

Vulnerable consumers and the smart meter rollout

Analysis of information request, Spring 2015

The logo for Citizens Advice, featuring a dark blue speech bubble with a white tail pointing downwards and to the left. Inside the bubble, the words "citizens" and "advice" are written in white, lowercase, sans-serif font, stacked vertically.

**citizens
advice**

About Us

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. It is the statutory representative for energy consumers across Great Britain. The service aims:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 400 independent advice centres that provide free, impartial advice from more than 3,500 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services, both in rural areas and to serve particular dispersed groups. In 2012/13, the Citizens Advice service in England and Wales advised 2.3 million people on 6.6 million problems.

Since April 2012, we have also operated the Citizens Advice consumer service, formerly run as Consumer Direct by the Office of Fair Trading (OFT). This telephone helpline covers Great Britain and provides free, confidential and impartial advice on all consumer issues.

In the last year, Citizens Advice Bureaux have dealt with 84,000 enquiries about fuel debt, while hits to the energy section of our website doubled in October and November – the period during which suppliers announced their price increases last year. Calls to the Citizens Advice Consumer Helpline seeking advice about energy doubled in the same period.

As the statutory consumer representative, Citizens Advice has the power to request information from energy companies to inform its policy development on a firm evidence base. We thank all those who responded, whatever stage of process development they were at. The full responses to such information requests are not published and remain confidential.

We will use this information in the following way:

- Report back to suppliers on best practice.
- Encourage a consistent approach to the removal of risks for vulnerable consumers, and to avoid higher costs of advice and complaint handling.
- Consider developing a checklist against which to report on the quality of service that suppliers and installers offer to vulnerable consumers.

Introduction

Citizens Advice is concerned that consumers in vulnerable situations could miss out on the potential benefits of the £11 billion smart meter rollout, which they will be helping to fund through their energy bills. We want all consumers to have affordable, accessible and safe energy services, and both government and industry need to address the particular risks faced by consumers in vulnerable circumstances. These risks may relate directly to the installation, and/or to the ability of the household to benefit from the smart metering system.

In 2014, Citizens Advice commissioned and published research into the ways vulnerable consumers could be helped during the smart meter rollout.¹ We identified success criteria for extra help and explored ways in which it could be delivered, including through a workshop with suppliers, Smart Energy GB and potential community partners.

Success criteria

Consumers in vulnerable situations benefit from the smart meter rollout, feel safe during the installation, with condemned appliances replaced for those most in need; get help with their bills, from reliable advice on cutting energy through changes in use or tariff through to the installation of measures; and get the financial assistance with their bills and energy efficiency services that they are entitled to.

This is achieved with little to no impact on others' bills, because of economies of scale, through the dovetailing of smart meter and energy efficiency programmes, the application of data-matching to identify those in need, and the limiting of reputational risks to programme delivery.

Six months on, we wanted to understand progress and so issued an information request (see Annex, p34). The questions are based on the framework provided by the Smart Metering Installation Code of Practice (SMICoP) and our earlier research findings.

From the responses, we have identified a number of issues that need addressing by the UK Government and other partners in the delivery of smart meters.

¹ Citizens Advice (2014), *Smart Meter Extra Help*, <http://bit.ly/1IINnT>

Key findings

Different levels of service provision are emerging

There is a significant variance in suppliers' plans to meet the additional needs of vulnerable consumers. SMICoP does not define what extra help should be offered, in what form, and protections such as the Energy UK Safety Net are not applied by all suppliers. The planned provision of services is not necessarily dependent on market share, although the level of preparedness is.

Housing is not recognised as a factor of vulnerability

Housing is a significant driver of fuel poverty but the suppliers' practical application of vulnerability is driven by personal characteristics (physical ability, health, financial), not housing quality or tenure. As a result, energy efficiency advice is not tailored and is largely limited (where specified at all) to information provision. Without certainty over UK Government energy efficiency policy from 2017, specifically the replacement or continuation of the Energy Company Obligation, there is no potential to plan, or require, an integrated approach.

Benefits are dependent on information provision

Suppliers generally define the benefits for vulnerable consumers as the provision of better and more accessible information through the in-home display (IHD), however, the provision of energy efficiency advice is not yet defined. Vulnerable consumers are less likely to be able to act on the information provided to cut their bills, undermining the potential benefit of smart meters. They may also find it difficult to get a satisfactory resolution to issues arising at the point of installation.

Recommendations

1. Citizens Advice to consider publicly reporting on smart meter service provision for vulnerable consumers, by supplier, from DCC Live².
2. SMICoP, Smart Energy GB and suppliers to report to the UK Government on the impact of the smart meter rollout on vulnerable consumers.
3. UK Government to define energy efficiency advice provision, embedding links between the smart meter rollout and fuel poverty programmes.
4. SMICoP to require Energy Efficiency Guidance offered to the Customer presents support and guidance relevant to their property type and tenure.
5. Suppliers and networks to work with consumer representatives to identify consistent and fair resolutions to issues arising at the point of installation.

² DCC Live: the point at which the data and communications systems are in place to connect smart meters to the systems of energy suppliers, network operators and other authorised services.

Additional issues

Defining vulnerability and the accessibility of services

- Suppliers differ in their definition of specific needs, with particularly limited reference to assisting those with low levels of literacy or dexterity issues.
- Customer awareness of the Priority Services Register (PSR) is low.
- Variability in service provision creates risks for consumers and for the rollout's reputation, and increases the cost of advice and complaint-handling services.
- Suppliers are not planning to capture vulnerability driven by property type, heating fuel or tenure, or where a vulnerable consumer is resident at premises with a non-domestic meter, despite their impact on energy affordability and therefore financial insecurity.

Data

- There is uncertainty over the process for gaining consent for additional services.
- Data sharing with third party installers, and with providers in the event of a consumer switching, must ensure vulnerability records are accurate and safe.

Installation

- There is the potential for too much information at the point of installation, with the provision of advice on the system, IHD and energy efficiency advice, particularly for consumers with mental health or learning difficulties.
- Some consumers will move into premises where a smart meter is already present, and their needs are generally not considered in current planning.

Energy efficiency

- Suppliers differ in their delivery plans. Some are training their installers to provide advice; some to sell services; and others will signpost to third parties.
- There is a lack of clarity over energy efficiency and fuel poverty policy from 2017, when the current Energy Company Obligation nominally ends; so suppliers cannot plan its integration, nor can integration be required.
- Suppliers question where to direct consumers for further advice, and the respective roles of Smart Energy GB, Energy Saving Trust and Citizens Advice.

Engagement

- Suppliers understand local authorities and housing associations could help increase access rates, and assist with understanding the needs of vulnerable consumers, but this will require working with these third parties.
- Only two suppliers are considering a community-based approach (by area or housing association), with only one of these stating preparedness to respond to requests by housing associations for coordinated installations.

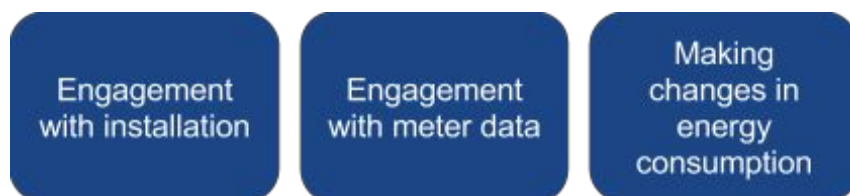
Background

This information request builds on the Citizens Advice report, *Extra Help For Vulnerable Consumers During The Smart Meter Rollout*,³ the Department of Energy and Climate Change's (DECC) Early Learning Project⁴ and Smart Energy GB's consultation *Smart Energy For All*⁵.

Citizens Advice made a number of recommendations, drawing on research by National Energy Action (NEA) into comparable services:

- In defining vulnerability, suppliers will need to make services accessible to a broad range of potentially vulnerable consumers while also adopting feasible eligibility criteria that make best use of existing proxies and customer information.
- Extra help can be delivered in different ways by different parties, dependent on the role taken by suppliers and third parties, and by the level of assistance from just information provision to the installation of practical measures.
- Extra help should be a matter of choice, provided on an opt-in basis.
- Messages should be tailored to the consumer, including information on relevant additional services.
- Use multiple channels.
- Provide a one-stop-shop to help consumers navigate energy services, integrating the rollout, energy efficiency measures, energy and financial literacy.
- Use partnerships with organisations that people already use and trust to deliver extra help and disseminate key messages.

DECC's *Early Learning Project* identified three key transition points for consumers where there are opportunities to maximise the benefits of smart meter technology⁶



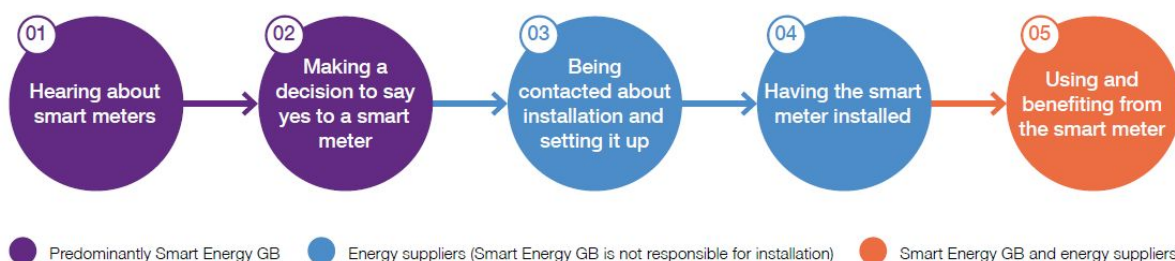
³ Citizens Advice (2014), *Smart Meter Extra Help*, <http://bit.ly/1IjNnT>

⁴ DECC (2015), *Smart Metering Implementation Programme: Policy Conclusions: Early Learning Project And Small-Scale Behavioural Trials*, <http://bit.ly/1EXIYol>

⁵ Smart Energy GB (2015), *Smart Energy For All: Consultation*, <http://bit.ly/1N64iN2>

⁶ DECC (2015), *Smart Metering Implementation Programme: Policy Conclusions: Early Learning Project And Small-Scale Behavioural Trials*, <http://bit.ly/1EXIYol>

Smart Energy GB defines the consumer journey and the role of the organisations involved in five stages:⁷



DECC's research found a number of benefits and issues specific to vulnerable consumers. Overall, the research with both credit and prepayment customers revealed consistently high levels of satisfaction, but issues emerge for these groups in the last two stages of the journey.⁸

Having the smart meter installed:

- There are limits to what consumers can learn about the IHD or device during a single installation visit. Further, some will move into dwellings where there is already a smart meter, or will not be there at the installation.
- The behavioural trials found that the most effective method for encouraging energy saving behaviour was through in-home interventions, either by a trained professional or a local volunteer.

Using and benefiting from the smart meter:

- Prepayment meter (PPM) users reported an improvement to their daily lives from the convenience of the IHD, which allows them to monitor their credit status and to top-up remotely.
- 71 per cent of credit consumers found the IHD easy to use, but certain consumers were less likely to say the IHD was easy to use, or to say they knew how to operate its different functions, suggesting they need more or better help.
 - This vulnerable group includes older customers, those from lower social grades, those with annual household incomes below £16,000, those with no formal qualifications and those who lived with someone who had a long-term health condition or disability.
- Tenants and low-income consumers will be more restricted in the options open to them to save energy than homeowners and higher-income consumers.

⁷ Smart Energy GB (2015), *Smart Energy For All: Consultation*, <http://bit.ly/1N64iN2>

⁸ This does not mean that barriers do not exist at earlier stages, but early uptake will be by those more proactive in taking up smart meters so barriers are lower among those groups.

- Some consumers had lower levels of engagement, and have greater need for support.
- Participants found traffic signals on IHDs were simple and intuitive, but frustration or confusion sometimes set in when the display was often amber or red and the respondent did not understand why. This was exacerbated where respondents were under financial pressure.

Overall, it is expected that energy savings of 3 per cent can be achieved, and these form around 30 per cent of the business case for the rollout⁹, but DECC found that further steps are required to ensure benefits are fully delivered and distributed fairly to:

- meet the additional information and support requirements of pre-payment customers
- encourage consumers to use their IHD to monitor their use
- ensure IHDs are correctly calibrated.

The project also identifies the following groups likely to benefit from tailored, follow-up support, to ensure they are able to fully realise the benefits of smart meters:

- Householders with specific needs, due to low levels of literacy, long-term illness, age or disability
- Tenants
- Low-income consumers
- Prepayment consumers

DECC made a number of recommendations, with the following particularly relevant to the needs of vulnerable consumers:

- The Government will continue to monitor plans and progress by all parties to maximise outcomes for consumers, and if requirements are not being met, or are not fit for purpose, the Government will consider whether to amend the regulatory requirements.
- The Government is planning to develop good practice energy efficiency advice and guidance materials to be used at the point of installation, and support installers in delivering tailored advice appropriate to the customer's needs, with the potential for follow-up support. There should also be a further project to assess the planned provision of follow-up support for vulnerable consumers.
- Smart Energy GB will work to achieve specific objectives to ensure that vulnerable consumers are able to access the benefits of smart meters.

⁹ DECC (2014) Smart meter roll-out for the domestic and small and medium non-domestic sectors (GB): Impact Assessment, <http://bit.ly/1Uwr5Ht>

- Ofgem or the SMICoP Governance Board are able to undertake a review of SMICoP if evidence indicates that additional requirements for energy suppliers are needed, particularly in the context of post-installation support and the provision of energy efficiency advice.
- In providing accessible formats of the IHD and to ensure consumers are given tailored explanations and demonstrations, it is recommended suppliers target positive early adopters, promote a 'monitoring' approach to use of the IHD, and ensure accurate calibration of the IHD to each household's consumption levels.

Citizens Advice supports these recommendations. However, it does not support the weakening of the requirement to offer an IHD to every home, to allow the trial of other devices.¹⁰ The specification and provision of IHDs is developed on a clear evidence base; suppliers can already offer additional products and services; and we are keen that the market for these is open to competition, not closed off at the point of installation by incumbent suppliers. The efforts of suppliers should now be focused on addressing the high likelihood and potentially high costs of difficult installations, rather than a continued undermining of the one aspect of the current implementation plan that delivers direct benefits to domestic consumers.

The following sections seek to provide further information on how to improve engagement, and therefore benefits, through the identification of best practice and potential gaps in suppliers' current approaches to meeting them. We ask that the UK Government, Ofgem, Smart Energy GB and the SMICoP Governance Board take note of the gaps as, subject to the suppliers' responses, these may require amendments to regulatory requirements, engagement plans or SMICoP.

¹⁰ DECC (2015), *Smart Metering Implementation Programme: Policy Conclusions: Early Learning Project And Small-Scale Behavioural Trials*, <http://bit.ly/1EXIYol>, 6.12

Strategic approaches

Energy retailers currently take one of three approaches, reflecting the development of the marketplace.

There are those with very few domestic customers, and even fewer or no smart meters. These suppliers are awaiting the establishment of enduring arrangements before determining their rollout strategies, including provisions for vulnerable consumers. There is a small minority who, worryingly, expect not to serve vulnerable consumers. This is worrying because, first, this is not a choice for suppliers, who must offer and agree a supply contract on request from a domestic consumer.¹¹ Second, vulnerability may not be immediately obvious, or may emerge over time.

The second group is made up of the newly emerging, larger suppliers, who are establishing their strategy and business processes. The responses often make the link to the suppliers' Priority Service Registers (PSR).

The largest suppliers, who still have 92 per cent of the market, have the greatest experience of delivering regulated support for vulnerable consumers. However, they also have the greatest challenge in terms of the scale of the rollout in the given timeframe, and the diversity within their customer base.

These largest suppliers are, therefore, developing their approach in parallel with regulatory developments and often see it as part of a suite of assistance offered to vulnerable consumers registered for Priority Services.

The rollout is understood to be an opportunity to engage directly with consumers, and suppliers generally acknowledge certain needs must be addressed. There is also a general willingness to learn from others' approaches.

The activities identified by this report were by no means reported by all respondents, but together can be read as an indication of emerging best practice. Such practices act in the larger suppliers' interest of retaining consumers, leveraging their already-established business practices and their economies of scale. However, we are concerned that there are barriers to action by smaller new entrants, who do not have the infrastructure in place to support vulnerable customers. Citizens Advice does not want support for vulnerable consumers to be an added extra, dependent on the supplier.

¹¹ Ofgem, *Gas Suppliers Licence: Standard Conditions*, <http://bit.ly/1F3XOIC>, Condition 22

Defining vulnerability

The industry is working with different and overlapping definitions of vulnerability, developed for different reasons.

Citizens Advice asked how the companies are applying the definitions in practice.

While the Ofgem definition is used in strategic terms by a number of the suppliers, it is (understandably) the SMICoP and PSR definitions that are most frequently mentioned in terms of driving process development.

Organisation	Definition
Ofgem ¹²	When a consumer's personal circumstances and characteristics combine with aspects of the market to create situations where he or she is: <ul style="list-style-type: none">• significantly less able than a typical consumer to protect or represent his or her interests in the energy market; and/or• significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.
SMICoP and Energy UK ¹³	A customer is vulnerable if, for reasons of age, health, disability or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household.
Priority Services Register ¹⁴	Under their licences, suppliers and electricity distributors (DNOs) must maintain a PSR – and put consumers from certain eligible groups on the register when they request it. The eligible groups are people of pensionable age, disabled people and those who are chronically sick.

▲ Definitions of vulnerability in the energy retail market

To put the SMICoP requirement into practice, suppliers will need to identify specific needs. A list of specific needs is emerging (set out below); some are core to all suppliers, some are mentioned by many and some are only identified by one or two suppliers, at present. Note that this is based on spontaneously mentioned needs, and many suppliers are still learning what may be needed to meet the needs of different consumers.

¹² Ofgem (2013) *Consumer Vulnerability Strategy*, <http://bit.ly/1qTKRug>

¹³ Energy UK(2014) *The Energy UK Safety Net*, <http://bit.ly/1L3NbuM> and SMICOP (2015) *The Smart Meter Installation Code of Practice*, <http://bit.ly/1KPufBk>

¹⁴ Ofgem (2015) *Review of the Priority Services Register – update and next steps*, <http://bit.ly/1JMcdRR>

Core	Pensionable age* Disabled people* <ul style="list-style-type: none"> • Visually impaired* • Hearing impaired* Those who are chronically sick* Suffering from financial difficulties*
Multiple mentions	Households with children (different age specifications) Mental health problems* Dementia Learning difficulties/low levels of literacy* Language*
Individual mentions	Households with a carer Pregnancy Use of electrical medical equipment Bereavement Environment in which additional support or safeguards are necessary to ensure they feel comfortable and able to allow the installation

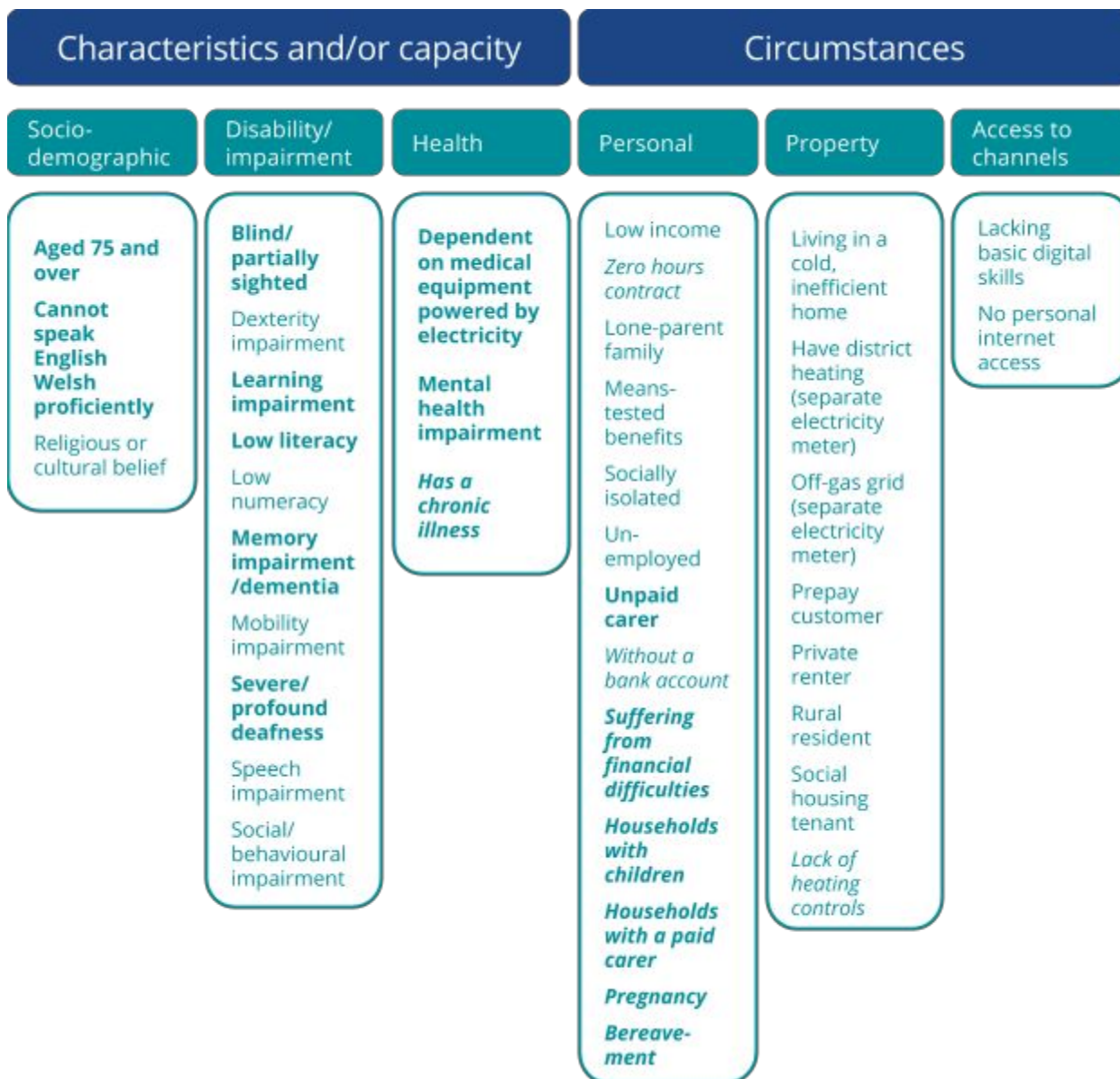
▲ Emerging specified needs (*those identified by SMICoP)

Suppliers differ in their application of the definition, and there is a further difference between their initial approaches and the vulnerabilities identified by Smart Energy GB. The diagram overleaf shows the 30 characteristics that Smart Energy GB has identified as presenting potential vulnerability during the smart meter rollout, cross-referenced with those recognised by one or more suppliers and those additional needs identified by Citizens Advice.

Citizens Advice is particularly pleased that Smart Energy GB recognises the impact on vulnerability of property types and tenures, and of the communication channels available to consumers.

Property quality and fuel (that is, the home's energy performance) is a major factor in energy affordability, and tenure is a significant barrier to taking action to improve this, and therefore is a driver of financial insecurity - particularly where they compound existing financial difficulties. Neither of these were recognised by more than a couple of respondents to our information request.

Further, this information request finds energy suppliers are planning additional online information to assist delivery of benefits, but they do not suggest how these are to be delivered to households without personal internet access.



▲ **Comparison of characteristics defined as vulnerable by key stakeholders**

Key: Identified by Smart Energy GB

Identified by Smart Energy GB and one or more energy suppliers

Identified by one or more energy suppliers but not Smart Energy GB

Identified by Citizens Advice, but not by energy suppliers or Smart Energy GB as a key characteristic or circumstance

Citizens Advice welcomes the range of physical and mental impairments identified by Smart Energy GB that have not been identified by energy suppliers in their responses to this information request.

Putting definitions into practice

Communicating with employees

Many suppliers welcome the flexibility of the SMICoP and Ofgem definitions, as they enable and encourage responsiveness. However, there is a challenge to bridge the gap between the breadth of those definitions and the precision of business process design and related procurement.

Further, it is understood by some suppliers that employees throughout the consumer journey will need to be able to identify and respond to vulnerabilities. SMICoP requires the training of installers to help them identify and respond to vulnerability, and this is a cultural challenge as much as a technological or procedural one. Decisions will need to be made by customer service teams and installers, as vulnerabilities may emerge during calls or visits. Are they empowered to 'do what's right' for consumers?

Making the definition more real for our employees, we define

doing what's right

as recognising and supporting customers whose circumstances make them vulnerable.

British Gas

Identifying vulnerable consumers

Identification of vulnerabilities is taking, or will take, place at a number of stages in the consumer journey. All retailers who stated plans and/or activities in this area said they would use their customer service teams. The other options were given by one or more suppliers.

External information

- National and regional data sets on deprivation and vulnerability, to assess the distribution of vulnerable customers
- Third parties such as Registered Social Landlords, where discussions are in progress to install meters across housing stock

Corporate information

- Existing PSR
- Consumer credit position

Contact with customers

- Allowing proactive reporting of needs via websites or customer service lines, with information published on bills

- Identified by:
 - customer services' agents, and not only those in smart meter-specific teams
 - with prompts in call scripts to help record existing customers' needs
 - on signing up a new customer, and
 - installers, who could be third-party delivery partners.

The breadth of input, supported by the right datasets and training, helps address, to some degree, consumers unwillingness to self-identify as vulnerable.

No suppliers identified housing quality, its energy performance or the residents' tenure as an identifier of vulnerability, despite it having a significant impact on energy affordability and its vital role in providing relevant energy efficiency advice.

One supplier noted that, once smart meters are in place, where financial insecurity is already identified and the customer's consent given, the supplier can monitor supply on/off alarms to identify the need for proactive intervention, and route calls from customers to appropriate customer service personnel.

Sensitivity of this information

This personal data is highly sensitive as it not only identifies a customer as vulnerable but is also likely to specify their vulnerability, as this is needed to shape the response.

In the context of the rollout, this data may need to be shared with a third-party delivery partner.

Customer awareness

Customers are not informed that they have been defined as vulnerable but a number of suppliers mentioned that they notify customers where they have been added to the PSR. Customers are invited to amend their record when their situation changes.

There is a clear link between the smart meter rollout and the PSR, in terms of consumers' needs, identification, recording and reporting, and indeed ensuring that related services interlink to help customers manage their household bills.

However, we know that there is low customer awareness of the PSR in its current formulation.¹⁵ Citizens Advice is currently reviewing its advice content for energy consumers, and will play its part in both encouraging people to register for extra help and providing advice on their rights to additional assistance.

¹⁵ Ofgem (2014), Review Of The Priority Services Register, <https://www.ofgem.gov.uk/ofgem-publications/88552/condocpsrreview-pdf>

Risk management

Having identified vulnerability, energy companies need to understand the particular risk to that consumer to work out how it can be mitigated.

Different scenarios emerging in the smart meter rollout may cause a pronounced or persistent detriment to vulnerable consumers that would not be caused to a consumer without these additional needs. For example, how could the loss of supply for a given timeframe affect different consumers?

Citizens Advice is keen for all parties involved in the smart meter rollout to examine the different scenarios for installations. Uncertainties around ease of installation are often cited as the likely cause of additional costs to the rollout, but we are equally concerned about the ease of resolution for consumers, and the variance by supplier and consumer abilities.

One supplier lists those customers who are vulnerable in other energy market scenarios, but who they have identified as being able to benefit from smart meters in the same way as the general customer base. For example, they identify the following groups, who are vulnerable to other scenarios in the energy market, as not vulnerable during the installation scenario: households with children aged under 16, those with speech difficulties, people in wheelchairs, and those with a poor sense of smell or with arthritis. This filtration approach has been undertaken in a transparent and systematic way by Smart Energy GB, in *Smart Energy For All*¹⁶.

¹⁶ Smart Energy GB (2015), *Smart Energy For All: Consultation*, <http://bit.ly/1N64iN2>

The customer journey

Current approach

Only the larger suppliers are active in the foundation stage and are not installing meters in certain property types or where residents have certain vulnerabilities (named issues include reliance on electrical medical equipment, the current lack of an IHD suitable for blind and visually impaired customers, and smart meters that can operate in prepayment mode). Citizens Advice welcomes the development of new prepayment services and recognises the need for sustained testing of their reliability prior to large-scale rollout. In the meantime, some suppliers allow their customers to register their interest for when the supplier is able to install smart meters that meet their situation.

This paper focuses on plans for future delivery, but some business-as-usual initiatives will shape service provision.

Business as usual

Responses made reference to a number of existing initiatives that are already helping to shape services for vulnerable consumers.

The Priority Service Register

The PSR is a scheme that offers free services to people who are of pensionable age, are registered disabled, have a hearing or visual impairment, or have long-term ill health.

Services that may be available include the following:

- A service more tailored to customer needs, for example, providing bills and meter readings in Braille, large type or audio tape, upon request.
- Moving meters free of charge to make them easier to access.
- Having controls or adaptors provided to make meters or appliances easier to use.
- Free quarterly meter readings if customers are unable to read the meter themselves.
- Priority reconnection if the supply is interrupted, and advance notice if suppliers have to stop the supply.
- Alternative facilities for cooking and heating if the energy supply is interrupted.
- Additional protection from bogus callers, with a password protection scheme.

- Arranging for bills to be sent or copied to a designated alternative person, such as a carer, who can help with reading and check them.
- Free advice and information about the services available because of age, disability or chronic illness.

In future there will be a tighter set of core services offered by all suppliers. Ofgem has determined that the current approach is not working, as not all eligible consumers are registered; not all registered consumers need assistance; there are some ineligible consumers who need assistance; there is low uptake, perhaps in part due to low awareness of the PSR; the services need to be updated to reflect changes in technology; and it is difficult to share data when consumers switch provider.

Ofgem is proposing changes to PSR licence requirements, to focus on consumers' safety and their ability to access services and communicate with energy companies. It states: 'Key to this approach is for energy companies to proactively identify and record those customers who need services, and for relevant services to be offered to them and taken up.'¹⁷

Citizens Advice has recommended to Ofgem that their approach should recognise the role of poor quality housing in energy affordability and the need for this to be referenced in the PSR, along with ways for the PSR to enable action on energy efficiency.

The PSR is a core element in identifying people who may be vulnerable in the smart meter rollout, and so we welcome Ofgem's timely action to improve its accuracy and to facilitate its use in a changing market.

Energy UK Safety Net

Members of Energy UK are signed up to the Safety Net,¹⁸ which sets out a number of business-as-usual measures that are relevant to the smart meter rollout:

- Never knowingly disconnect a vulnerable customer at any time of year, where for reasons of age, health, disability or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household.
- Attempt to capture information about customers and identify potential vulnerability wherever possible.
- Ensure that vulnerable customers' internal records are updated to indicate that special attention is required.

¹⁷ Ofgem (2015), *Review Of The Priority Services Register – Update And Next Steps*, <http://bit.ly/1HniYWk>

¹⁸ Energy UK (2014), *The Energy UK Safety Net: Protecting Vulnerable Customers From Disconnection*, <http://bit.ly/1L3NbuM>

- Work with advice agencies, support services and charities, where appropriate, to offer vulnerable customers the most suitable support to help with their energy debt.
- Employ specialist teams to assist vulnerable customers and support the implementation and ongoing administration of vulnerable customer policies.

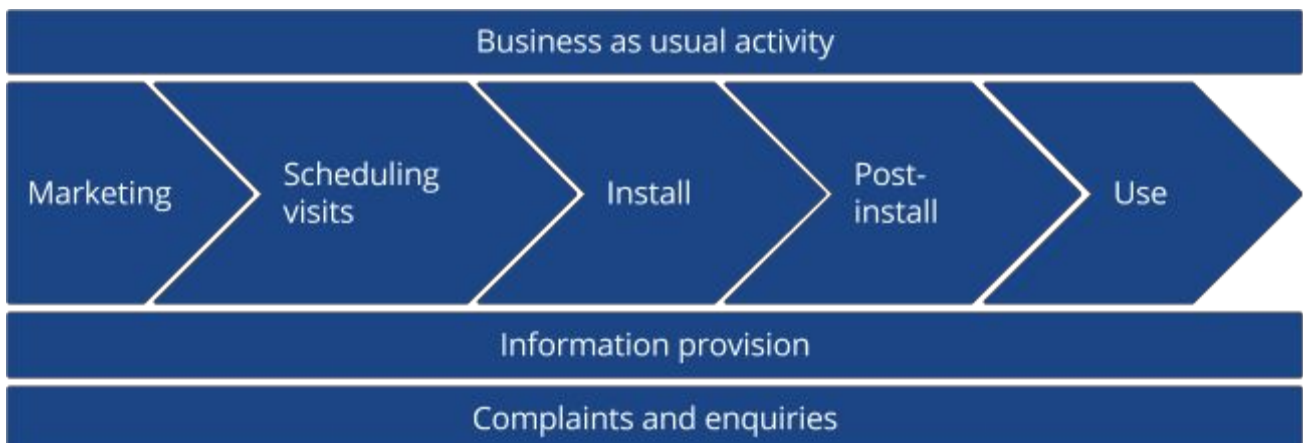
Citizens Advice is concerned that not all suppliers are signed up to this Safety Net, and so different protections may apply without the consumer, or the advice agencies, knowing.

Future delivery

The future shape of the customer journey is emerging from the larger suppliers, though some of these are still trialling how the different options apply to different customers.

Citizens Advice asked suppliers how they were going to adapt their communications, the IHD specification and its installation according to the specific needs of vulnerable customers.

We have identified a generic consumer journey and set out the measures that energy suppliers are considering, or actively planning, to assist vulnerable consumers. No single supplier claims to offer all this help at present, and there are significant variations in offers, even among the largest suppliers who have the most developed plans.



Marketing

Product

The IHD is the consumer's interface to the smart metering system. Some suppliers who have commenced installation are exploring how to make IHDs more accessible:

- An IHD suitable for blind and partially sighted customers, which may also be suitable for people with learning difficulties and/or low levels of literacy.
- High-contrast screens to make viewing the display easier.
- Integration of prepayment functionality.

Some suppliers also mention plans to develop applications for customers with sight impairments. They do not state if they will provide customers with the required hardware or if this is seen as a replacement for the IHD, and if it is, whether they will supply the hardware, how information remains accessible to all residents, and how it prompts engagement.

Promotion

The suppliers who are installing smart meters are not currently targeting vulnerable customers with their smart metering campaigns. One supplier clarifies that they do not think vulnerable groups will be left behind, and that it is a matter of getting the technology (namely prepayment functionality) and protections in place.

Although vulnerable consumers are not currently receiving promotions for smart meters, they may respond to advertising that is primarily targeted at others. Customer eligibility is tested, either online or during a call, by questions about property type, location and vulnerability. Where customers are not currently eligible, some suppliers will register their interest for a later date. Once eligible, the customer is contacted by phone, email or letter to begin the process of arranging an installation visit.

DECC's 2014 impact assessment noted two equality issues with the IHD

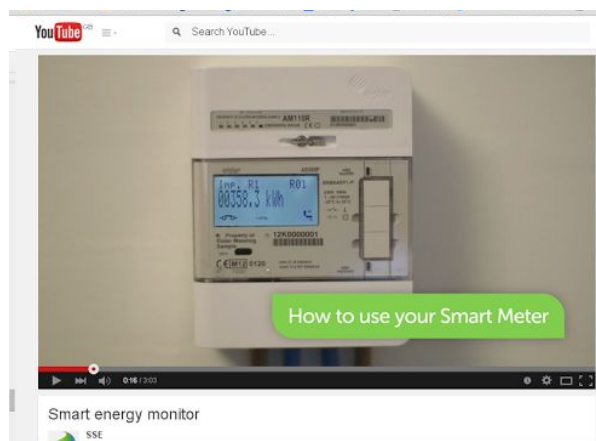
- 1) Its location will need to take account of particular consumer circumstances. For example, wheelchair users will need the IHD to be located at an appropriate height to view it
- 2) Consumers are likely, to a greater or lesser extent, to need to interact with the display rather than simply view it. The IHD should, therefore, be suitable for use by the visually impaired, those with learning disabilities, the hearing impaired or those with dexterity or movement issues.

These suppliers only make smart meters available to their customers where certain criteria are met. If requests come from someone who is not a current customer, the supplier tests their eligibility before switching process is completed.

Suppliers do not indicate any specific action to make communications appropriate for consumers with low levels of literacy, as required by SMICoP (2.4.3.1), and Citizens Advice would be interested in understanding whether suppliers have tested materials with this group of consumers.

Some suppliers are using a number of ways to communicate how the smart metering system works, including alternative media such as pictorial guides and video.

They apply subtitles to assist deaf and hearing-impaired customers, and use large print and braille to assist partially sighted and blind customers.



▲ SSE's guide to the IHD, <https://youtu.be/Xg8cjs2J7w>

Place

A number of suppliers' responses set out their support for the work by Smart Energy GB, and its potential to engage people at a community level. However, in a stakeholder workshop hosted by Citizens Advice in autumn 2014, we heard Smart Energy GB's response that it cannot be expected to maintain resource-intensive, community-level engagement across Britain through to 2020. Cost-effective, community-level engagement would require an area-based approach, with coordination between suppliers, but only one of our respondents states an intention to progress on a geographic basis and one states its intention to proactively work with housing associations to reduce inconvenience.

One supplier suggested that community engagement around smart meters would encourage the uptake of energy efficiency measures, but no supplier has reported practical plans for making the link between the smart meter rollout and energy efficiency programmes beyond information provision.

At present, it seems community engagement will be limited to communities defined either by meter contracts (such as housing association properties, where suppliers' contracts are with the landlord) or by technological and cost constraints (such as multi-dwelling units (MDUs)). One supplier stated their preparedness to respond to requests from housing associations for coordinated installations. Such an approach

could help with resident engagement on a range of energy behaviours, from managing bills to the installation of measures.

Citizens Advice is concerned that suppliers do not necessarily know there are consumers residing at addresses with non-domestic meters, and that their responses suggest an approach that is reactive rather than proactive. Only one supplier mentioned they specifically ask, during the installation booking process for a non-domestic site, if the supply is shared with a domestic consumer. It is recognised that more liaison with local authorities and housing associations will be needed to increase access rates and understanding of the needs of vulnerable customers, but there remains a challenge in getting landlords to recognise and pass on the needs of resident vulnerable people.

Further, there is an ongoing review of how SMICoP applies to customers on commercial contracts with domestic end users (such as housing associations). This particularly relates to the requirements of the offer of an IHD, a demonstration of how the system works and energy efficiency guidance. DECC and Ofgem must clarify for industry, consumers and advice agencies what obligations apply to suppliers.

One large supplier applies its standards by customer rather than meter type, and extends the definition to recognise that animals (for example, in pet shops) and livestock (for example, on farms) may be at risk in the event of disconnection.

Scheduling visits

SMICoP requires the accommodation of reasonable customer requirements (2.7.6), shaped by the identification of whether a customer has specific needs and is known to be vulnerable (2.7.16).

The process emerging from the suppliers' responses gives a fuller picture of what this may entail:

- Pre-installation telephone calls where the supplier identifies potential vulnerability, updating the PSR and planning a pre-installation site visit if necessary, including potential flags of vulnerability such as:
 - personal circumstances
 - Where appropriate, the installation appointment should be arranged with the carer or the person with legal responsibility over the customer.
 - Where the housing is known to be in sheltered accommodation, approval should be gained from the warden or other person in authority before making an approach.
 - whether there is a domestic customer sharing supply from a non-domestic meter
 - the property type
 - whether a person aged 18 or over will be present at the time of installation.

- Suppliers offer:
 - IHD
 - flexibility of appointments where possible
 - right of refusal
 - password scheme
 - nomination service
 - the data guide and the concept of data consent.

There was only one mention of checking the property type or tenure. This was surprising as it could be a trigger of vulnerability for the installation, due to either the accessibility of the property or the meter, or the availability of a suitable Home Area Network (HAN) solution. There was no mention of identifying and recording addresses as sheltered housing, despite this being a likely flag of vulnerability and a property type that triggers certain requirements under SMICoP.

Where appropriate, third-party meter installers and operators are notified of the consumer's additional needs.

Installation

Some suppliers say they will make further checks for vulnerability on arrival at a property, including the following:

- Ensure someone aged 18 or over is present.
- Take appropriate action under SMICoP if:
 - the customer is a resident of sheltered housing
 - the customer has a carer
 - a resident of a premises with a non-domestic meter has specific needs.
- Undertake a visual safety check
 - If the network operator needs to do some remedial work:
 - the supplier contacts the relevant network operator to arrange the repair
 - an installation appointment is rearranged on completion of the repair.
 - If there is smoke damage to the boiler or a dangerous appliance, some suppliers state they will:
 - repair products free of charge for vulnerable people
 - never leave customers without heat or access to hot food in winter
 - on condemnation:
 - explain the situation and what needs to happen next
 - leave relevant safety information
 - flag vulnerability in reporting
 - if relevant, leave alternative heating or cooking facilities
 - if requested, arrange an engineer to attend – this is chargeable but generally free for vulnerable consumers.

The safety check is highly relevant to policies for supporting vulnerable consumers. Consumers on low incomes or living in poorly maintained rental properties are more likely to present safety issues,¹⁹ and tenants may find it particularly difficult to get issues resolved. Secondly, the condemnation of an appliance may tip a consumer into a vulnerable position, leaving them unable to safeguard their personal welfare or that of other members of their household.

We agree with those suppliers who say that no customer registered as vulnerable should be left without heating when this is a potential hazard, or without a means of heating food, and that this should be escalated for resolution. It is essential that this protection does not vary by supplier. Leaving a customer without access to light, heat and the means to cook can create very real risks, cause confusion and cost in the advice and complaint-handling services, and risk the reputation of the entire programme.

Installation of meter and in-home display

Some suppliers are planning to train and empower installers to take vulnerability into account, within reason, as it will not always be known in advance. Aspects of the installation that some suppliers identify as particularly relevant to helping vulnerable consumers include:

- identifying themselves and the purpose of their visit
- presenting their identity card, and Gas Safe card where relevant
- using the password scheme, if there is one
- using the nomination scheme, where the customer can nominate someone else to talk to the supplier on their behalf.

SMICoP requires the IHD to be located to accommodate residents' specific needs. It also requires the IHD to be set up, as far as practicable, to meet the needs of the household (for example, with the correct tariff and payment type). Citizens Advice does not get the sense from the responses that this full approach is being taken. Where suppliers gave information on their approach to offering and installing IHDs, it appears little thought had gone into set-up of the IHD to encourage people to engage with the new system. This could harm the realisation of intended benefits.

- Installers will explain the features of the IHD, including PPM functionality where relevant, and answer questions.
- IHDs can be mains or battery powered so do not require a specific location, and only some suppliers say that consumers' needs will be taken into account when determining an initial location.

We also note that installers may give their IHDs another name. A number of suppliers are moving from display functionality to inclusion of PPM functions, many

¹⁹ Citizens Advice (2015), *A Nation Of Renters*, <http://bit.ly/1Hn1bMI>

refer to it as a device rather than a display, and some are specifying their own name. We welcome additional functionality that is made available to all householders through the IHD, and recognise the suppliers' wish to differentiate their offer, but would like a common generic description across all parties to the rollout to assist with engagement and advice.

There is a particular gap in responses regarding the delivery of two aspects of SMICoP – demonstrating the system to the consumer and provision of energy efficiency advice – and how these activities vary according to vulnerability. SMICoP identifies these activities as taking place during the installation visit. Citizens Advice understands from DECC's *Early Learning Project* that this can be too much information for some consumers, and there is a case for moving some information provision to the point when appointments are scheduled, or post-installation engagement.

Citizens Advice is concerned that suppliers' plans for delivery of the following SMICoP requirements will not meet the needs of vulnerable consumers, and welcomes DECC's intention to develop good practice and guidance materials.

Demonstrating the system (SMICoP 3.6)

- Demonstrate what information is available, how to access it and use of the IHD.
- Where a smart metering system is to be operated in prepayment mode, the customer is provided with a demonstration of the prepayment functions – including, where appropriate, tariff detail, debt screens, releasing emergency credit and re-enabling supply, and guidance (with demonstrations where possible) on getting credit and the topping-up process.
- Instructions in a suitable material format on how to use the system are to be left with, or sent to, the customer.

Energy efficiency guidance (SMICoP 3.7)

- Energy efficiency guidance is offered to the domestic customer at the installation visit.
- The guidance provides the customer with information and advice about their smart metering system and how they can use it to improve their energy efficiency. The customer is also directed to additional, impartial sources of information that might, for example, include generic information about the Green Deal Programme and the Energy Company Obligation.
- Where the customer requests more information, they are given appropriate details of where and how they can obtain tailored or suitable advice
- Where they request guidance to be given at a later date, the supplier records this and follows it up as appropriate.

We would expect to see advice delivery and content adapted to the consumer's vulnerability.

For example, consumers in rental properties need advice tailored to their ability to act; and we do not want people with certain health conditions encouraged to turn their thermostats down. We particularly welcome the breadth of advice provided by EDF's Personalised Support Service (shown right).

EDF Energy's Personalised Support Service, launched in 2012, brings together a package of services to advise, support and serve vulnerable consumers

- help finding a better tariff and ways to pay
- help reducing energy use
- help with specific needs
- help beyond energy
- help with debt

<http://www.edfenergy.com/pss>

Post-installation

There are two potential reasons for post-installation contact with consumers: for feedback, or to provide additional support.

Suppliers may seek feedback by phone, post or online, to monitor their customers' experience and inform ongoing delivery. One supplier plans to:

- Invite a random sample to provide feedback through an outbound call
 - Measure satisfaction
 - Test application of SMICoP: appointment arrangements, energy efficiency advice
- Feed learning back into process design.

Citizens Advice is concerned by the duplication in costs as suppliers, SMICoP, Smart Energy GB and other parties seek to monitor consumers' experiences, yet questions about the experience of vulnerable consumers are too often portrayed as a cost burden. Given the importance placed on vulnerable consumers in Smart Energy GB's governance, and in the SMICoP, Citizens Advice recommends that these parties and suppliers should report (in a collatable and comparable manner) to the UK Government on the impact of the rollout on vulnerable consumers. Further, in the interests of cost-effectiveness, the number of consumer surveys could be rationalised to reduce the cost, reduce the risk of 'survey fatigue' amongst consumers, and allow for a fuller survey that ensures the rollout is being delivered as intended, including in terms of the service provided to vulnerable consumers.

Suppliers suggest a range of post-installation support. Some are developing, or considering the development of, services specific to vulnerable consumers, but others are not developing additional assistance. We welcome accessibility by design, but it not clear this is the intention by those suppliers who gave a limited response.

The ideas for post-installation support were supplied with limited detail:

- Customers are to be left with information, including a contact number, if they have further questions.
- More specific equipment will be provided.
- More time given to explaining the system.
- A follow-up phone call made to vulnerable consumers.

Citizens Advice welcomes the UK Government's intention to develop good practice on installation and in the provision of advice,²⁰ and encourages it to fully incorporate follow-up support into that exercise. However, it is not clear that information provision alone will help vulnerable consumers. We are keen to see the link, perhaps in the form of referrals, from this process to government-backed energy efficiency programmes (including national and local variations).

One supplier raised a question over where to signpost to for further advice. Citizens Advice expects this to become clear as Smart Energy GB defines its approach to engaging consumers and supporting the delivery of benefits from the rollout.

In-use

The *Early Learning Project* found a significant difference in benefits between those who used their IHD in the short term to check consumption by different appliances, and those who used it on a regular basis to keep a check on their use.

It identified that this should inform the advice provided by installers, the material developed and delivered by Smart Energy GB, and any follow-up support.

Customers who went on to use the IHD in additional ways were more likely to report certain benefits. Those who used IHDs to monitor trends and anomalies in their energy consumption over time or as part of daily routines (a 'monitoring approach') appeared more likely to report benefits associated with energy saving than those who used them simply to check on the power demand of different appliances (an 'information approach').

DECC Early Learning Project
(2015)

At present, longer-term follow-up support appears limited, but there is the opportunity to provide prompts. For example, one supplier intends to:

- send customers a letter two months after installation
 - To find out how they are getting on
 - direct them to smart-specific web pages
- send an annual letter to remind customers of data preferences, encouraging them to look at how their energy consumption has changed year-on-year
- trial seasonal hints that encourage them to use their IHD to monitor, and manage, spend in the winter months.

²⁰ DECC (2015), *Smart Metering Implementation Programme: Policy Conclusions: Early Learning Project And Small-Scale Behavioural Trials*, <http://bit.ly/1EXIYol>

Information provision

Throughout their responses, suppliers referred to a range of ways in which they would provide information to consumers, where written or spoken English may not be appropriate or useful:

- Large print, braille, audio, video, video with subtitles, digital and offline variations
- Minicom service and text-to-speech software
- Foreign language

Complaints and enquiries

In general terms, Citizens Advice wants lessons learned from complaints and taken account of in future installations, and it recommends that larger suppliers provide a dedicated helpline to consumers who have been identified as vulnerable. Call handlers will need expertise, both in the additional services available to these customers and in the handling of the calls themselves. A dedicated line may be less appropriate or necessary for smaller suppliers, who could instead embed suitable call-handling skills and processes in their standard customer services team. One supplier is considering external training from the Royal College of Psychiatry.

Recommendations for handling calls from vulnerable consumers

Do not place time constraints on caseworkers as some consumers will require extra support

Caseworkers are expected to give consumers the time necessary to articulate their concerns

Some vulnerable consumers will need frequent updates to put their mind at ease

Consumers have a dedicated adviser to take the complaint from start to finish

Citizens Advice Extra Help Unit

So far we have focussed on the consumer journey where, by-and-large, the installation is completed as intended. However, suppliers reported a number of issues that affect the potential for some consumers to benefit from the smart meter rollout. These have two impacts on vulnerability. First, consumers may find themselves helping to pay for the rollout of smart meters through their bills but receive a reduced or potentially no benefit. Second, where issues are specific to PPM functionality, there is a particular risk that existing vulnerability is exacerbated as the cost of the tariffs applied to these meters could increase as numbers reduce.

The suppliers identified the following issues with the potential to affect cost and service levels:

- The current (SMETS1) specification is only for single-phase customers.
- There are limitations to Wide Area Network (WAN) connectivity for SMETS1.
- Electricity customers with tariffs requiring anything other than standard credit and prepayment will have to wait until later in the programme, when SMETS2 variants are available.
- Where there is no WAN connectivity, prepayment customers will not be able to get the expected benefits of smart PPMs.
- While meters have roaming capability between networks, connectivity is still limited to current mobile coverage. This will cause limitations to the number and type of customers able to benefit from smart metering in early stages, and customers in remote locations are less likely to benefit.
- Existing prepayment solutions will not be economically viable for prepayment customers that cannot connect to the DCC systems. Some vulnerable customers may not be able to benefit as early as would be desirable.
- There is a lack of solutions for MDUs, with one supplier stating an effective central service is necessary to provide shared HAN infrastructure for these.

Citizens Advice also understands it is inevitable that installation visits will reveal a range of issues with consumers' metering, wiring and other electrical equipment, many of which will have simply been ignored in the past. We also note that suppliers' responses do not reference the needs of consumers who are gas and electricity consumers but are not on dual-fuel contracts; which will duplicate the problems faced by some consumers.

Citizens Advice will continue to identify and advocate ways to avert the risks for consumers in such scenarios, but will also want to embed our understanding of industry practice in the provision of advice and complaints-handling services to consumers. In order to support consumers, and reduce the costs of the rollout we are keen to work with industry to specify:

- Consistent advice for those consumers who are not able to adopt smart meters at a given point in time, and ensure it is updated as new options come online.
- Who is responsible for what, including the ownership of and responsibility for various metering components, including boards and boxes, with consistency across suppliers and distribution networks.
- A clear consumer journey in instances where wiring or appliances are discovered to be unsafe. Where an installation reveals a dangerous situation, it will also be vital to minimise disruption to vulnerable consumers and avoid scenarios where consumers find themselves cut off or with vital appliances condemned without a clear process to ensure they are reconnected.

Feeling the benefits

This section considers aspects of the suppliers' responses that indicate the extent to which vulnerable consumers will benefit from the smart meter rollout. Among the responses, suppliers identified the following benefits, and a few risks.

- An end to estimated billing:
 - Reduce bill shock
 - Diverse tariffs and payment methods, such as the Post Office Account Card, are necessary to spread payments through the year
- Automated meter reads:
 - Less inconvenience
 - Customers don't have to know how to read meters
 - No unease from security around meter reading visits²¹
- Better information:
 - The IHD will help customers manage and monitor their use
 - Portable and accessible displays are in development with the Royal National Institute of Blind People (RNIB)
 - Online services, enabling monitoring of consumption to go beyond the capabilities of the IHD
 - Apps can also allow for more flexible display of information to meet the needs of vulnerable consumers, though no supplier states how this meets the needs of people without the relevant devices
- Safety and health:
 - Alarms
 - Supply interruption advance warning
 - Customer data being used for diagnosis during calls
- Improving the prepay experience:
 - More ways to pay, with greater convenience, including:
 - functionality built in to the IHD
 - online, app, retail outlet.
- Subject to the consent of the customer, suppliers could monitor self-disconnection and proactively offer assistance
- Better information to inform switching tariffs or provider
- Reduce abuse by landlords, as date-stamped meter readings can be taken by suppliers on the last day of tenure at the request of the tenant.
- Customer data being used for diagnosis during calls (subject to data consent)

²¹ Though expectations need to be set with regard to meter checks that will continue to be necessary.

Some suppliers voice concern about ‘the cost of the blanket provision of IHDs’. This suggests a lack of understanding, both of the requirement and the role of the IHD in delivering against the business case. SMICoP requires the offer of an IHD, rather than a ‘blanket provision’, and DECC’s *Early Learning Project* shows the vital role of the IHD in the delivery of benefits.

A few suppliers referenced their view that smart meter data will enable new time-of-use tariffs. They identify “restrictive rules around RMR and the failure to move forward on half-hourly settlement” as the barrier to this innovation. Citizens Advice has found such tariffs will leave a significant proportion of consumers worse off, and wants a staged introduction,²² focusing on their application to services that are less time-sensitive, such as electric vehicle charging, heat pumps and heat storage.²³ We also recognise the importance of ongoing LCNF trials, such as Energywise, particularly if Ofgem applies a more rigorous approach to the collection and comparability of lessons on the participating consumers’ experience.

There was no suggestion from suppliers that customers would benefit from lower bills due to the lower cost to serve set out in the business case, including:

- avoided site visits (£2.97bn)
- reduced inquiries and customer overheads (£1.19bn).

Citizens Advice remains concerned that, without effective competition and/or with the advent of more complex tariffs, these savings will not be passed back.

²² Citizens Advice (2014), *Walk On The Demand Side*, <http://bit.ly/1S6adTD>

²³ Citizens Advice (2015), *Consumer Impacts From The Low Carbon Network Fund Projects*, <http://bit.ly/1EjoPHx>

Energy efficiency

Citizens Advice understands that energy suppliers have differing commercial interests in the provision of energy efficiency services. However, we think the smart meter rollout should be more tightly aligned to energy efficiency for a number of reasons:

- The claimed benefits for consumers are going to be difficult to deliver on the basis of information provision alone.
- This is a UK Government-backed programme to assist with the delivery of secure, low-carbon and affordable energy, and should not be delivered in isolation from other programmes.

Further to this, SMICoP requires its members to alert customers to how they can use smart metering to improve their energy efficiency, as well as the availability and range of energy efficiency goods and services (2.4.4). Only one supplier has identifiable plans in this regard. Another believes Smart Energy GB should fulfill this role, and others talk broadly of partnerships. Two challenges in this stage are generally missing in the responses: the individuality of each household, and the uncertainty over future energy efficiency policy.

“The aim is to provide the right amount of energy efficiency advice, in the right form, at the right time for each customer. This will vary considerably.”
Ecotricity

Advice tools will need to be responsive to the capacity and circumstances of the household.²⁴ Some responses recognised that vulnerable consumers may find it harder to respond to advice and information. A small minority are considering tailored advice, recognising particular needs among consumers such as immediate financial difficulties. Even fewer specified advice on fabric measures, heating and heating controls. Suppliers are generally focused on advice provision through online apps rather than helping consumers substantially reduce their demand through measures.

However, a link to fabric measures cannot be defined, with no clarity on what may follow the current Energy Company Obligation from 2017. Citizens Advice wants a clear interface between energy efficiency programmes and the rollout: to allow for referrals between the two delivery frameworks; to develop a clearer consumer journey; and to encourage coordinated delivery at a community level to reduce costs of engagement.

²⁴ Smart Energy GB (2015), *Smart Energy For All: Consultation*, <http://bit.ly/1N64iN2>

Conclusion

This information request identified a number of positive plans by energy suppliers to help vulnerable consumers, but the offers so far are inconsistent and incomplete. Citizens Advice is keen to use the findings to encourage and enable all suppliers to develop their services further.

No single supplier offers an end-to-end service that can be held up as best practice. Responses range from services that are already live, to suppliers who state they have no intention to serve vulnerable consumers. Citizens Advice does not think that meeting the needs of vulnerable consumers should be an area for competition, and wants services to be consistent by DCC Live. If this is not the case, it will consider publicly reporting on the services offered by different suppliers.

To ensure that Smart Energy GB is helping vulnerable people benefit, that SMICoP is adhered to, and that corporate policies are put into practice, Citizens Advice recommends that consumer surveys funded under the auspices of the programme (by SMICoP, Smart Energy GB, and suppliers) report on the particular experiences of vulnerable consumers. Too often we hear that this level of detail is an unfair burden on suppliers. We disagree. Socio-economic indicators are a standard aspect of consumer surveys, and allow the identification of particular issues facing vulnerable consumers. Cost savings could instead be achieved through a reduction in the quantity of surveys, with stakeholders working to a common format to enable reporting in a comparable format.

In terms of delivering benefits, Citizens Advice welcomes the suppliers' recognition of the role played by the IHDs or devices. However, an opportunity is missed through a single-minded reliance on the delivery of benefits through information provision. Energy companies' practical application of vulnerability definitions is focused on the residents' capacity, when it is well understood that housing quality is a key driver of fuel poverty and, along with tenure, presents a significant obstacle to the management of energy bills. Citizens Advice therefore thinks that housing quality and tenure are a driver of financial insecurity, and affect consumer vulnerability. As such they should be specifically recognised in SMICoP's clauses affecting vulnerable consumers. Citizens Advice also wants the Government to bring forward plans for policies on energy efficiency and fuel poverty that actively consider how the smart meter rollout can assist their delivery; and to consider the role of community energy schemes in making the links.

Finally, whilst much of this report focuses on the standard consumer journey, Citizens Advice is aware of a number of issues that could arise during the smart meter installation that could cause or exacerbate vulnerability amongst consumers. We are concerned that the number of small issues could quickly amount to a large

reputational risk for the programme if suppliers and distribution networks do not handle them with sensitivity, and in a consistent manner. Citizens Advice recognises its role in providing advice, but the quality of that advice, and subsequent consumer satisfaction, is reliant on industry taking a consistent and consumer-focussed approach.

Annex: Information request

Information sought by Citizens Advice:

Policy on smart meter rollout and vulnerable consumers

- Where relevant we have related the questions to the relevant section of the Smart Metering Installation Code of Practice (v1.3).
- Please outline your strategic approach to meeting the needs of vulnerable consumers, including:
 - What is your strategic definition of vulnerability? Please note where it is the same as that defined by Ofgem or SMICoP.
 - What practical steps are you taking to identify potential vulnerability (i.e. segmentation, data sources, questions posed if any)?
 - How are your customers informed of the classification, if at all? If they are informed, how are they able to correct or amend this classification?
 - What additional measures result from that classification, including:
 - Communication channels (e.g. specified customer support)
 - In-home display (IHD) specification (3.5, 3.6)
 - In-home display installation, set-up and location (3.5, 3.6)?
 - What approaches are used where consumers are vulnerable but resident at an address with a non-domestic meter (3.7.5.2, 3.7.6)?
- Please outline the customer journey for a vulnerable consumer in the smart meter rollout, including:
 - What is your strategic approach to interaction with vulnerable customers before a smart meter installation?
 - What is your current or proposed approach to arranging smart meter installation appointments with vulnerable customers? Please include any steps to improve access rates and any details of your approach to more complex installations.
 - What is your current or planned approach to handling requests for smart meters from vulnerable and/or prepayment meter customers?
 - What action is taken if an installation cannot take place immediately?
 - What follow-up activity is planned to gain feedback and help the consumer benefit from the smart meter installation?
- Please provide copies of communication materials, where available, or plans for communications specified under SMICoP 2.4 to demonstrate how the following are made available in a format appropriate to, or tailored for, groups with specific needs and vulnerable consumers:
 - Guidance on the smart meter installation:
 - Prior to the installation (2.4)
 - Post-installation queries or complaints (6.2)
 - Information on the use of the smart metering system and the IHD
 - Energy efficiency guidance (3.7)

- Information on the benefits of smart metering (2.4.4)
- Signposting to additional and impartial information on energy efficiency (2.4.5)
- The data guide and/or the data guide commitments (2.4.9)
- Please describe how installers and other customer-facing staff are trained or resourced to cater for the needs of vulnerable consumers.
 - Where installations are carried out by direct employees:
 - Please include details of training on the demonstration of the smart metering equipment and the provision of energy efficiency advice, and tailoring to suit customer needs and abilities.
 - Please include details of any training specific for treating vulnerable customers.
 - Please include details of any training specific for existing pre-payment meter customers.
 - Please include details of how you will promote energy efficiency measures to customers.
 - Where installations are carried out by third parties, please outline your quality assurance procedures for the areas described above.
- Please outline your approach to the following for all consumers, noting any difference in approach where a consumer has been identified as vulnerable:
 - What is your current or planned approach to marketing a smart meter installation in any home, along with details of the types of products and services you intend to market?
 - What products and services you offer to smart meter customers who provide half-hourly data, and what take-up has there been?
- Please describe how you expect vulnerable consumers to benefit from the smart meter rollout, including:
 - Which groups of vulnerable consumers you believe will find it easier to make savings on their bills through changes in behaviour, and why.
 - Which groups of vulnerable consumers you believe may find it difficult to make savings on their bills through changes in behaviour, and why. And any steps you may be taking to address this difficulty.
 - Do you believe the rollout will prompt uptake of energy efficiency measures by vulnerable consumers? Why is this?
 - Do you believe your approach to the smart meter rollout will encourage and enable uptake of energy efficiency measures? Why is this?
 - We know tenure is a significant barrier to uptake of energy efficiency measures. How will you work with landlords, their umbrella bodies or housing associations to use the smart meter rollout as a catalyst for energy efficiency? For example:
 - Will guidance be provided for landlords, showing how they can improve their properties?
 - Will you work with housing associations and other suppliers where there is a request for coordinated installations to a) reduce hassle for the installation in meter rooms and b) link to engagement activity around energy efficiency works?

- If you would be willing to share any other thoughts on how the smart meter rollout will benefit vulnerable consumers, please describe them.
 - Are there missed opportunities?
 - What are the barriers to these opportunities?
- Please provide the total number of your customers with a smart meter on 31 December 2014.
 - SMETS compliant
 - Remote access meters
- Of these, please provide the total number that meet your definition of vulnerable in 1(a).
- Of these please provide the total number of (i) customers and (ii) vulnerable customers who:
 - Allow access to daily data
 - Allow access to half hourly data

Brief explanation of why information is being requested

Citizens Advice wants to know how energy suppliers intend to help consumers in vulnerable situations benefit from the smart meter rollout, and minimise risks.

If already rationing their energy use, this group of consumers may get little financial benefit from using smart meter information to change their energy use; barriers such as property type, lack of heating controls, tenure or energy literacy may cause further barriers to making use of better information to cut bills; some consumers will be at greater risk of mis-selling in the home, or face significant risks if there is an incomplete response to finding dangerous appliances or heating systems in the home; and consumers on lower incomes are unlikely to be able to afford the upfront cost of 'smart' technologies that will reap the fuller benefits of the rollout.

Brief explanation of what Citizens Advice intends to use information for:

Citizens Advice intends to use the information for three purposes:

- To inform the SMICoP Vulnerability Group's standing agenda item on extra help for vulnerable consumers.
- To inform our policy development.
- To inform our advice to consumers.

In terms of SMICoP, we will expect providers to present information on their specific activities so they can manage any confidentiality concerns. However, Citizens Advice will want to provide an independent overview that sets out the industry's current progress, gaps and opportunities. In terms of policy development, we will use this information to evaluate whether current arrangements are, in our view, sufficient to ensure vulnerable consumers benefit from the smart meter rollout and, if not, to analyse what extra measures are needed.