



# Priority Services Register Review – Final Proposals

## *The Children's Society's response*

### **Introduction**

The Children's Society is a leading charity committed to improving the lives of thousands of children and young people every year. We work across the country with the most disadvantaged children through our specialist services and children's centres. Our direct work with vulnerable groups including children in poverty, disabled children, children in or leaving care, refugee, and migrant and trafficked children, means that we can place the voices of children at the centre of our work.

In 2015 The Children's Society launched the '*Show Some Warmth*<sup>1</sup>' report that found that in the previous winter two million families – with 3.8 million children – were struggling to pay their energy bills. Our research found that nearly one in five families – 1.3 million families, with 2.2 million children – have been in energy debt at some point.

Since the launch of this report, The Children's Society has been working with energy companies to seek to improve their support for families and children living in energy debt. Our response to this consultation draws on our research, experience of supporting families and children in energy debt and our engagement with energy companies to date.

We have also run a pilot programme on seeking to help families in fuel poverty across our children's centres in Bradford, funded by Northern Gas Network. The findings from this project can be found in our *Warm & Informed* summary report. The Children's Society has also recently conducted research into the experiences of families living in fuel poverty and the impact of home energy efficiency measures on their lives.

### **Question 1: Do you agree with our final proposals for enhancing eligibility and customer identification and the associated proposed licence conditions?**

The Children's Society welcomes plans to include families with children under 5 and pregnant women in the Priority Services Register core eligible groups for services related to safety needs.

For children under 5 years old, living in a cold home can have a negative impact on their health and development so their inclusion is a critical step in reducing a key

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<sup>1</sup> *Show Some Warmth*, The Children's Society & ACE, 2014 <http://www.childrenssociety.org.uk/what-we-do/resources-and-publications/show-some-warmth-full-report>



health inequality. By ensuring that vulnerable families with children have access to the necessary support, we can ensure that the cycle of disadvantage is broken and does not have a negative impact on the lives of children and young people.

However, we are concerned that a move away from core eligible groups to a broader, but undefined, understanding of vulnerability for services unrelated to safety needs might mean that vulnerable families with children are not able to easily access the support that they need.

Whilst we are appreciative of the need to have a more nuanced understanding of the vulnerability of customers, we would argue that having a minimum set of customers that need to be considered, whilst allowing for energy companies to offer services above and beyond this, would be preferable.

We are pleased, however, that the onus will be on energy companies to proactively identify such customers and offer them the appropriate services. Customer knowledge of protections and benefits available, such as the PSR and the Warm Home Discount, are very low, and shifting responsibility from vulnerable customers to energy companies is a positive step in developing a stronger and more complete safety net.

**Recommendation: Ofgem should maintain core eligible groups as currently set out, whilst allowing for energy companies to proactively identify additional vulnerable consumers who would benefit from support. However, if a shift towards a less prescriptive understanding is adopted, we would urge Ofgem to produce detailed information for energy companies outlining the different groups likely to require additional support, and types of support that they might need, thereby allowing their proactive activities to be well targeted.**

**Question 2: Do you agree with our final proposals for amending the PSR services and the associated proposed licence conditions?**

We believe that the proposals would benefit from additional focus on priority support for customers facing financial vulnerabilities. This may include an additional requirement for energy companies to offer 'priority access to assistance for customers with energy debt/those with a PPM'. The inclusion of priority access to assistance with energy debts is an important inclusion for services offered to vulnerable customers. Too often families struggle with unaffordable debts, because they do not get help to ensure repayment rates are affordable.

With regards to energy companies identifying support outside the minimum identified by Ofgem, we believe that it would be beneficial to give examples of both the services and the groups that might need such support. Whilst this would not be binding, as the minimum services identified are, it would provide a helpful steer to



energy companies on the customers and circumstances that they may need to offer more advice and support to.

For instance, this could include, but not be limited to the following groups:

<b>Proposed additional services for customers who are struggling to pay their energy bills</b>		
Service	Customers eligible	Energy company (provider of service)
Follow up with customers who are moved onto PPMs within 14 days	<ul style="list-style-type: none"> <li>• Single parent families</li> <li>• All families in receipt of Child Tax Credits / with an income of less than £16k</li> <li>• All young people under 18 living independently and care leavers until 25</li> </ul>	All energy suppliers
Priority access to advice on financial assistance with energy bills	<ul style="list-style-type: none"> <li>• Single parent families</li> <li>• All families in receipt of Child Tax Credits / with an income of less than £16k</li> <li>• All young people under 18 living independently and care leavers until 25</li> </ul>	All energy suppliers

**Recommendation: Ofgem should include ‘access to assistance for customers with energy debt’ in the list of minimum services that energy companies should make available to customers free of charge. In addition, they should consider the inclusion of examples of other services that may be applicable to vulnerable groups under the broadened understanding of vulnerability.**

**Question 3: Do you agree with our final proposals for recording and sharing information about customers in vulnerable situations and the associated proposed licence conditions?**

We welcome the proposals to record and share data about vulnerable customers. This would ensure continuity of access to support and advice should a customer decide to switch energy companies, as better alignment of data capture between companies would mean that customers don’t have to provide large quantities of the same data in slightly different formats.

The proposed outcome based model set out in the consultation would help energy companies to standardise their recording of consumer vulnerabilities by negotiating



and sharing data between themselves. This would ensure that customers receive a continuity of care that both meets the obligations of energy companies and safeguards vulnerable customers.

When seeking to support customers, for instance when they switch suppliers, it is crucial that information is provided in a transparent and accessible manner for the most vulnerable customers and that support available with energy costs (for example the Warm Home Discount) moves with customers when they move energy supplier when they continue to face the same vulnerabilities.

**Recommendation: If enacted, these measures should focus on making sure that vulnerable consumers retain consistent access support and assistance, particularly when switching supplier.**

**Question 4: Do you agree with our final proposals for raising awareness of the priority services, including any specific suggestions for energy companies to improve awareness?**

We welcome the proposal for raising customer awareness of the Priority Services Register. The low levels of current awareness mean that many families with children who are eligible are missing out on available support. Ensuring that energy companies do more to make those eligible consumers aware of their entitlements would be a positive step.

We also believe that the proposed working with third party advice providers to ensure that they are providing essential assistance to awareness raising communications and activities is a positive suggestion.

The evaluation of our work in Bradford children's centres, for which we produced a summary report called 'Warm & Informed', has indicated that by using access to financial support with energy bills as a hook to offering broader energy and debt related advice was a particularly effective way of engaging with families that could otherwise be hard to reach.

Research undertaken by the Association for the Conservation of Energy (ACE) made similar findings, reporting in their Reaching Fuel Poor Families work that the experiences of schemes that use children's centres suggest that this approach has potential to make a significant contribution to engaging fuel poor families with assistance.

We know from the families that we work with that they appreciate being offered a range of different types of communication, as this allows them to respond in the way that they are most comfortable with, for instance email, phone calls, letters and texts, and the use of different languages that customers speak. By ensuring energy



companies make customers aware of services through a variety of formats, there is a better chance of them reaching customers who would benefit most from this type of support.

**Recommendation: Energy companies should ensure that they use a wide range of communication approaches to ensure vulnerable customers are aware of the Priority Services. This would ensure that vulnerable customers have a greater chance of being offered the support to which they are entitled. One approach that would be likely to be effective would be to use services such as Children's Centres, where families are already accessing a range of support, as a venue to target this work.**

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