

Ofgem's Consultation on its Draft Consumer Vulnerability Strategy 2025- A Response from Scope

Summary

Scope welcomes the opportunity to respond to Ofgem's consultation on its Draft Consumer Vulnerability Strategy.

Life costs more for disabled people. Our research shows that disabled people face average extra costs of £583 a month. For one in five, these costs add up to over £1,000 each month¹.

Energy is one of these extra costs. Disabled people often have higher energy requirements as a result of their condition or impairment. Given Ofgem's recognition of these extra costs, Scope believes that Ofgem's Draft Consumer Vulnerability Strategy 2025 could make a meaningful difference to disabled people's experience of the energy market.

Recommendations

Ofgem should:

1. Amend Outcome 1C so that it refers to data-sharing between regulated sectors, regulators and central government.
2. Amend Outcome 2A so that it explicitly states that disabled people should not pay more than the average non-disabled consumer for their energy.
3. Amend Outcome 3C so that it states that new suppliers should be able to demonstrate an understanding of disability and accessibility.
4. Amend Outcome 3E so that it refers to greater uniformity in both the eligibility requirements and the services available to disabled consumers.
5. Add an additional outcome specifying that all suppliers should be aware of their obligations under the Equality Act, particularly in terms of accessibility.
6. Require all energy suppliers and price comparison sites to abide by WCAG 2.1 AA standards.

The Government should:

1. Introduce a social tariff for disabled people with conditions and impairments that lead to higher energy consumption.

Background into disabled people's financial resilience

1. Many disabled people face additional costs related to their impairment or condition. On average, these costs amount to £583 a month.¹ This is on top of welfare payments designed to help meet these costs. One in five disabled people face extra costs of over £1,000 each month.²
2. Unsurprisingly, disabled people are disproportionately affected by poverty. According to the Social Metrics Commission, 48 per cent of people in poverty live in a family where someone is disabled.³
3. Disabled people also tend to be less financially resilient, with disabled people having on average of £108,000 less in savings and assets than non-disabled people.⁴ Disabled people are also more likely to be trapped in debt. Sixteen per cent of households with a disabled person have unsecured debt totalling more than half their household income, compared with 8 per cent of households overall.⁵
4. The extra costs disabled people face fall broadly into three main categories:
 - Paying for specialised goods and services, such as assistive technology, wheelchairs or adapted items of clothing.
 - Greater use of non-specialised goods and services, such as energy and taxis or private hire vehicles.
 - Spending more on non-specialised goods and services, including financial products such as insurance.

Disabled people's energy costs

5. Disabled people face specific challenges in the energy industry. A third of disabled adults say their impairment or condition has a significant impact on their energy costs.⁶ Disabled people with limited mobility, for example, might

¹ Scope (2019), The Disability Price Tag 2019, <https://www.scope.org.uk/campaigns/extra-costs>

² Scope (2019), The Disability Price Tag 2019, <https://www.scope.org.uk/campaigns/extra-costs>

³ Social Metric Commission (2019), Measuring Poverty 2019, <https://li.com/reports/measuring-poverty-2019-a-report-of-the-social-metrics-commission/>

⁴ McKnight, A. (2014). Disabled people's financial histories: uncovering the disability wealth penalty, CASE paper 181 <https://core.ac.uk/download/pdf/20543895.pdf>

⁵ Scope (2013), Disabled people and financial well-being: Credit and debt, <http://www.scope.org.uk/Scope/media/Documents/Publication%20Directory/Credit-and-Debt.pdf?ext=.pdf>

⁶ Scope (2018), Out in the cold, <https://www.scope.org.uk/campaigns/extra-costs/out-in-the-cold/>

- have to use more heating to keep warm, whilst people using assistive technology or electrical equipment such as powered wheelchairs will need to use additional electricity to charge these items.
6. Almost two-fifths (38.6 per cent) of households in England living in fuel poverty include a disabled person.⁷
 7. Official statistics also show that disabled people in fuel poverty in England would need an average of £308 extra a year to lift them out of fuel poverty.⁸
 8. A lack of online accessibility may also be contributing to these high energy costs. In one survey conducted on behalf of Scope, 55 per cent of disabled people had experienced issues with inaccessible websites within the previous 12 months.⁹
 9. As a result, disabled people can find it more difficult to find the best deals. Ofgem's Consumer Engagement Survey 2018 shows that only 36 per cent of disabled people use price comparison sites to compare energy deals, compared to 57 per cent of non-disabled people.¹⁰
 10. This may be because some price comparison websites are inaccessible. Using the Wave web accessibility tool, Scope found 39 errors on a single page of one well-known price comparison website.

Response to questions

Question 1: Do you agree with the five priority themes and the outcomes we will aim for (as set out in chapter 3-7 and annex 2)?

11. Scope strongly agrees with the five priority themes and outcomes set out in Ofgem's Draft Consumer Vulnerability Strategy. Focusing on these areas would likely mean significant improvements to disabled people's experience of the energy industry.

Priority Area 1: Improving identification of vulnerability and smart use of data

⁷ Department for Business Energy and Industrial Strategy (2019). Annual fuel poverty statistics report 2019 (2017 data) England.

⁸ Ibid.

⁹ Scope (2018), Out in the cold, <https://www.scope.org.uk/campaigns/extra-costs/out-in-the-cold/>

¹⁰ Consumer Engagement Survey 2018: Data Tables, Q165 (Ofgem), <https://www.ofgem.gov.uk/publications-and-updates/consumer-engagement-survey-2018>

12. Although the Priority Services Register does sometimes improve disabled people's experience of the energy market, Scope shares Ofgem's concern that currently it does not always work as effectively as it should.
13. Ofgem is therefore right to emphasise the fact that suppliers should do more to proactively identify consumers who would benefit from services such as the Priority Services Register.
14. Scope welcomes Ofgem's call for suppliers to regularly maintain and proactively update the data they hold on consumers, including information held on the Priority Services Register.
15. As well as referring to increased data-sharing between regulated industries, Outcome 1C should call for increased data-sharing and matching between regulated industries and Central Government. Scope would be willing to support any further work Ofgem undertakes to assess whether all consumers are having a positive experience of the Priority Services Register.

Recommendation: Ofgem should amend Outcome 1C so that it refers to data-sharing between regulated sectors, regulators and central government.

Priority Area 2: Supporting those struggling with their bills.

16. Scope welcomes Ofgem's recognition of the extra costs faced by disabled people.
17. Scope believes that disabled people should not pay more for their energy than the average non-disabled consumer.

Recommendation: Ofgem should amend Outcome 2A so that it explicitly states that disabled people should not pay more than the average non-disabled consumer for their energy.

18. Scope shares Ofgem's concerns around the potential harms of self-disconnection and rationing, particularly to disabled people with higher energy requirements.

Priority Area 3: Driving significant improvements in customer service for vulnerable groups

19. Scope agrees with Ofgem that some suppliers are failing to provide disabled people with the support they need to engage effectively with the energy market.

20. Disabled people would receive a higher standard of customer service if suppliers, particularly newer entrants to the market, were more aware of disability and accessibility.

Recommendation: Ofgem should amend Outcome 3C so that it states that new suppliers should be able to demonstrate an understanding of disability and accessibility.

21. Scope welcomes Ofgem's recognition that differences in eligibility and the services provided by each supplier's Priority Services Register can make it difficult for disabled people to switch.

Recommendation: Ofgem should amend Outcome 3E so that it refers to greater uniformity in both the eligibility requirements and the services available to disabled consumers.

22. Disabled people would receive better customer service if suppliers carried out disability equality training for their staff.

Recommendation: Ofgem should add an additional outcome specifying that all suppliers should carry out disability equality training for their staff.

23. These amendments would strengthen the already positive outcomes set out in this priority area.

Priority Area 4: Encouraging positive and inclusive innovation

24. Like Ofgem, Scope believes that innovation could help reduce the costs faced by consumers in vulnerable situations, including disabled people.

Recommendation: Ofgem should amend Outcome 4A so that it states that innovation should reduce extra costs and improve customer service for disabled people.

Priority Area 5: Working with others to solve issue that cut across multiple sectors

25. Scope strongly supports Ofgem's commitment to working with others to solve issues that cut across multiple sectors.

26. Ofgem's engagement with the charity sector has been incredibly strong. Other regulators would benefit from Ofgem's willingness to engage with Scope around the issue of extra costs.

Question 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.

27. Scope recognises that redistributive measures may fall outside Ofgem's remit.

28. Scope, however, believes that the Government should introduce a social tariff to help disabled consumers to meet the cost of their additional energy requirements.

29. Although some disabled people may be able to make their bills more affordable by increasing their engagement with the market or reducing their energy consumption, this will not be an option for many disabled consumers with higher energy requirements. It might also put some disabled customers in an increasingly vulnerable position to try and reduce energy consumption where it is essential.

30. For these consumers, the introduction of a social tariff could be the most effective means of reducing their energy bills.

31. This tariff could be based on Ofwat's WaterSure scheme, which caps bills at the average bill for a consumer using that water company.

32. This scheme is open to those with conditions or impairments that lead to higher than average water consumption.

33. While in England, eligibility is based primarily around means-tested benefits, some disabled consumers who receive PIP are eligible for the scheme in Wales.¹¹

“Our house is a 24-hour running house, as Curtis has overnight care. Our washing machine seems to be constantly on. We have three sets of bedding per day to wash and dry. Including our own bedding, that’s 23 sets of bedding per week.”
Garry, Scope Storyteller

34. A means-tested benefit may not be appropriate for a social tariff in the energy industry.

35. Extra costs impact disabled people of all incomes, meaning that disabled people who are not eligible for means-tested benefits may still struggle to pay their energy bills.

36. Garry, for example, has three disabled children with very high energy requirements. Despite having a direct debit of £485-a-month to his electricity supplier, he ‘always seems to be playing catch-up’. As a headteacher, however, Garry would be unlikely to qualify for a social tariff based around means-tested benefits.

37. It would therefore be better to base eligibility for a social tariff around non-means-tested benefits such as the Disability Living Allowance or the Personal Independence Payment.

38. Given the well-known issues with benefit assessments, disabled people should also have the option of demonstrating their eligibility in other ways, such as medical evidence.

39. To limit the overall cost of this measure, consumers benefiting from the tariff could be given support to help them reduce their energy consumption in a way that does not harm consumers, such as measures to improve energy efficiency.

40. While disabled people in energy-inefficient homes may already be eligible support, this support could be used to further improve the energy efficiency rating of those in relatively efficient homes.

¹¹ <https://www.dwrcymru.com/en/My-Account/Help-Paying-My-Water-Bill/WaterSure-Wales.aspx>

41. Scope would be willing to support Ofgem with any work around the introduction of a social tariff.

Recommendation: The Government should introduce a social tariff for disabled people with conditions and impairments that lead to higher energy consumption.

Question 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?

42. Given the fact that disabled people tend to face significantly higher energy bills, disabled people have a particular interest in finding the best possible deal.
43. While Scope's research suggests that 63 per cent of disabled consumers shop around while choosing an energy supplier, energy companies and price comparison websites may be making it more difficult for disabled people to engage effectively with the market.
44. Digital exclusion means that some disabled people find it more difficult to access the best cheapest energy deals. Twenty per cent of disabled people have never accessed the internet, compared to just five per cent of all adults in the UK.¹²
45. Even those who do have access the internet may still find that inaccessible content poses a problem. In one survey conducted on behalf of Scope, 55 per cent of disabled people had experienced issues with inaccessible websites within the previous 12 months.¹³
46. Ofgem's Consumer Engagement Survey 2018 shows that only 36 per cent of disabled people use price comparison sites to compare energy deals, compared to 57 per cent of non-disabled people.¹⁴

¹² Office for National Statistics (2018). Internet Users, UK: 2017, <https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2018>

¹³ Scope (2018), Out in the cold, <https://www.scope.org.uk/campaigns/extra-costs/out-in-the-cold/>

¹⁴ Consumer Engagement Survey 2018: Data Tables, Q165 (Ofgem), <https://www.ofgem.gov.uk/publications-and-updates/consumer-engagement-survey-2018>

47. This may be because some price comparison websites are inaccessible. Using the Wave web accessibility tool, Scope found 39 errors on a single page of one well-known price comparison website.
48. Although greater usage is a cause of disabled people's higher energy bills, online inaccessibility may be exacerbating the problem by making it more difficult for disabled people to switch.
49. Competition would work more effectively for disabled consumers if energy companies and price comparison websites were fully accessible.
50. Scope therefore believes that Ofgem should require all energy companies and price comparison websites to abide by WCAG 2.1 AA accessibility standards.
51. The Government should give Ofgem both the powers and resources it would need to monitor online accessibility in the energy industry.

Recommendation: Ofgem should require all energy suppliers and price comparison sites to abide by WCAG 2.1 AA standards.

We're Scope

We're Scope, the disability equality charity. We won't stop until we achieve a society where all disabled people enjoy equality and fairness.

We provide practical advice and emotional support to disabled people and their families whenever they need it most.

We use our collective power to change attitudes and end injustice. And we campaign relentlessly to create a fairer society.

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SCOPE = Equality for
disabled people