

Consumer Standards - Statutory Consultation

Citizens Advice Response



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Overview:

Recent years have seen unprecedented turmoil in the energy retail market and significant growth in consumer demand for support as bills have risen. This has been compounded by declining standards in service¹ - particularly for those struggling to pay their bills who have too often found it hard to get through to their energy supplier and receive the help they need. These proposals make pragmatic adjustments to existing rules that address key gaps and should ensure that Ofgem can enforce higher standards. Given the ongoing cost of living crisis it is vital that these changes are in place ahead of this winter and that suppliers are held to account to deliver improved outcomes.

Firms already using best practice are likely to see little change as a result of these proposals, but there will need to be more rapid adjustments by companies with a higher appetite for regulatory risk. Ofgem must closely monitor the outcomes of these reforms to ensure those most in need can access the support they require, including those who need to communicate in a language other than English.

Adjustments to ensure more proactive measures for people falling behind with their bills are welcome, and should continue to tackle some of the unacceptable behaviours seen at some companies last winter. Companies will need to translate this into further work to enhance the training of frontline staff to offer support and improve their systems and processes to offer more flexible repayment schemes that meet people's needs.

We support the use of reputational regulation to drive standards up, though its impact will depend on the evolution of competition in the market. We welcome the use of the star rating as an initial reputational indicator and look forward to working closely with Ofgem to define user needs for a new measure, designed in such a way to leverage Ofgem's statutory powers to provide additional information for consumers.

We welcome Ofgem's use of guidance documents as a tool to drive up standards and set out expectations for compliance. This should help firms understand regulatory risk and provide clarity over areas in which responsible innovation can drive up standards. We note that the level of prescription in the involuntary PPM installation guidance is somewhat higher than in the draft guidance on supplier contact ease. More flexibility for delivering outcomes can be valuable, but Ofgem should also use guidance to set clear expectations that firms who are unwilling to provide easy access to support will be swiftly identified and dealt with through robust compliance and enforcement action. We are particularly concerned that the guidance

¹ [Consumer Perceptions of the Energy Market Q4 2022](#) (2023), Ofgem and Citizens Advice

should give reference to other relevant rules, including the Complaints Handling Standards, and set clearer expectations around access for people who are digitally disadvantaged and the role for telephone services.

In the coming months we will continue to use our data to track the impact of energy supplier processes and decisions on the consumers we support, and work with Ofgem as it seeks to identify and tackle poor practice.

1. Do you have any comments or questions on our proposed licence changes to improve supplier contact ease?

2. Do you have any comments or views on our proposed contact ease guidance document? We would welcome evidence of ways in which suppliers are already delivering best practice.

We generally welcome the changes to improve ease of contact. This is particularly vital given the ongoing cost of living crisis, which has seen large increases in the need for support as well as declining satisfaction with customer service from suppliers. The new enquiry service requirements build on existing rules to ensure an omni-channel approach with services built around the needs of all consumers, including those in vulnerable circumstances.

We continue to think telephone services are vital for many customers, and particularly those who need support in emergencies or are digitally disadvantaged. While the enquiry service licence requirement does not specify channels, the guidance is clear that at least one non-digital method of contact is needed, and provides a telephone service as one example. In practice it appears likely that telephone would be the only non-digital method that would comply with wider rules on customer service ease when the needs of digitally disadvantaged consumers are taken into account.² If there are other non-digital options that Ofgem considers likely to achieve the same outcome, it should provide examples clearly in the guidance document.

The guidance should also make specific reference to the Complaint Handling Standards (CHS) in its introduction, alongside the other contact-related supply licence conditions listed. The CHS includes important prescriptive rules on contact methods for customers to make complaints, including by telephone. The CHS also includes the requirements to put in place procedures to receive referrals from Citizens Advice consumer service, and for suppliers to signpost customers to the

² [Access Denied](#) (2022) Citizens Advice

Energy Ombudsman. As such they should be given due prominence in the guidance document.

We agree with the proposal that suppliers should provide free enquiry services to people who are likely to experience detriment if they have to pay for this service. In practice, we agree with Ofgem that there is a risk that where suppliers provide a ringfenced freephone service, this may be accessed by a wider pool of users. It is important that services are designed such that there is no reduction in service to users in vulnerable situations who require immediate assistance as a result, and that they continue to be appropriately prioritised in line with SLC 31G.3B. To mitigate the risk we agree with the guidance that best practice would be to provide freephone contact to all customers.

If suppliers do not opt to provide this freephone number to all customers, it is important that Ofgem monitors the way in which it is provided to customers who do qualify. As the consultation notes, the majority of large suppliers provide this service through the Vulnerability Commitment. However, there is a significant gap in awareness of these services: in Q4 2022, the Consumer Perceptions of the Energy Market survey found that only around half (53%) of consumers do recall being provided with a freephone contact number to use if they have concerns about falling behind on paying their energy bills and/or running out of credit on their prepayment meter. As such, Ofgem review whether they need to issue additional guidance to ensure that freephone numbers are distributed effectively if their monitoring identifies poor outcomes because freephone numbers are not accessible are not provided for all consumers.

We support Ofgem's proposal for suppliers to provide a 24/7 service for customers without supply in circumstances where it is the suppliers' responsibility to resolve the supply interruption. However, we believe that there are a number of issues with the proposal in its current form. Firstly, it is highly likely that any emergency line will be used by consumers who are disconnecting for reasons other than metering faults. In these cases, a supplier's responsibility to provide support to customers at risk of disconnection remains relevant. As mentioned in our response to May's consultation, our casework suggests that part of the demand for out of hours support will be from those needing additional support credit (ASC) to stay on supply. As a result, we believe that the 24/7 enquiry phone line should be equipped to provide support to customers who have disconnected, including by administering Additional Support Credit (ASC). Case Study 1 outlines an example from our services which highlights this need.

Case Study 1

Viraj³ has recently come out of hospital and their benefits have been stopped. Viraj self-disconnected for gas last night and they cannot afford to top up. Viraj has multiple health conditions and requires an electricity supply to use an oxygen concentrator. Viraj has tried to contact their supplier but can't get through.

Secondly, when there is a meter fault requiring an engineer, the proposed modification to the SLC will not necessarily reduce the time for consumers to be back on supply. The Supplier Standards of Performance require the supplier to provide help within 3-4 hours from the start of the next working day (the standards define working hours as 8am-8pm).⁴ As such, there is still potential for a significant delay between the customer contacting their supplier and getting back on supply. For some customers, this delay may be manageable. However, for consumers in vulnerable situations, including people with disabilities, people who rely on a continual supply of electricity for medical equipment and people with respiratory conditions and other long term this delay may cause significant detriment. Ofgem should reiterate that methods of contact used in the provision of the 24/7 enquiry line should be capable of effectively identifying consumers who require immediate assistance and ensuring that their enquiries are prioritised, in line with other proposals put forward by Ofgem in this consultation.

Thirdly, suppliers should design the overnight enquiry service based on careful assessment the needs of their customers, and making use of available demand data from existing 24/7 services run by energy networks. For large suppliers and those suppliers with a large proportion of prepayment meters, we expect that a phone line would be the only non-digital method that would comply with wider rules on customer service ease. We are aware that a small number of suppliers do currently run out of hours emergency metering services through chatbots and other digital approaches. We are supportive of such approaches when they can achieve similar results for consumers, but are not accessible to digitally disadvantaged consumers. Alternatively, Ofgem should encourage suppliers to explore a joint approach to a 24/7 metering service, in line with options explored as part of the Retail Energy Code (RECC) Modification RFI for R0053 – 24/7 Emergency Metering Service. While the question of how this service is delivered is ultimately a commercial decision, we believe that this approach could bring cost and efficiency benefits and therefore bears examination.

³ All names in case studies included in this response have been changed

⁴ [The Electricity and Gas \(Standards of Performance\) \(Suppliers\) Regulations](#) (2015), UK Government

We generally consider that the consumer journey should not differ between gas and electricity unless necessary, and that the proposed REC modification, which currently applies only to electricity, should ideally also cover gas.

We continue to be concerned that contact details, including telephone numbers, can be too difficult for consumers to find when they need them, including those with access needs. This adds barriers to people taking the first step to get the help they need, and will negate the other improvements that are being made later in the journey. We welcome the guidance that contact details should be on all bills and written communication, as well as prominently on websites. For completeness the guidance should also refer to relevant supplier obligations under SLC 31G.1, as well as those under SLC 0.3(c). It is vital that compliance with these rules is monitored by Ofgem in order to the desired ease of contact outcomes.

We support Ofgem's guidance in relation to call wait times and the expectation that at all times a well managed supplier should be answering calls within an average of 5 minutes. However, we know that even at suppliers with low average wait times, there can be longer delays at peak times. As such, we welcome Ofgem's commitment to monitor performance on these 'worst served' customers, and to develop further guidance in this area as necessary. This data should also be within scope of discussions as Ofgem develops its customer experience measure.

We welcome the provision of examples in Ofgem's guidance of groups that require specific support needs to be identified and responded to. We urge Ofgem to include in the guidance the explicit example of the provision of translation services. It is unfortunate that some energy firms with a high tolerance for regulatory risk have removed services that ensure consistent access to high quality translation services. Emerging insight from the PRIME project⁵ highlights the vital role of engaging in languages beyond English for both traditional energy supply and for an inclusive transition to a net zero society. Case Study 2 outlines the issues that a failure to provide translated services causes for consumers in vulnerable situations who require immediate assistance.

Case Study 2

Bahar is a single mother of two. She does not speak English fluently. She recently moved into a new house, but because she had not yet received her monthly Personal Independence Payment yet, this resulted in her electricity being disconnected. Her supplier sent her an automated message with instructions on how to reconnect her home. However, because of her limited English skills, Bahar was

⁵ [The PRIME project](#) aims to characterise, manage and mitigate risks Minority Ethnic (ME) communities experience when accessing digital services in the areas of housing, health and energy.

unable to make sense of this message. She has attempted to reach her supplier over the phone, but was unsuccessful. Her supplier does not offer translation into Farsi.

We are particularly concerned to note that the identification of language barriers that is supposed to be captured in the Priority Service Register has been shown by this project to be inconsistent across energy suppliers⁶ and would encourage Ofgem to explicitly incorporate translated communications in this guidance and in future Marketwide Compliance Review requests for information by suppliers.

Lastly, we are supportive of Ofgem's clarifying the role of representatives acting on behalf and in the interest of a Domestic Customer in a Vulnerable Situation, and agree that there is a need for a process to identify and prioritise these enquiries. However, we agree with the Centre for Sustainable Energy and National Energy Action that the accompanying guidance needs to specifically cover the issue of how representatives gain authority to act on behalf of the customer. This issue is a major source of delay for front line consumer organisations, and as such Ofgem should take the opportunity to address it as part of these wider changes.

As such, we also agree with these respondents that the ease of contact guidance should specify the following:

1. A consistent approach to gaining authority from energy companies (see below). This would save time and frustration for advisors, customers, and suppliers.
2. A clear place on energy company records for the advisor's name to be added. This would prevent advisors from having to repeatedly call up to be added, in addition it prevent advisors being chased by bailiffs because their details were recorded in the wrong place on the customer's account.

In the absence of a central run Ofgem register or a single better system for vulnerable customers, we would like the guidance to specify the two methods described below:

1. An email from the client's registered email account giving consent for us to talk on their behalf.
2. A form of authority (FOA) consent form if the client has signed it and we have emailed it to the supplier.

⁶ Nazmiye Balta-Ozkan and Zinat Aboli (2023) Service Provider Perspectives, PRIME Project Energy workshop, London, 12/7/2023

This will mean that representatives acting on behalf of customers in vulnerable situations will have an option for clients who use email and an option for those who don't.

3: Do you have any comment or questions on our proposed licence changes to better support customers struggling with their bills?

We support the changes to the licence that specify the need to contact customers proactively, offer support at an early stage, and take action if this contact is unsuccessful. However, we would like to further clarify on Ofgem's expectations around the requirement to 'Regularly review(ing) methods of proactive contact to ensure they meet the needs of customers, in particular in circumstances where the licensee has not made successful contact with the customer.' This is a clear development from the wording of the proposal made in May, which indicated that suppliers should 'make every effort possible to do this for customers suppliers have been unable to make successful contact with' and as such we believe clarification would be useful for suppliers.

We also support the specific requirement to consider payment holidays, where this is likely to benefit customers. These changes clarify aspects of the existing rules which were unclear and prevented consumers accessing consistent support from energy suppliers.

We welcome Ofgem's acknowledgement that existing rules require suppliers to remove minimum repayment requirements, and base all agreed repayments on a customer's ability to pay. For example, in Case Study 3 we highlight an example where a large upfront payment was demanded. Given this has not been followed in practice by all suppliers, Ofgem must prioritise compliance and enforcement of these rules going forward.

Case Study 3

Cassie is a pensioner on state pension credit. She recently fell into debt of around £700 with her energy supplier. Her supplier has sent her numerous letters outlining possible actions that may be taken to recover the debt, including the installation of a prepayment meter. Her supplier has told her that they will not take further action at this time if she makes a payment of £100 towards the debt, which Cassie cannot afford.

The ongoing cost of living crisis means that many customers will face a worsening financial situation this winter. It's important that suppliers ensure repayment plans are sustainable, and enable consumers to change repayment amounts when

necessary if their situations change. While new rules around contact ease should make it easier for people who are struggling to get in touch, it's even more important than ever that they receive support and understanding when they do so.

It should also be noted that Citizens' Advice position is that measures like those outlined in this consultation should be seen as part of a wider package of policy responses to energy debt (and debt more generally.)⁷ We look forward to engaging with Ofgem on these issues.

4: Do you have any comments or questions on our proposed licence changes to require suppliers to publish information on their customer service performance, as measured by Citizens Advice?

We support these changes to reputational regulation. However, we note that publication by suppliers is therefore likely to be more impactful if switching becomes more financially attractive for consumers. We note that the star rating has had the most impact when disseminated through the media which accelerates its use by customers who are engaging with decisions around which supplier to use.

Our energy supplier star rating is a well-established measure, having been in place since 2016. It satisfies our statutory duty to publish complaints data and also makes use of our unique powers as the official consumer body to collect other data from suppliers on customer service. We have recently reviewed our star rating and implemented changes⁸ that will provide stronger incentives for improved performance on key customer service issues, with a particular focus on ease of contact. We will engage with suppliers regarding the most user friendly format in which to provide this information through their own services. Alongside this, guidance from Ofgem on best practice related to prominence of this information may also be helpful. For example, in relation to displaying contact details Ofgem describes a prominent position as being 'on, or one click away from, the homepage of their website'. We would strongly recommend Ofgem explicitly engaging with consumers via Ofgem's Consumer Insights Team with any draft proposals to ensure the proposed new measure provide accessible, actionable information.

In the longer term we will work closely with Ofgem as it develops a new measure of customer experience. This should aim to avoid duplication with existing measures like the star rating and leverage Ofgem's statutory powers to provide additional

⁷ See [Tackling energy debt](#) (2023) Citizens Advice and [Living on Empty](#) (2023) Citizens Advice
⁸ [Decision Document on Revised Methodology for the Citizens Advice Star Rating](#) (2023) Citizens Advice

information that meets consumer needs. This could include information related to compliance and enforcement activity being undertaken by Ofgem.

5. Question 5: Could you provide any further, detailed evidence on the potential costs and benefits of our revised proposals?

N/A

6. Could you provide detailed evidence or information on the proposed timescales for implementation of our revised proposals?

We believe that it is vital that the proposals outlined in this consultation are implemented in advance of next winter if they are to be effective in improving consumer outcomes and avoiding significant detriment in the short term. This is because, in addition to the usual cyclical patterns of demand from consumers and a long term decline in customer service standards, the cost of living crisis has placed significant additional pressures on households. For example, we note that:

- The current price cap remains 60% higher than in winter 2021, and once we take into account the removal of direct Government support for energy bills, the amount the average household pays for their energy this winter will be roughly the same, or even more than they did last winter.
- At Citizens Advice, the number of people we have seen with energy debt, and the amount of debt they owe, is at record levels and rising. At £1,711, average energy debts for our debt clients are currently nearly a third higher than in 2019.
- The cost of living crisis has eroded financial resilience, with a large number of people running down savings or using credit to make ends meet.

In this context ease of contact and help for customers struggling with their bills are of utmost importance, and suppliers should be pushed to implement these proposals at the earliest possible date.

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We provide free, confidential and independent advice to help people overcome their problems. We are a voice for our clients and consumers on the issues that matter to them.

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