

Date

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Ofgem
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Reference: CVS2025


Dear Meghna,

Cadent are delighted to respond to your recent consultation upon Ofgem's Consumer Vulnerability Strategy (CVS2025) and hope that our response is helpful in supporting this important piece of work.

Cadent's size and scale ensures that we are in a unique position to work collaboratively with the Government to develop and deliver a low-carbon energy system, taking advantage of the critical importance of gas and the gas networks as the most cost-effective and efficient pathway for the country's transition to a low-carbon economy. As we outline in this submission, Cadent is already working quickly, and at scale, to support this transition.

Executive summary to our response:

- Accurate data is paramount – Ofgem need to take the lead in supporting new entrants in understanding their responsibilities in full. This will only help to improve the quality of PSR data and base from which organisations are making decisions on how to best support Customers in Vulnerable Situations (CIVS).
- Enhancing the Fuel Poor Network Extension Scheme (FPNES) - the scheme needs to allow networks to reduce fuel poverty through delivering the right intervention with a high social value to make the maximum impact possible. In addition to a gas connection it is vital that existing and future related funding schemes are aligned to enable easier access to in-house partnerships, co-ordination of vulnerable funding and insulation measures in order to make a real difference.
- Keeping customers safe, warm and independent by delivering services that customers love and others will aspire too – networks need to be more proactive in offering equal access to services, going above and beyond to innovate and ensure the level of support to customers should not depend on where a customer lives or who their network provider is.
- Vulnerability is ever evolving, and innovation is vital in providing the pipeline of solutions to meet the needs for current and future customers. Using this to create “services for all” built around the ‘needs’ of customers rather than ‘vulnerability’, as this can stigmatise customers and to a degree prevents access.
- Partnership working, and co-creation of products are the proven ‘silver bullets’ which cut through complexity in enabling networks to positively improve the experience of people in vulnerable situations – this therefore must be to be catalyst within Ofgem's priorities for CIVS.



Your consultation asks for responses around four key questions:

1. Do you agree with the five priority themes and the outcomes we will aim for?

Yes; we agree with the five priority themes for the reasons detailed below:

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

Through energy industry improvements it has become easier for customers to register upon the Priority Services Register (PSR) meaning that data currently held/shared (with a customer's explicit consent to do so) across gas and electricity networks and suppliers, is proving to be more accurate and useful than previously available. Thanks to this we can continue to build practices and procedures to support these needs in a respectful and swift manner.


As Ofgem's consultation paper details, there are still issues with awareness, trust and self-identification across the communities that we serve. There are individual business plans and cross-sector projects to help address this. Examples include, company commitments made by GDNs (in readiness for RIIO GD2) to actively raise awareness, through to joint projects with the water industry. Extending the work already carried out in energy, with the ambition that one PSR registration will cover 'essential services' at a household level. Projects like this mean that a broader range of utility interactions will support awareness and the increased likelihood of identification, building trust in the PSR through joint messaging upon the benefits/outcomes for Customers in Vulnerable Situations (CIVS).

PSR data continues to evolve and improve in accuracy, although there is still some way to go to ensure that new entrants (suppliers and independent networks) are supported in understanding their responsibilities fully. It would be helpful if Ofgem could take a lead in this or support these new entrants in connecting to industry groups already in existence, to ensure inclusion. There are also many future opportunities to continue to improve collaboration that we would support; especially with parties who have had less of an involvement with the PSR previously – as already raised in the **EUK Commission for Customers in Vulnerable Situations**, price comparison websites (PCW) should become more involved in raising awareness of the PSR. Customers would benefit if PCWs were to work closely with suppliers to establish a consistent way of flagging that a customer has self-identified and that they might benefit from registering.

It is important however that not only 'PSR data' drives our actions but that it is supplemented, to aid more proactive and successful delivery of relevant safeguarding solutions to those that we may never interact with us directly through our everyday works. Through new capabilities available to us, such as the use of data mapping and analytics tools, we can now overlay multiple data sources (both open-source and company specific at a Lower Layer Super Output Area or LSOA level), resulting in:

- a better understanding of important variances across the networks/communities that we work in
- where it is best to concentrate specific safeguarding products, services and resources
- where there are gaps resulting in calls for innovation specific to CIVS
- which partners we might work with to reach customers that we don't come into contact with during our own daily interactions.

There are many opportunities for the industry to co-create a joint response to better use of data through the use of new smarter technologies, research published and expertise available. There is an inherent conflict here however, that is not always apparent to the consumer. By using the data that we have more effectively and by gathering more data, we need to apply ever greater and more complex privacy controls, which then are further complicated by the question of mental capacity. What would be helpful for all energy businesses is for Ofgem to lead with the ICO on establishing where the 'happy medium' is between privacy and protecting those living in vulnerable situations. It is true that licence conditions act as a "Legal Obligation", but the link is tenuous.



The PSR also operates on the basis of consent, which is the most difficult of the bases and case law is evolving quickly around consent. Because of that evolution, all users of the PSR (organisations) are at ever increasing risk of civil claims and action on the basis of data privacy. If the ICO and Ofgem were to formally agree what is acceptable and where primacy should be placed, it will lower the risk for all organisations as well as to energy consumers. Regulators across sectors, could also support and encourage this continued extension of cross sector working through detailing/publishing joint expectations and outcomes to prevent unintended consequences such as duplication of effort.

- *Theme 2 - Supporting those struggling with their bills.*

As a GDN we agree that targeting those customers who are living in fuel poverty is of paramount importance and are pleased to see a continuation of the Fuel Poor Network Extension Scheme (FPNES) through RIIO GD2.

Through this work Cadent are keen to not just look to provide support through the provision of new gas connections but also look to work with others/partners to provide a 'whole house solution' and consider where alternative heating or the right solution for that home, is the best benefit for the community/customer. To support this, Ofgem needs to do more to align existing schemes such as ECO to allow pooling/co-ordination of work.

It should also be recognised that GDNs (and other utility companies) also see many forms of poverty in households that we enter into through our day-to-day works, with those customers who are already using gas; meaning that there is an opportunity to work more collaboratively with others to aid referrals into energy efficiency advice and debt advice; making customers aware of support that they may not previously been aware of.


As detailed in the first theme relating to smarter use of data, we can create a more multi-faceted understanding of where to reach out to customers and target partners alike. Through the use of data sets such as EPC ratings, we aim to understand how we can help those CIVS who are at risk of being left behind in relation to new technologies and work with them to benefit from relevant improvements which they are comfortable with.

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

Through working with Ofgem upon RIIO-GD2 outputs, our ambition is to create services that customers will love, and others will aspire to. Through the use of data that we have available to us, we will plan and be more proactive in our actions to support equal access to our services across all processes and look to develop new/improved services to help keep customers safe, warm and independent. This will continue to be supported through process design, system development and training across all Cadent colleagues to support confident and consistent responses (proactive and otherwise) to vulnerability that we find on the doorstep and through our works; from notification processes through to GSOP payments.

However, we are also aware that when we come across CIVS, we might be the first/only interaction that they have had with anyone due to personal circumstances such as living alone resulting in isolation and loneliness. It is due to this that we will continue to build and develop our referral networks and partnerships – supported through companywide systems to allow colleagues to connect customers with the services available within their area; where the situation is beyond Cadent's remit and expertise.

As gas networks, there is a separate GDN Safeguarding Working Group, looking at ways to work consistently, innovatively and collaboratively across all networks but also with other parties such as suppliers. As detailed in the recent **EUK Commission for Customers in Vulnerable Situations**, Cadent presented to the EUK commission/panel, how all gas networks would support a more joined up approach with suppliers; making each of our daily interactions with CIVS more holistic and impactful – for example perhaps GDNs could provide meter readings whilst with the customer and/or suppliers/their meter operators, could provide CO advice.



Finally, at Cadent we continue to invest in consultation with customers and stakeholders, along with research to better support what more we can do to work and engage with specific vulnerable groups – helping to open up opportunities to continue to develop and improve development and delivery of safeguarding services for all.

- *Theme 4 - Encouraging positive and inclusive innovation.*

Cadent are passionate about developing the right services, products and support for all of our customers' needs. Looking for positive solutions for when our customers are affected by the changes to their daily routine and are then left in a vulnerable situation. Customers are at the forefront of all our innovations, we have focused on research and development and more recently explored market ready products to get more pace into delivering for our customers. We will continue and expand this focus going forward to deliver a positive outcome for our customers.

As agreed at the first-year celebration of the publication of Dementia Friendly Utilities, Cadent is leading the way with support of the Energy Innovation Centre (EIC), we have put in a call for innovation on behalf of the utility industry (energy, water & communications) to ask the innovation community to provide ideas around products & services to help utility customers stay safe, warm & independent in their homes. As well as considering new technologies & products, we will also offer innovators support & the opportunity to learn from our knowledge and experience to improve existing products.

- *Theme 5 - Working with partners to tackle issues that cut across multiple sectors.*


Cadent have a clearly defined partnership strategy which allows us to work with charities and experts aligned to customers' needs, their personal and wider circumstances; to ensure that our 'services for all' are accessible and relevant. An example is our strategic partnership approach which allows us to work closely and broadly across multiple areas; from raising awareness of the PSR, through to specialist training, co-creation of new products/services and research which supports these partners, those they support and our actions equally. As detailed in the first theme relating to smarter use of data, we are aware that there are instances when Cadent are not best placed, to reach certain vulnerable groups but through the use of new data mapping and analysis tools we can work to close this gap and use trusted partners to raise awareness and deliver services where appropriate to do so.

2. Do you agree with our approach on affordability? While we recognise this is a concern for many consumers in vulnerable situations, we think addressing wider affordability pressures is mainly a matter for government to address.

As a GDN, we support Ofgem in their approach upon fuel poverty and agree that wider affordability issues cannot be resolved through industry action alone. We would support and encourage discussions with BEIS on areas that conflict with Government policy such as fossil fuels and the FPNES. As our RIIO GD2 business plans being submitted show, we have engaged with our customers and stakeholders who have been clear on areas whereby Cadent should go beyond our licence requirements and are keen to have these supported through the relevant funding mechanisms to allow us to deliver services that have a positive and lasting impact. In addition, the work that has been carried out by the energy industry through forums such as the ENA Safeguarding Customer Working Group (SCWG) should also feed into BEIS discussions to support conversations of future data sharing projects to deliver practical and respectful outcomes for CIVS.

3. What more could be done through energy regulation to assist consumers in vulnerable situations in the longer term? How should any such further measures be funded?

Ofgem's on-going awareness, promotion and support of groups already in existence to prevent duplication of effort would be beneficial. An example being the National Mental Capacity Utilities Working Group (chaired by Cadent). The working group represents the energy, water and communications industry and are working through identified/agreed priorities to provide



guidance and support to customers and companies alike. Continued regulatory support at publication launches/events is very important to help raise awareness and take-up. The current priority being '**Utilities against Scams**' where the joint utility group are working with National Trading Standards (NTS) to create singular advice for customers, national training available for colleagues and good practice given for companies of all sizes.

In addition, supporting the recommendations which came out of the **EUK Commission for Customers in Vulnerable Situations** such as the Code of Conduct for suppliers will improve the consistency in how suppliers can embed and engage with CIVS.

Funding mechanisms such as the 'use it or lose it' approach for GDNs within RIIO GD2 is a good way to support collaborative action because it removes competition and allows us to work more openly to benefit the customer.

4. Do you agree with our proposals for the first year of the strategy?

Yes, in principle we agree with the initial steps and would be keen to support Ofgem in your steps to create mentioned frameworks and principles for GDNs, through the use of working groups mentioned in this letter. We are keen that Ofgem continue to see success in implementing these important services and continue to share good practice to support greater consistency across not just energy but the utility industry.

This response is made on behalf of Cadent and can be published by Ofgem.

If you have any further questions, please do not hesitate to contact me using the details at the top of this letter.

Yours sincerely

By email

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