely to help cover costs of increased energy usage than help people pay rent as an example. Can energy companies highlight struggling households and engage them in income maximisation checks?*