

How energy companies can support people who are struggling this winter

Good practice guide for energy suppliers and energy networks



**citizens
advice**

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Introduction

The continuing impact of the pandemic and rising energy prices mean winter 2021 is likely to be a challenging one for many. In this document we've identified examples of good practice for energy suppliers to support people struggling this winter.

Companies in the energy industry should remain up to date with the latest government guidance. Ofgem expects all companies to follow existing regulatory obligations.

If a supplier or network company is experiencing performance or operational challenges, we ask that they update their Citizens Advice consumer service referral protocol and inform their EHU contact.

This guide is designed to build upon the [energy supplier principles](#) and the [heat network principles](#), developed collaboratively with government and industry and in addition to the [Energy UK/Ofgem voluntary winter commitments](#).



Summary

[Our research](#) estimates that 2.8 million people have fallen behind on their energy bills during the coronavirus pandemic.

The government did put in place a [package of temporary measures](#) to help people during the pandemic. However, many of these measures have ended or are due to end this winter.

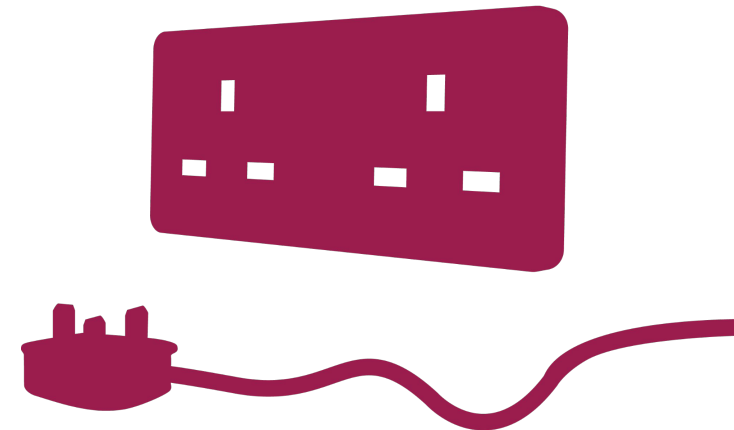
These changes will coincide with [Ofgem's increase in the energy price cap](#). As a result, Citizens Advice has warned that low income families could experience [a perfect storm this winter](#).

However, the impact of the coronavirus pandemic is not just financial. Many have suffered a bereavement, while [Refuge](#) have reported a 50% increase in calls to their Helpline and a 300% increase in visits to their Domestic Abuse Helpline website.

People who are disabled, have pre-existing health conditions and/or are living on low incomes are at a greater risk of detriment than others.

In this Good Practice Guide we set out practical steps energy companies can take to support consumers. We recommend that energy suppliers:

- Send out **reassuring messages** to help alleviate customers' concerns.
- Offer to **pause or reduce debt repayments** if a customer is experiencing a period of financial distress.
- Keep **prepayment customers updated with advice** on what to do if they find themselves off supply and are in isolation.
- Ensure that their **staff are aware and sensitive** to the situations customers may be facing.



What support should suppliers be offering customers?

Ofgem's licence conditions require all suppliers to:

- Have and maintain a **Priority Services Register** and take all reasonable steps to **identify customers in vulnerable situations**.
- Offer an **affordable repayment plan**, and **payment via third party deductions** or a **prepayment meter** to customers who are struggling to pay.
- Take into account customers' **ability to pay** when calculating installments.

In relation to prepayment meter customers Ofgem's licence conditions require all suppliers to:

- Identify on an **'ongoing and continuous basis'** customers who are **self-disconnecting** and offer 'appropriate support'.
- Offer **friendly hours and emergency credit**.
- On **'each and every' occasion** where a supplier has identified a domestic customer in **vulnerable circumstances** who is **self-rationing** or **self-disconnecting**, the supplier must offer them **additional support credit**, unless they believe it is not in the customer's best interest.
- If this is the case, the supplier must then provide **'alternative appropriate support'**.

The BEIS principles require all suppliers to:

- **Identify and prioritise customers at risk**. This includes **actively looking** for vulnerability, PSR, prepay, health conditions, and people in cold homes.
- **Support customers** who are **impacted financially as a direct or indirect result COVID-19**.
- Support **prepayment meter customers** directly to **stay on supply**.
- To make available **information, advice and guidance** on what help is available.

Voluntary Commitments:

- In addition, most suppliers have agreed to abide by Energy UK's [Voluntary Winter Commitments](#) and the [Voluntary Vulnerability Commitments](#).

Supporting customers

The pandemic has highlighted the wide range of circumstances people can experience which might put them at risk of detriment. People who hold these characteristics are also more likely to experience detriment this coming winter.

From cases we've seen, the following characteristics have put people at risk:

- Having a prepayment meter (particularly if it's a legacy meter, rather than a smart meter).
- Having health conditions that mean they need to maintain a constant supply of electricity (for example, being reliant on refrigerated medicines), or they could be vulnerable to a cold home.
- Struggling financially due to coronavirus, such as those who have lost their job, have had their income reduced or were furloughed.

➤ Needing to self-isolate due to possible exposure to coronavirus or someone in the household developing symptoms.

➤ Being extremely clinically vulnerable or being otherwise vulnerable to infection, which might mean they are following shielding guidance or are following social distancing guidance strictly.

➤ Not having a network of friends, relatives or neighbours to help them pay for their energy or buy essentials.

Cases from our consumer service report some customers feel uneasy about paying over the phone or not receiving a receipt as proof of payment. Suppliers should consider what they can do to build confidence for these consumers to pay using alternative methods.

For customers in these situations, suppliers might consider:

- Offering to pause or reduce debt repayments if they experience a period of financial distress in line with existing requirements to ensure instalments are calculated so consumers are able to pay.
- Keeping prepayment customers updated with advice on what to do if they find themselves off-supply and are in isolation.
- Proactively contacting consumers who pay by cash or cheque with guidance on alternative payment options, and what to do if they are self-isolating and can't go out to pay their bill.
- Warning consumers that their energy usage may change if they are at home all day, especially as we enter the winter heating season, and providing advice.

Supporting customers (continued)

For smart prepay customers this could also include:

- Providing discretionary credit on their prepayment meter. Consumers should be made aware this will need to be paid back.
- Switching their prepayment meter into credit mode. Consumers should be made aware that any existing credit will be refunded and they will be charged for energy used while in credit mode.

Ofgem rules on self-disconnection and self-rationing require suppliers to monitor self-disconnections and offer customers with enough discretionary credit to keep them on supply.

For legacy prepay customers this could also include:

- Providing discretionary credit, and where necessary enabling a customer to nominate a trusted third party to be able to pick up discretionary credit sent to a shop on their behalf. Consumers should be made aware this will need to be paid back.
- Sending out a pre-loaded top up card in emergencies (including financial emergencies). Consumers should be made aware this will need to be paid back.

We recommend suppliers and networks consider adding consumers who received a letter from the NHS asking them to self-isolate to the Priority Services Register (PSR).

Proactive communications and pop-ups on websites or apps can encourage consumers to talk to the company about their circumstances and any additional assistance they may require.



- Mike lost his job due to the COVID-19 pandemic and is waiting for a Universal Credit payment. He has been unable to afford to top up his prepayment meter and has lost gas supply. A couple of weeks ago Mike received help from his energy supplier to pay for his gas, however the supplier is now saying that they cannot help again.

Bereavement

The UK has suffered a substantial increase in deaths due to the virus. Our consumer service has received a number of cases where people have reported increased stress due to receiving bills in the deceased's name, despite having already notified the supplier.

Companies should ensure their specialist bereavement teams are adequately resourced and provide additional guidance to frontline advisors. We suggest:

- Clear and simple advice on company websites on how to report a death.
- Signposting to additional support, such as our webpage on [what to do after a death](#).



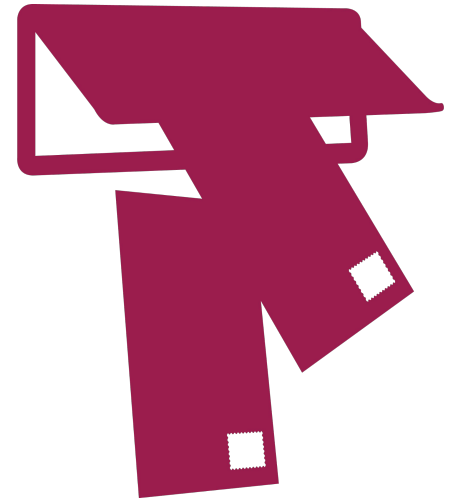
Ensuring account changes are completed as quickly as possible (with due regard to probate rules where applicable).



Guidance for consumers who are dealing with managing a household for the first time. We've seen an increase in cases from people whose recently deceased spouse had always managed the finances and were unsure how to manage their energy account.



- George's husband has passed away. He used to manage the household bills. His energy bills are currently based on estimated meter readings and he does not think his usage is this high. George wants to start giving meter readings to his supplier but does not know how to do this.



Domestic Abuse

Unfortunately, there has been an increase in reports of domestic abuse during the pandemic.

We recommend that suppliers read our '[On the receiving end](#)' report as it highlights the impact that data breaches can have on survivors of domestic abuse, which may be useful in developing an understanding of how to keep customers safe.

Survivors often have to leave their homes very suddenly and won't have time to sort out their bills before they go. Many people won't have immediate access to proof of ID or any financial documents. This can cause difficulties for managing or setting up accounts. Companies should consider:

- Additional training for their frontline agents to identify signs or indicators.
- What documentation is required to set up an account for survivors.

- If they have specific advice on their website for survivors of domestic abuse, this should be easy to hide (if a consumer is searching for advice whilst the perpetrator is present).
- Additional care should be taken if survivors inform companies of a change of address. For example, we would not recommend sending a letter to the old address to confirm the change and taking additional care when giving out any personal information.



Maintaining Communication

Open and clear communication with customers remains essential this winter.



Companies should ensure their staff are aware of and sensitive to the situations consumers may be facing (for example, reduced income due to inability to work, having a prolonged hospital stay, or bereavement).



Companies should indicate clearly any changes to contact channels, such as limiting certain contact channels to “essential” or “urgent” contacts.



Companies should provide examples of the sorts of contact they mean by this. In general, these types of restrictions to services should no longer be necessary.



Reassurance

People are concerned about the impact of coronavirus and managing their bills.

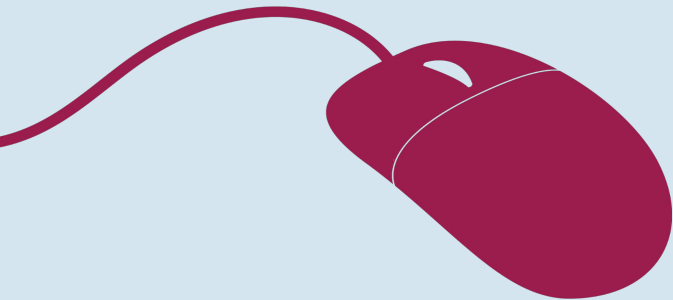
Companies should send out reassuring messages to help alleviate these concerns, including:

- Keeping updated information on their website (for example, in the form of an FAQ or information box).
- Adding additional messaging to bills with advice on what to do if they are concerned or struggling due to the virus.
- Having additional signposting for coronavirus-specific external support. We recommend signposting to our [coronavirus advice pages](#).

Most suppliers have provided some information on their websites regarding the support that is available. It's important that companies regularly review the information on their website to keep it up to date, and to signpost to sources of support that are regularly updated.

Several suppliers have put a prominent banner or information box on their homepage, meaning it only takes one click for customers to find the latest information and support around COVID-19.

Some companies have used headings such as "For prepayment customers" making it easier for customers to see which relevant information applies to them.



Home visits

Companies should keep up to date on the current government restrictions regarding home visits and appointments, which can differ between England, Wales and Scotland. They should ensure they follow the guidance on working in other people's homes for [England](#), [Scotland](#) and [Wales](#).

If a home-visit needs to be cancelled or postponed, the company should explain to the consumer what the next steps are, especially where consumers are likely to significantly miss out (for example, if they're due to have a traditional prepay meter replaced with a smart one).

Customers who are shielding, self-isolating, or otherwise consider themselves more vulnerable will need specific precautions. We suggest companies should:

- Reassure customers about what steps are being taken to keep them safe.
- Seek to understand the concerns of the customer, for instance if they are immunosuppressed or in a high-risk category. The company should work with the customer to establish what precautions can be taken.

- Some customers in the higher risk groups may be uncomfortable with receiving any sort of visitor in their home. The company should check with customers on the PSR, ahead of time, about whether they are able to receive visitors and/or establish if any precautions should be taken.
- Allow customers to postpone or reschedule non-urgent appointments without any penalty (for instance, if they need to get a smart meter installed within 6 months for their tariff, this should be extended).



Misinformation and scams

Unfortunately there are people who take advantage of a crisis, with a number of energy-specific scams circulating. There is also a large amount of misinformation being shared across social media.

Industry should consider:

- Proactive communications with scam awareness tips, like checking correspondence to ensure the account number matches and is in the correct name, and what to do if the customer suspects a scam.
- Additional signposting to scams awareness information (for instance, our page on [checking if something might be a scam](#)).
- Communicating with consumers about any essential work needed in their property or area and what support is available.
- PSR services and whether these should be offered for a wider group of consumers. For instance, using a password scheme for home visits.
- Issuing specific messaging if a known scam or misinformation is circulating that relates to a specific company.



Debt collection

We expect suppliers to continue their pragmatic approach to debt collection. We have published a [good practice guide on supporting people in energy debt](#).

Suppliers should consider that certain groups of people are more likely to experience financial difficulties and might find it more difficult to engage with their utility providers about debt.

Almost one in five (18%) people with a mental health problem will be in problem debt - this is nearly three and a half times the rate among people without mental health problems (5%).

1 in 5 people with a mental health problem will be in problem debt



People with mental health problems can go through periods in which they completely disengage with utility providers and they might struggle to find the 'right time' to disclose their mental health problems. The Money Advice Trust has published a helpful [guide](#) for supporting customers affected by debt and mental health problems.

In addition, there has been a huge rise in the number of people applying for Universal Credit (UC). The in-built waiting time for a claimant's first UC payment is 5 weeks. Over half of UC claimants take out a repayable advance payment to cover this wait until their first payment.

1 in 10 people are not paid on time



Suppliers should assume a customer will experience a financially difficult period if they say they've made an application for UC and proactively seek to support these customers during this period. For example, by providing credit and/or a pre-loaded top up card (see Supporting Customers above).



- **Emma and Nick have their own small business and are struggling financially after the impact of the lockdown.**
- **They've applied for Universal Credit and, after receiving a missed payment notice from their energy supplier, they emailed to explain their situation. Despite this, they've been receiving calls from a debt collection agency.**

Metering

A continued concern reported by consumers during the past year has been problems with receiving estimated bills. This can be because they are unable to provide actual meter readings, either from not being at their property during lockdown, or suppliers not undertaking home visits to read customers' meters. We've also seen cases with suspected faulty meters where appointments to fix them have been postponed.

Suppliers should take into consideration if a consumer has been absent from their property due to restrictions, reassessing estimated bills where necessary.

Suppliers should consider if a temporary reduction in payments is appropriate until the consumer is back in their property to take a meter reading.

When suppliers reinstate non-urgent appointments they also need to consider those who may be wary of having people in their home (see previous 'Face to face interactions' section).



- Mercedita recently spent time in hospital with COVID-19 and she wasn't able to submit meter readings as usual.
- She received a text from her energy supplier flagging that they hadn't received readings lately and providing ways of getting in touch. It wasn't something that had crossed her mind, but this reminder helped Mercedita quickly and easily let her supplier know the situation.

Micro-business customers

The pandemic has caused financial strain on businesses, particularly small businesses.

We recommend suppliers with micro-business customers should consider:

- Identifying if a property is mixed-use (with domestic residency). If so, the points in the previous sections should be taken into consideration.
- Discussing the business' situation and pausing or reducing debt repayments and disconnections accordingly.
- Proactively contacting businesses to reassure them about their options if they are in financial difficulty.

- Ensuring business customers are aware of government support schemes.
- Prominently signposting to support services such as Citizens Advice and Business Debtline.



- Freya is the secretary of a small business which has closed due to COVID-19. She asked their energy supplier to defer their bill while they are waiting for a grant to be paid to them. The supplier did not agree to this and charged an additional £45 for a late payment fee. Freya is unhappy with the way they have been treated by their supplier given the circumstances.

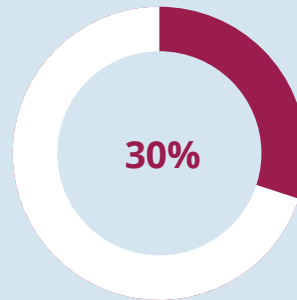
Read our [recent research](#) on how user-testing of various communication methods can encourage micro-business customers to engage with suppliers about debt which may be helpful.

Moving forward

Citizens Advice has found that the pandemic has had a significant financial impact on consumers.

Our research estimated nearly 6 million people have fallen behind on a household bill due to covid-19.

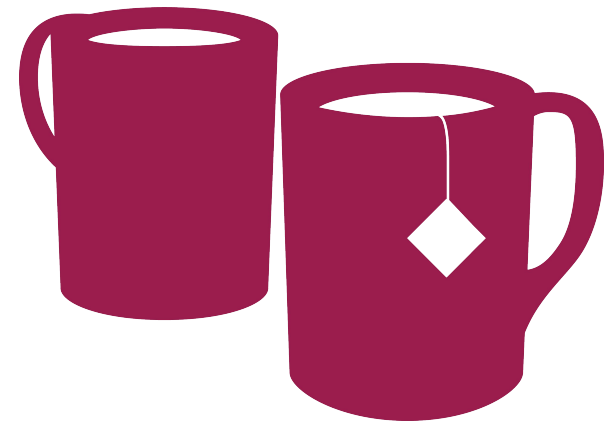
In addition, it is estimated that combined effect of the £20 Universal Credit cut and the rise in the energy price cap will leave three quarters of Citizens Advice benefit and debt clients unable to cover their living costs.



30% of adults say their household income has fallen by 20% or more.

Accordingly, suppliers should be aware that some customers may face financial difficulties for a significant period of time and should ensure appropriate support is provided to consumers throughout this period (see section on 'Supporting Customers').

In addition, suppliers should consider what activities need to be reinstated as a matter of priority while also taking into account consumers' ongoing concerns about home visits (see previous 'Face to Face interactions' section).



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Published September 2021

Contributors: Energy Retail Policy Team

Citizens Advice is the operating name of The National Association of Citizens Advice Bureaux. Registered charity number 279057.