Closing the gap

How to improve consumer support in essential services

citizens advice

Introduction

Britain faces its largest cost of living crisis in decades. So far 2023 has been the busiest year ever for Citizens Advice. Many people have already cut back their household spending to the bare minimum, while the cost of other essentials has risen sharply due to rapid inflation. As a result, a growing number of people are living on empty. Over 50% of people Citizens Advice help with debt advice are now in negative budgets, meaning they have more essential spending going out than they have income coming in. **At this time, essential service providers including energy, water, telecoms, and financial companies need to identify and support their customers who are in need of further support.**

In 2020[1] we published a report on how the current systems to identify and offer support to people aren't meeting people's needs. Existing systems are too complex, which means **people are missing out on support.** We also outlined how to improve consumer support in essential markets, and the need for a cross-sector approach. Since then there have been many discussions and some piecemeal changes, but we still need to see more government leadership to develop a solution that can be used by providers across all essential service sectors.

This report provides an update to our earlier report and outlines:

- How the current approach is designed and why it **doesn't work for people in vulnerable circumstances**

- **What a better system would look like** and what initiatives have developed to improve support for people

- **What needs to happen next** to further improve support for people

- We will follow this report with the next steps needed to **enable identification of those most in need** and who cannot be identified through existing data matching schemes

What's wrong with the current system?

The current system for accessing support is too complex. Each service provider must set up and maintain their own register of customers and their support needs and this data is not shared between organisations. Consumers must separately contact each service provider to discuss what support they need, and if their circumstances change or they switch providers they need to repeat the process. **The complexity of this customer journey means that people are missing out on the support they are entitled to.**

Consumers face many barriers when trying to access additional support from their service providers:

1. **Lack of awareness of available support**: Getting support to people who need it is already difficult. Consumers in vulnerable circumstances often don't identify themselves as needing support and those that do are often not aware of the support that they can access.[2]

2. **Difficulty applying for support:** Consumers can find the process of disclosing their support needs to multiple providers time-consuming and stressful. Often these consumers are already in difficult circumstances, and the complexity of the process is a barrier to them signing up for support. Because of this complexity support services, like Citizens Advice, often need to help their clients sign up for help from essential service providers.[3]

3. **Difficulty updating information when circumstances change:** When a consumer's circumstances change, or if they switch service providers, they need to go through the process of sharing their support needs again.

It's more important than ever that we close the gap between the support people need and the support they receive.

People are struggling due to the current cost of living crisis. **Over 1 in 4 people (27%) are behind on at least one household bill.[4]** This means more consumers need to tell firms they are struggling financially, and that they may need to apply for some forbearance measures or a payment holiday. Service providers need to know which of their customers are financially vulnerable, and if they have any other vulnerabilities, to ensure that they can offer appropriate support. Providers who don't know about their customers' needs will struggle to provide the needed opportunities to engage with their customers to discuss the extra support they may require.

Customer journey

The current complex system
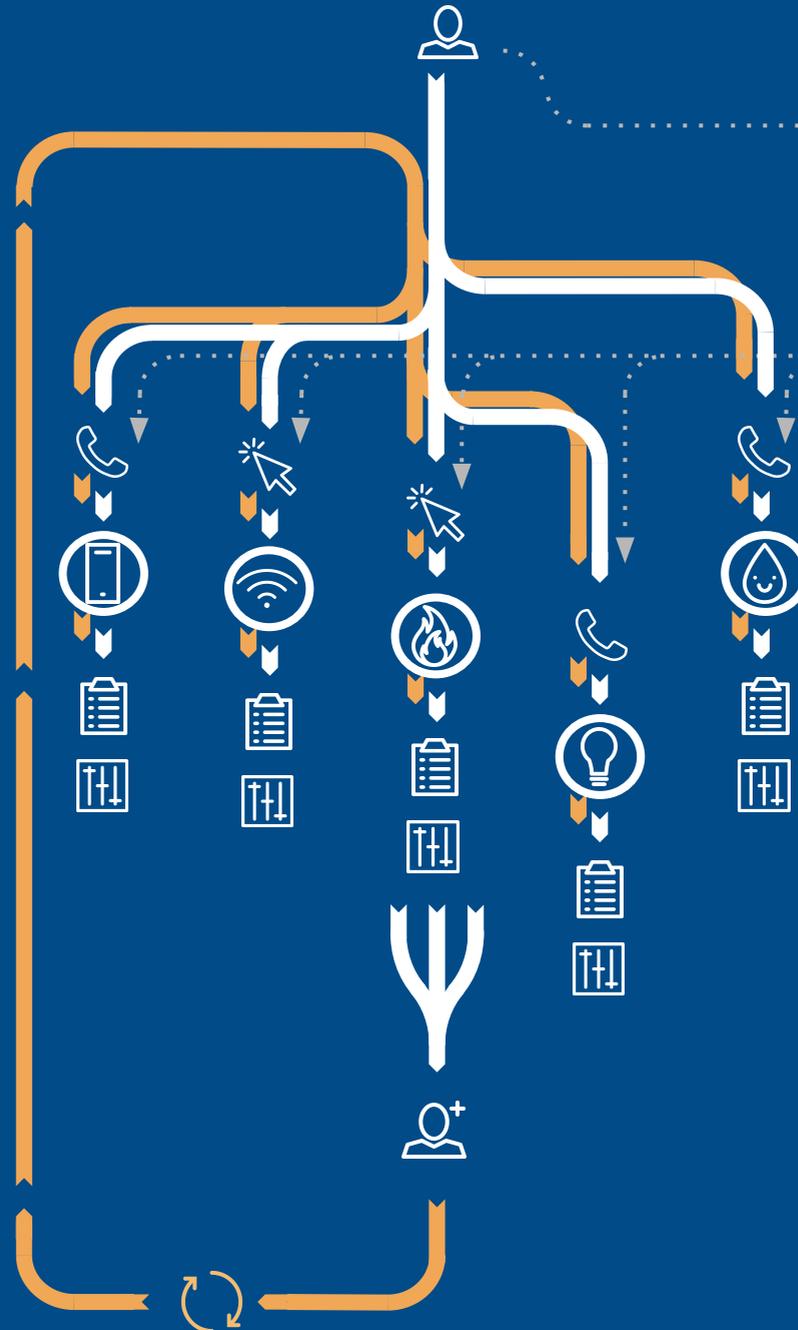
Consumer in vulnerable circumstances who needs support

Consumer may get help from an advisor to identify support and complete each stage of the application process

Consumer applies for support from each service provider

For each service provider the consumer:

- goes through application process for support
- give consent to data sharing

Consumer receives support from each service provider

If the consumer's circumstances change they repeat the process

What about the Priority Services Register?

Energy suppliers, energy networks and water companies keep a list of customers who require extra support, known as the Priority Services Register (PSR). The PSR helps identify customers who require services such as providing information or bills in an accessible format, and priority support in an emergency,

Many people are not aware that they can reach out for this type of support to begin with. **Only 1 in 3 people are aware of the PSR in the energy sector.** [5] The number of households registered on their energy suppliers priority services register is currently just under 7 million.[6]

Across energy networks the number of people registered on the PSR can vary substantially. Depending on the geographical area **between 30% and 70% of people who are eligible are registered on their energy network's PSR.**[7]

Coverage of the PSR in water is lower than in the energy sector. Ofwat has set a target for water companies that at least 7% of their customers, **around 2 million households in total, should be registered on the PSR by 2024/25.**[8]

There have been recent developments to improve data sharing between the energy sector and water sector. However **there are still significant barriers and not all of this data can be freely shared between organisations.**

**The Priority Service Register alone isn't enough to get support to those who need it.**

The PSR is not enough to close the gap between the support consumers need and the support they receive. This is because the PSR:

- does not identify consumers who are financially vulnerable.

- does not capture changes in circumstances, like bereavement or divorce, which can affect people's support needs.

- is not accessible for consumers to easily update if their circumstances and support needs change.

- is limited to the energy and water sectors, instead of providing a true cross sector approach.

Customer journey

Potential

The process of applying for and providing support in essential markets should be improved so that consumers get the support they need. **We need an easy, consumer-focussed way of logging and updating support needs.**
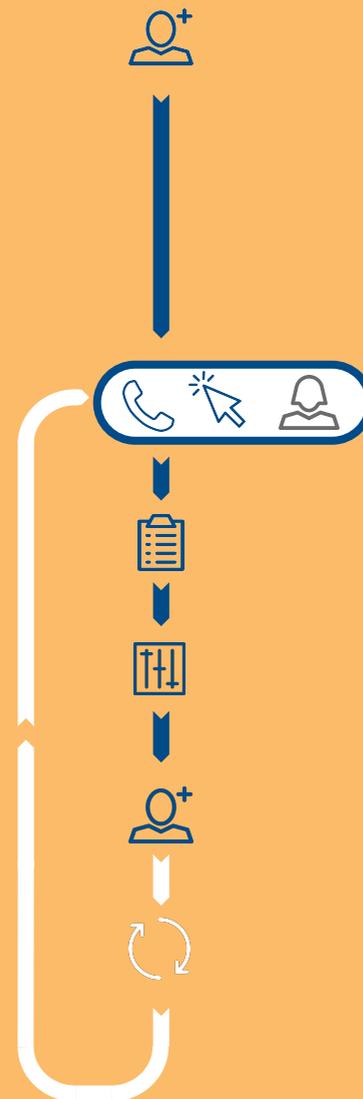
Consumer in vulnerable circumstances who needs support

The consumer can easily see in one place all the support available to them if they register

Consumer applies for support through one secure portal or through a support service

They complete a single, standardised assessment process and decide on their data sharing preferences.

Consumer receives support from each service provider

If the consumer's circumstances change they can easily update their preference

Where are we now?

Recent years have seen new products and services emerge for firms to help them improve the identification of and support provided to their customers. The examples below show how these products compare to the ideal customer journey.

High-level vulnerability flags	Connecting services to consumers	Disclosure portal for support needs
There are organisations that work to provide a central, independent register of vulnerable people that can be accessed by service providers.	There are organisations that offer tools for assessing the vulnerability of customers so service providers can offer them appropriate products and services	Consumer-facing platforms exist that allow consumers to share their support needs with multiple organisations at the same time.
✘ Available to use by all consumers across all essential services	✘ Available to use by all consumers across all essential services	✘ Available to use by all consumers across all essential services
✔ Highlights additional care is needed when interacting with consumers	✔ Highlights additional care is needed when interacting with consumers	✔ Highlights additional care is needed when interacting with consumers
✘ Consumer can view support available to them	✔ Consumer, or the agent supporting them, can view support available to them	✔ Consumer, or the agent supporting them, can view support available to them
✘ Single disclosure of needs can be shared with multiple service providers	✘ Single disclosure of needs can be shared with multiple service providers	✔ Single disclosure of needs can be shared with multiple service providers
✘ Consumer controls which firms can see their data	✘ Consumer controls which firms can see their data	✔ Consumer controls which firms can see their data
✘ Consumer can easily update their information if their circumstances change	✘ Consumer can easily update their information if their circumstances change	✔ Consumer can easily update their information if their circumstances change

Firms choose whether or not to invest in these services, resulting in a patchwork of different experiences for consumers. There is still no solution which meets every stage of the consumer journey.

Government leadership is needed to achieve a cross sector solution.

We have to close the gap between people and the support they need

Numerous initiatives have been developed to improve the way people access support from their service providers. However, more needs to be done to integrate existing priority services registers and achieve a solution that can be used by providers across all essential service sectors.

It's time to take action and revolutionise the way people access support. While initiatives have been developed, more consumers need access to a simple system to share their needs so they can get the support they need to participate fully in essential service markets.

Since 2020 we've seen:
- data sharing between companies
- development of a patchwork of different solutions
- enhanced regulatory focus

But to reach a solution that can be used by providers across all essential service sectors we still need to see:
- government leadership
- mandatory adoption across essential services sectors
- closing of the gap between the support consumers need and the support they receive

To make this vision a reality, **we need government to take the lead**. They must establish an essential services industry taskforce that can accelerate making this change a reality.

This taskforce should bring together influential bodies like the Information Commissioner's Office, National Governments, Ofgem, Ofcom, Ofwat, the FCA, and Citizens Advice. This group should work together to analyse existing evidence, consider data privacy issues and test and evaluate potential options, including processes for offline consumers.

We cannot delay in building a robust system that supports consumers.

References and bibliography

1. Citizens Advice, 2020, Getting support to those who need it
2. Citizens Advice, 2019, Citizens Advice response to Ofgem's draft Consumer Vulnerability Strategy 2025
3. Ibid.
4. Based on a representative poll of 4268 adults (18+) in the UK conducted by Walnut Unlimited for Citizens Advice, fieldwork conducted June 2023.
5. Ofgem, 2023, Jonathan Brearley's speech to Ofgem's Vulnerability Summit
6. Ofgem, 2023, Social Obligations Reporting. 6,991,871 people were registered on their supplier's Priority Services Register for electricity in 2022.
7. Western Power Distribution currently estimates their Priority Services Register coverage at 30%. SSEN has 71.3% coverage.
8. Ofwat, 2019, PR19 Draft Determinations Reporting guidance – Common performance commitment for the Priority Service Register

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