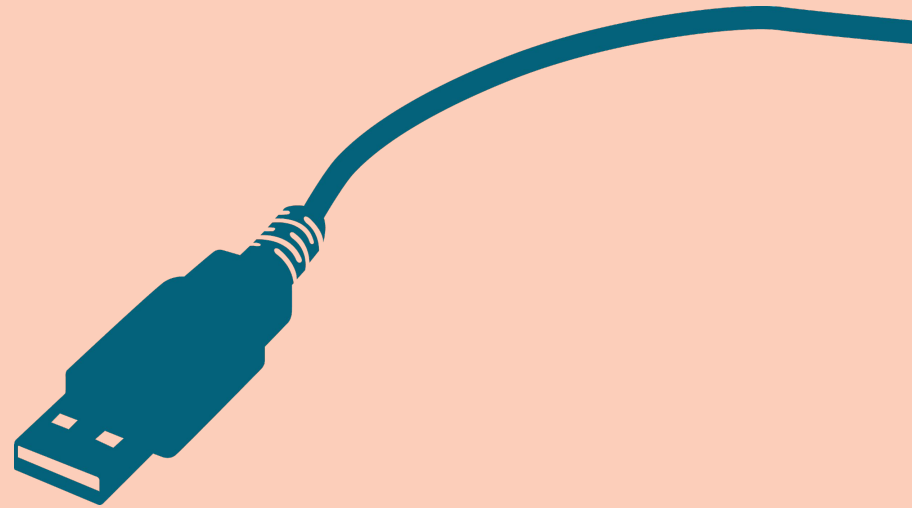


# Access Denied

Digital disadvantage and exclusion in the energy market



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## Executive summary

Digital services are revolutionising many areas of our lives. They provide new products, more choice and tailored experiences for consumers, and can reduce operational costs for businesses. But in a world where services are increasingly delivered digitally, people who are digitally disadvantaged can struggle to participate.

**Digital disadvantage** occurs when one person or group of people receive different, more harmful experiences of digital services when compared to others. It encompasses a range of elements from inclusion to skills and attitudes, and is closely linked to broader social disadvantage, with digitally disadvantaged people sharing many characteristics around age, education, disability and deprivation as well as other characteristics which contribute to vulnerability.

Importantly, digital disadvantage can work to reinforce broader social disadvantage. For instance, it is becoming increasingly difficult for this group of consumers to take part in the energy retail market: it's more challenging to choose a new supplier and get the best deal without using price comparison sites, and many suppliers have shifted their customer services to rely heavily on online channels. Some suppliers have launched without a telephone line at all. This trend is likely to accelerate in future as energy products become more complex and reliant on smart energy technologies.

Our research has found that digitally disadvantaged consumers are at much higher risk of loyalty penalties, while the offline services they rely on are getting worse. Over time these consumers risk being left behind by changes in the market. While the number of people affected is likely to shrink over time, a significant minority of people will remain digitally disadvantaged through the 2020s.

This is a social issue that requires broad action from government to resolve, but there are also steps that energy policymakers and industry should take to ensure fairer outcomes in the market. Overall we need to see action to:



**Improve access to digital services** by encouraging higher take up of broadband social tariffs among eligible households, and supporting people who struggle to use digital services



**Enable digitally disadvantaged people to get good outcomes in energy** by reducing the risk of loyalty penalties, providing affordable energy to those on low incomes, ensuring that they benefit from smart meters, and that innovative new products take account of their needs



**Ensure energy services are accessible and high quality for everyone** by maintaining good offline contact channels, making digital services accessible and raising customer service standards overall

# Methodology and definitions

For the report we brought together data from a range of sources including the following commissioned research :

- A survey by Savanta ComRes for Citizens Advice. Representative sample of 4,126 GB adults in Great Britain with fieldwork conducted between 2 Nov - 13 Dec 2021.
- Qualitative research by Savanta ComRes Research for Citizens Advice. Sample of 60 digitally disadvantaged UK adults, from a range of regions, age groups and socio-economic groups, conducted 25 Feb - 20 April 2021.

Alongside this, we also used data from various waves of our Consumer Perceptions of the Energy Market survey (co-commissioned with Ofgem), data requested from energy suppliers directly using our formal information request powers in February 2022, data from the [Citizens Advice supplier star rating](#), and findings of an audit we completed of information available on energy supplier websites.

We also refer extensively to the Lloyds Digital Index and Lloyds Digital Skills Report - a major long-running study of digital engagement and skills - to describe trends and demographics related to digital disadvantage.

## A note on definitions

People who experience digital disadvantage have been defined and grouped in different ways by different researchers. To include the broadest range of experiences of harm experienced in the energy market, we have drawn on research which considers digital exclusion, consideration of digital skills and digital disadvantaged.

Being **digitally excluded** is a significant and enduring lack of access to the internet. This includes experiences linked to lack of access in the home, lack of any access or having no digital skills.

Having **low or no digital skills** is linked to whether a person is able to independently carry out certain tasks like using search engines and making online payments.<sup>1</sup>

Being **digitally disadvantaged** is a situation in which one person or group of people receive different, more harmful experiences of digital services when compared to others. This overarching term includes experiences of digital exclusion and those with low or no digital skills.

# What is digital disadvantage and who are the digitally disadvantaged?



## How many people are digitally disadvantaged?

People who are 'digitally disadvantaged' fall into two groups (which may overlap). Previous research by Lloyds<sup>2</sup> has shown that in 2021:

- ⊗ Around 2.9m people - 1 in 20 adults - do not use the internet. Being digitally excluded prevents people directly accessing the benefits of digital services.
- ⊗ Around 11m people - 1 in 5 adults - lack some of the 'essential digital skills for life', like using email or search engines. Having no or low digital skills can make it difficult for people to make full use of digital services.

We used our commissioned research to understand the range of experiences of people in these groups. In this research digital exclusion was defined based on whether people had internet access at home or via mobile, and digital skills were classified according to whether they were able to carry out certain online activities.

Digital engagement has been improving, but slowly. In 2020, Lloyd's forecasted that by 2030 a quarter of adults would still have very low digital engagement - characterised by either not using the internet at all or doing so in a limited way.<sup>3</sup>

The coronavirus pandemic has since spurred more rapid change, as public services, work and communication moved increasingly online. This led to a significant decrease in the number of digitally excluded people in 2021, but the number of people with essential digital life skills remained flat.<sup>4</sup> Some groups (people with impairments, who are older, or on lower income) even saw digital engagement decrease.

Experts have said the digital divide is getting narrower, but also deeper, with a shrinking but significant amount of digitally disadvantaged people facing higher and higher barriers to participation over the next decade.



### Digitally excluded

- No access to the internet
- Tend not to have any digital skills



### Very low digital skills

- Have access to the internet but tend not to use it
- Able to do very little on the internet



### Poor digital skills

- Can check the weather or news
- Unable to manage accounts or products



### Some digital skills

- May make online purchases/banking
- Wary of managing accounts/making purchases online

Low digital skills

## Digitally disadvantaged people in their own words

In our qualitative research many digitally excluded participants viewed the internet as something that is 'not for me' and didn't see benefits of going online. Some recognised there may be more need to in future. Many expressed concerns about fraud or privacy, and wider concerns about the impact of the internet on society. These attitudinal barriers may be particularly challenging in persuading people to move online.



**Ada\***

"I don't want the internet and all that, I don't really need it, I'm old-school. I just don't trust the internet, to be honest with you."

People who have low digital skills tend to be more confident with digital services they use routinely, like communication apps. However, they often feel less confident with less routine tasks. This can cause stress and anxiety, especially where people worry about doing the wrong thing or where sensitive information is involved. This fear can be made worse if people feel overwhelmed by complex information. Many of those with low digital skills we spoke with saw online banking and aspects of online account management as 'red lines', given the perceived risks if they make mistakes or are victims of a scam.

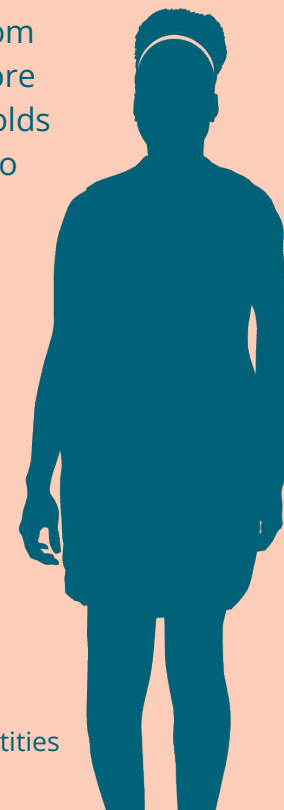


**Sophie\***

"I know people do [manage utilities online]. ... I just think I would panic, I'd not know what to do. I can't really get into it at all."

Our survey found that friends and family were the most common source of help for people who were unconfident with the internet, with almost 4 in 10 (38%) turning to them for support. Lloyd's research suggests that when this support from others is less readily available people are more likely to struggle, with single person households or those without children much more likely to have low digital skills.

Some participants in our qualitative research recognised there may be a need to improve their skills in future, but weren't sure how they could do this.

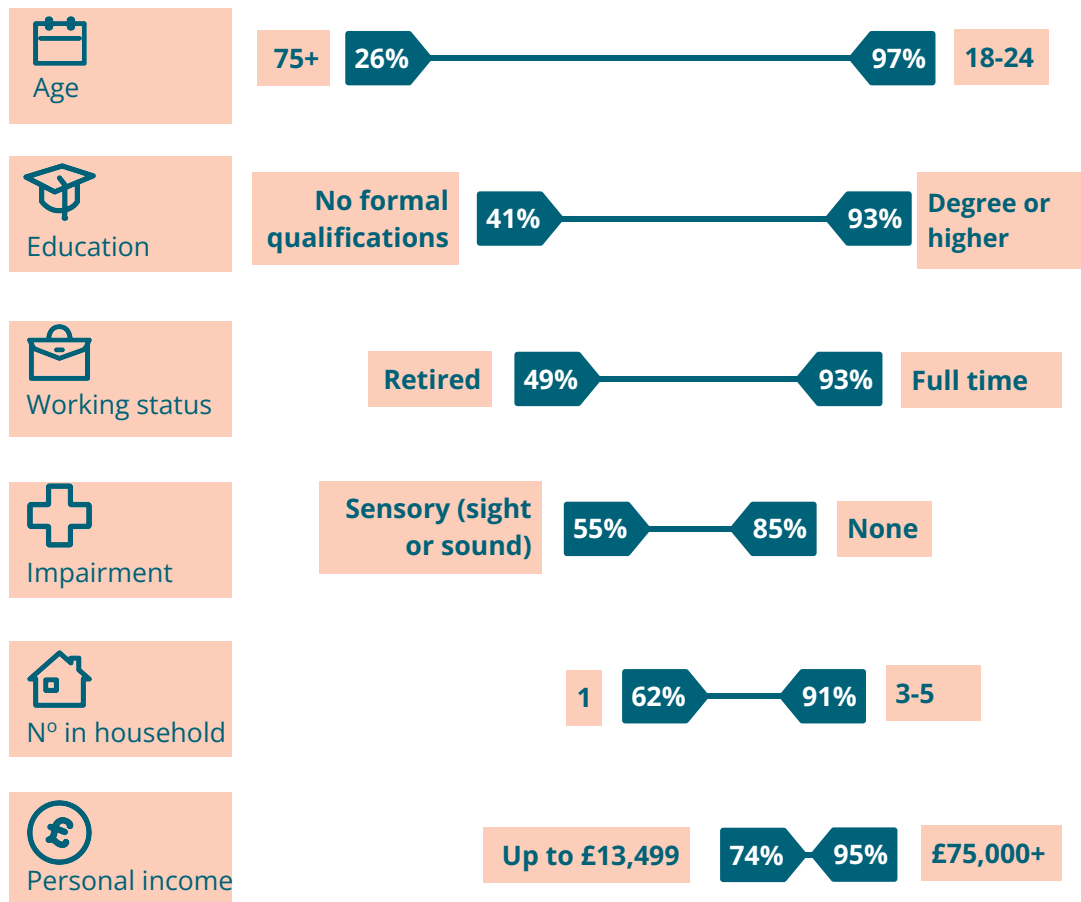


\* All names have been changed to protect clients' identities

## Digital disadvantage is related to other drivers of vulnerability

The Lloyds Essential Digital Skills report<sup>5</sup> has shown that some of the key characteristics which are closely linked to having low digital skills are also key risks of vulnerability more broadly:

### % of adults across demographics with essential digital skills for life\*



**Andrew\***

"I wouldn't even know where to begin so, in terms of computers, if I'm going to struggle, people like my parents' age and anyone who's elderly, late 70s, even 60s really, it's maybe not the way to go..."

### Age, education and work experience

Our survey found that 8% of people aged 65-74 and 23% of people aged 75 and over don't have broadband at home. Meanwhile, 10% of people aged 65-74 and 27% of people aged 75 and over did not have access via a smartphone. This compared to just 1% of 18-24 year olds.

In our qualitative research respondents often mentioned their age, or that of others, as a factor which relates to their lower digital abilities. Some older participants retired before their workplaces became more digitalised, or worked in jobs where a computer was not used, and feel that they are less likely to interact effectively with the internet as a result. Educational attainment can also be related to age, in that participation rates for further and higher education have risen significantly in recent decades.

However, while age is closely related to digital disadvantage and other factors driving it, a significant minority of younger people are also affected, with Lloyd's finding 1 in 10 people under 50 were digitally excluded while 1 in 20 under 55s lack basic digital skills.

\* All names have been changed to protect clients' identities

## Digital disadvantage is related to other drivers of vulnerability

### Low income

The cost of internet access is a key barrier for some digitally excluded people. One in five (21%) of those surveyed said that the cost of a regular, unlimited internet connection is unaffordable, compared to less than 5% of those who aren't digitally disadvantaged. Rising inflation means this challenge is likely to have grown for many people.



**Susan\***

"I'm retired. Everything has gone up. Even if it's just like a tenner a month, it adds up. I've really got to be careful and save money where I can."

In 2021 we called for affordable broadband tariffs to be introduced for people on low incomes to help address these affordability issues.<sup>6</sup> Some providers have voluntarily introduced discounted rates for consumers on lower incomes, but take up has been very low, at just 1-2% of those eligible.<sup>7</sup>

It's vital that these tariffs are mandatory for all broadband providers, and offered automatically to consumers who qualify by data matching with Government databases.

### Disability and impairments

Our qualitative research highlights that people with disabilities have a very diverse experience of using digital services. For example, one participant with a visual impairment discussed the importance of having the option to phone customer service, rather than just online services.

However, there are also clear benefits from digital services, with one participant with arthritis saying they would like a smart meter as they currently struggle to read their traditional meter.

Many people with sensory impairments are able to use online services with the help of assistive technology, but research by Lloyd's highlights that take up of this is much lower among those with lower digital engagement and older age groups.<sup>8</sup>



**Atiya\***

"I'd rather speak to someone in person, like I'm speaking to you. My daughter said that sometimes, you'll be on an online chat and then all of a sudden it disappears. That would aggravate my mental health. I mean, when you talk to somebody online, they don't know you go through or what your disabilities are."

\* All names have been changed to protect clients' identities



# Experiences of digitally disadvantaged people in the energy market



## How are services provided in the energy market?

Both digital and non-digital channels appear throughout the customer journey in energy, as they do in many markets. Digital services offer some significant benefits including additional options for support, access to more tailored information about billing and usage, and lower operating costs.

While digitally engaged people are likely to use both digital and non-digital routes depending on their own preferences, people who are digitally disadvantaged have a narrower route in the journey. Though they will benefit indirectly from back office digitalisation, they will miss out on some of the more direct benefits of using digital services. This means they may need to work harder than their digitally engaged counterparts to participate in the market, and as a result are more likely to be paying a loyalty penalty. Our survey found that overall fewer than 3 in 10 (28%) households had been with their supplier over 5 years, but this rose to 4 in 10 (40%) with low digital skills and 6 in 10 (60%) for digitally excluded people. They're also likely to be impacted by the declining quality of offline contact channels.



## Digitally disadvantaged consumers are likely to find it harder to switch supplier

In order to get the best deals for energy, people have traditionally needed to regularly switch supplier or tariff, although current market conditions mean there is little scope to do so at the moment. The most common route to finding a new deal is through a price comparison website. These services offer a wide choice of offers, including exclusive deals, quick results and easy sign up processes.

However, our polling showed that digitally disadvantaged people found these services hard to use. Participants in our qualitative research reported that they found them confusing with an overwhelming amount of information, leaving them frustrated and worried about making mistakes.

### How easy/difficult do you find using online switching services?



Offline routes to switching are available, but can be harder to use and less likely to result in optimal outcomes. Calling suppliers for quotes can be time consuming, and some of the best deals are exclusive to online sales channels. Some price comparison sites also offer switching over the telephone, though the process can also be time consuming. Face to face or telephone sales can engage people, though they tend to be offering tariffs from a single supplier which may not provide the best deal.

An alternative offline switching method was tested by Ofgem in 2018-19. In large scale trials, suppliers sent letters to disengaged customers with personalised energy deals and details of how to quickly complete the switch online or over the phone. This approach was shown to be effective, with the rate of switching increasing up to 10 fold. Interestingly, the telephone route was used by around 3 in 4 switchers, and there was also evidence that older consumers were more likely to switch.<sup>9</sup>



The Government was developing proposals to take forward these switching 'nudges' across the market more broadly, though this work is now on pause. Once switching offers return to the market, this approach may still be appropriate as a targeted intervention to engage digitally disadvantaged consumers. Even with support to switch not everyone will do so, and some have been unable to afford their energy even on the best deal. This issue has become much more severe as prices have risen significantly since 2021. We are currently considering the best long term support options for people as part of an ongoing project, due to report in 2023.<sup>10</sup>

## Relying on offline services can also increase costs

Regardless of how they switch, digitally disadvantaged consumers can face the risk of paying more for their energy. Energy suppliers are increasingly using digital channels to interact with customers and often offer discounts to those willing to stop receiving paper bills. In some cases they have gone further, giving customers discounts if they are willing to limit all their contact with the supplier to online channels only. Some suppliers even launched with no inbound customer service phone line at all, although it is unclear how this complies with Ofgem's rules.

Digital-first services can work well for consumers who are comfortable using solely or mainly online contact channels. They can also result in larger operational savings for suppliers. However, this can exclude those who prefer or rely on offline services - including people in vulnerable circumstances - and puts them at a relative disadvantage in the market. It also undermines the intention of the 'duty to supply', which guarantees universal energy services by requiring suppliers to offer to serve any customer that asks them to.

Over time, these developments could severely diminish the level of choice that digitally disadvantaged consumers and those who prefer offline contact have in the market, and push their prices significantly higher than others. Similar issues in the telecoms market saw consumers remaining on landline-only contracts paying unfair prices, and eventually led to intervention by the regulator Ofcom.<sup>11</sup>

A majority of people in our survey disagree with companies removing offline services or charging more for their use.



Three quarters (75%) say that energy suppliers should continue to offer telephone helplines (and a majority in all age groups)



Three in five (57%) say this of paper bills and statements, at no extra cost.

75+



18-24



Those over 75 are most likely to say it would be unfair to charge more for a telephone helpline (85%), but a majority (61%) of those aged 18-24 also say this. Digitally excluded consumers, who are more likely to be on lower incomes, are also less likely than others to say they would be able to pay more for telephone services if this approach was taken more broadly.

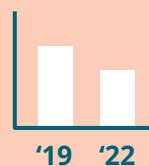
## The services that digitally disadvantaged consumers rely on are getting worse

Not being able to make use of online channels can leave digitally disadvantaged consumers at risk of receiving worse service from their energy supplier. They are much more likely to rely on telephone services than other consumers, with 63% of digitally excluded people in our survey primarily communicating with their supplier by telephone - double the proportion of online counterparts.

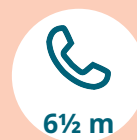
However, telephone does remain the single most popular channel for contacting an energy supplier among all adults, compared to email (22%), webchat (22%), and apps (14%). People aged 18-24 are also just as likely as those who are over 75 to say they primarily interact with their energy supplier over the phone (35%). In line with previous Citizens Advice research,<sup>12</sup> even people who normally use digital channels prefer to use the phone for some issues - for example more than two in five (44%) say they prefer to use a phone for reporting a service issue or complaint.

Some people in more vulnerable situations particularly rely on telephones for emergencies. We've previously highlighted concerns that people who prepay for energy need to urgently contact their supplier if they run out of credit and lose access to broadband internet if they don't have electricity, leaving telephone as a vital lifeline.<sup>13</sup>

Despite the enduring need for telephone services, the experience of using them has become worse:



Our joint survey with Ofgem showed satisfaction with the **ease of using telephone services** has decreased from almost 70% in mid-2019 **down to below 50%** in early 2022<sup>14</sup>



Our star rating shows that the **average supplier call wait times** in early 2022 had **increased to 6 and a half minutes** - up from below 4 minutes a year earlier

These changes are happening in the context of customer service satisfaction with energy suppliers declining more generally.<sup>15</sup> However, they leave digitally disadvantaged consumers particularly exposed, as they are less able to switch to other contact channels if they struggle to get through on the phone. It is vital that companies prioritise the quality of their telephone services so those who rely on them are able to get the support they need.



# What should energy companies be doing to support people with low or no digital skills?



## What does the regulation say suppliers must do?

Ofgem has a number of rules for suppliers' customer service, including that they must:

- Treat consumers fairly, including by being easy to contact, with customer service arrangements that are 'complete, thorough, fit for purpose and transparent'.
- Have complaints handling processes which include options to make complaints by telephone or in writing, including by email.
- Provide communications that help customers understand and manage costs, make informed choices, and know how to access assistance and advice.

Ofgem rules don't generally specify which contact channels suppliers should offer (other than in relation to complaints), but it has published guidance that all suppliers should have call centre numbers which are easy to find<sup>16</sup> and that don't incur high charges.<sup>17</sup>

Suppliers must also take account of vulnerable situations their customers may experience, and Ofgem has previously highlighted the lack of internet access as a factor that can contribute to vulnerability.<sup>18</sup> Taken together, we think these rules and guidance mean that suppliers should continue to offer telephone services for their customers.

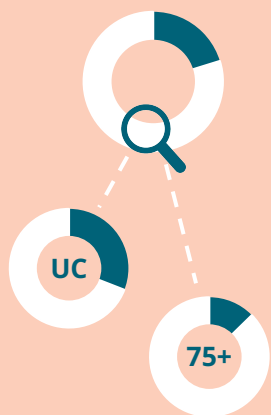
Despite this, in recent years some online-only energy suppliers like Pure Planet have launched. We provided evidence to Ofgem which showed the difficulty some customers - including those in vulnerable situations - were having getting in contact with Pure Planet and eventually referred them to Ofgem due to possible licence breaches. This business model clearly conflicts with Ofgem's published rules and guidance. However, no action was taken.

As part of an overhaul of its regulatory approach following the recent market turmoil, Citizens Advice has called for Ofgem to restate the need for telephone services, and be clearer in future on which areas of its rulebook it thinks specialisation of supplier services could be desirable for consumers and what mitigations might be needed for consumers in vulnerable circumstances who are impacted.<sup>19</sup>

More broadly, we're concerned that Ofgem's current principles-based rules, which focus on treating customers 'fairly', aren't delivering for consumers, as highlighted by declining service levels. We're keen to see these rules upgraded to make suppliers accountable for achieving positive outcomes. Under this framework, suppliers would need to monitor customer experience, identify issues and rectify them on an ongoing basis. This approach - called a 'Consumer Duty' - is already being introduced by the Financial Conduct Authority<sup>20</sup>, and we've previously published a report outlining what impact this approach could have in the energy sector.

## What support can suppliers put in place?

There is evidence that some energy suppliers are offering support to customers to help them engage with digital services.



In our survey, one in five (20%) respondents said their energy supplier had offered them help or directed them to support when it comes to using their digital services. However, this appears to be inconsistently targeted.

While the proportion rises among some groups in vulnerable situations such as Universal Credit claimants (31%), only 13% of those aged 75+ say they had been offered support.

When we asked energy suppliers about what support they offer customers to help them use online services, they told us about good practices including:

- + Using an impersonator tool, which allows customer service agents to simulate the login of a user without exposing the user's login and password to them, to guide customers through a digital journey.
- + Providing advice and 'how to' guides that educate customers on how to carry out self-service activities online
- + Including QR codes in communications so customers can more easily find the supplier's app if they wish to use it

Beyond energy supply, we're also aware of good practice in services like price comparison websites which have put in place phone lines to enable offline switching, and made their services simpler and more accessible.

We also asked participants in our qualitative research what solutions would help them engage with the energy market in the years ahead as services become increasingly digital-first. They were keen to see offline services retained and digital services simplified. Many expected to need ongoing support from friends and family in future, and there may be steps that companies can take to ensure that trusted third parties can support and manage energy accounts.

A minority of participants felt they would be keen to attend digital skills training or would turn to organisations like libraries and charities for support. These may be of particular use for people who are more isolated. For some, the cost of devices and internet access would remain a barrier.

In future energy suppliers should consider proactive engagement with organisations supporting those who are digitally disadvantaged like the Good Things Foundation, which runs training courses, runs a data bank of free top ups for people in need and provides refurbished devices to people on low incomes.

# Risks for digitally disadvantaged consumers in the future market



## Impacts on digitally disadvantaged consumers as the market evolves

Engagement in the retail energy market has traditionally focused on encouraging consumers to switch energy tariff to get a good deal, a better service or a greener energy supply. However, by the mid-2020s, reforms that help our energy system accommodate more intermittent renewable energy will mean suppliers will be incentivised to reflect the changing availability of supply in the prices they charge. This is likely to mean more tariffs that have different prices at different times of day.

Though it will be possible to manually respond to Time-Of Use (ToU) price signals by turning appliances on and off, smart energy technologies like electric vehicles, heat pumps and smart appliances can make this much simpler by automatically using energy when it's cheaper.

Digitally disadvantaged consumers already find it hard to get the best outcomes in the current market. There are significant risks they'll fall even further behind in future through struggling to use more complex tariffs and smart energy technologies and, as a result, pay an unfair share of the costs of decarbonising our energy supply. Unless the right consumer protections are in place people may sign up to products and services that aren't designed with their needs in mind.<sup>21</sup>

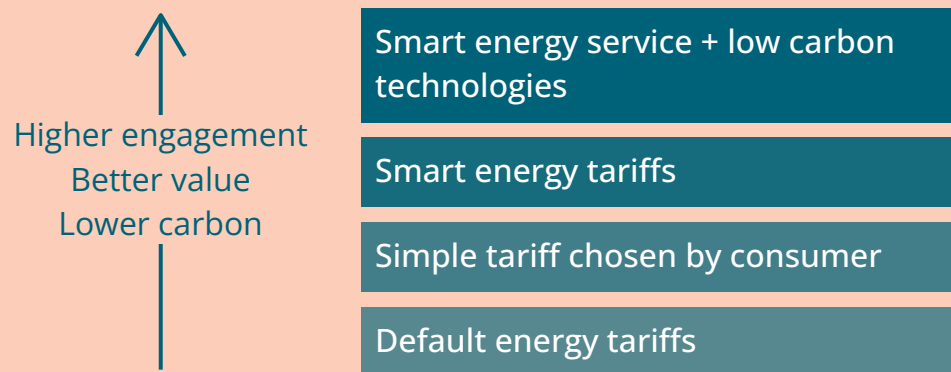


**Jamal\***

"I mean, if you say 'smart', everything today is becoming smart. You go down the motorway you see smart motorways, smart TVs, smart this and smart that but it really doesn't affect me."

The Government's energy retail strategy recognises that it is likely to be consumers who optimise their energy usage through technology who get the best value in future, and energy suppliers are likely to offer simple propositions that bring these together for customers.<sup>22</sup> To achieve fair outcomes in this market it will be necessary to enable engagement at each step of the 'hierarchy' while protecting those who may struggle to engage.<sup>23</sup>

## Outcomes hierarchy in a future energy market



\* All names have been changed to protect clients' identities

## Barriers to engagement in a future market and possible mitigations

There are some key barriers for people who are digitally disadvantaged and possible mitigations include:

Barrier	Mitigation
People who are digitally disadvantaged may be less able to access information about services - similar to the problems they have with browsing the current market <sup>24</sup>	Easily accessible face to face and telephone advice about energy services
	Contracts that are flexible to ensure services meet people's needs once they are in use
They are likely to face difficulty in setting up and using new technology or equipment in their homes <sup>25</sup>	Companies can make instructions and information about smart energy technologies available in non-digital formats and provide offline support
Many of the innovative energy propositions which have been developed so far need to be managed via apps or online systems <sup>26</sup>	Make services simple for those with low digital skills and enable offline options where possible
	Ensure trusted third parties such as a family or friends can manage services - subject to consent and appropriate safeguards
	Consumer protections that mean people aren't locked into inappropriate services

Overcoming these barriers should be supported by appropriate regulation and policy. As set out above, a new Ofgem Consumer Duty would require suppliers to ensure the products they sell can achieve good outcomes for consumers and suit their needs.<sup>27</sup>

Ofgem also enables innovation by running a 'sandbox' for companies to trial new products and services which don't comply with current regulations. It should assess all applications to ensure they've considered accessibility for digitally disadvantaged consumers. In 2021 Ofgem reviewed its sandbox and considered the option of 'policy-led' calls for innovations to tackle particular issues.<sup>28</sup> If taken forward, this approach could be used to call forward services which support digitally disadvantaged consumers with smart energy services.

Regardless of how services are designed, financial barriers will remain for many on low incomes. The current high price of energy means the payback time for low carbon technologies is lower than ever, but upfront costs can still be significant.<sup>29</sup> In addition to better access to affordable tariffs for broadband, digitally excluded consumers on lower incomes are also likely to need access to grants or low cost financing to benefit from new energy services in future.



## Smart meters are a key building block for access to better energy services

Smart meters - being rolled out to all consumers in the coming years - are necessary in order to access new time of use tariffs, and offer other significant benefits like automatically providing meter readings. Smart meters can be used by digitally excluded consumers because they communicate via a secure communications network, rather than using home wifi.

Information about energy usage is displayed on an in-home display which suppliers are required to offer to all customers as part of their installation.

Previous research by Citizens Advice and Ofgem<sup>30</sup> has found that digitally excluded consumers are more likely to be satisfied with their smart meter compared to their online counterparts, perhaps indicating a bigger relative improvement in service. However, research has also shown that people who are digitally excluded are less likely to have a smart meter installed than people with internet access.<sup>31</sup>

In our qualitative research the majority of digitally disadvantaged participants had heard of smart meters, and those that had them already were generally positive about them. But among those who didn't there were some misconceptions, including assumptions that internet was needed, and concerns about billing errors.

Energy suppliers and the rollout campaign body Smart Energy GB should redouble their efforts to engage digitally excluded consumers via offline routes about the benefits of getting smart meters installed. A recent trial used door-to-door promotion of the rollout for the first time and could be taken forward more widely to help reach audiences like the digitally disadvantaged.<sup>32</sup>

It's also vital that people are able to get the most out of their meter if they are digitally disadvantaged. This should include offline user guides and support for people keen to use their in-home displays, and access to 'accessible' in-home displays for people with sensory impairments. We're also concerned that people who need replacement in-home displays - for example if their display stops working or is missing when they move in - can struggle to do so. There is no specific requirement for suppliers to provide replacement displays, although some do so for a fee.

We're concerned that this disproportionately impacts digitally disadvantaged consumers if they are reliant on their in-home displays.

We think all consumers should be able to access replacement displays, with fees waived for people in vulnerable circumstances who particularly rely on them, including digitally excluded and prepay consumers.



## Conclusion and recommendations

Digital disadvantage is a complex issue which intersects with other types of vulnerability. It makes it harder for people to engage with changing services, including in markets like energy. Although it is likely that the number of digitally disadvantaged people will decline over time, they will remain a significant minority in the decade to come.

Over the same period the energy market will undergo a profound transformation to support our net zero goals. This will introduce new benefits for consumers but also new risks, with the digitally disadvantaged particularly at risk of being left behind.

Digital disadvantage is a broad social issue affecting people's lives, but the energy sector must play its part in preventing harm and enabling participation. To ensure fair outcomes policymakers must take account of the needs of digitally disadvantaged people and understand the barriers they face to ensure they can achieve fair outcomes.

We've identified a number of key recommendations through our work:



**Energy services should be accessible and high quality for everyone**

- + Ofgem should ensure higher service standards in future by introducing a new Consumer Duty to drive positive outcomes for all consumers, including the digitally disadvantaged
- + Within this, Ofgem should ensure suppliers have telephone services which are high quality and accessible for all consumers without additional charges. No further 'digital-only' approaches should be allowed prior to proper consultation by Ofgem on its rules with consideration of the benefits and risks of this type of specialisation.
- + Suppliers, third party intermediaries and innovative energy service providers should make their digital services simple and accessible, and ensure user testing captures the needs of digitally disadvantaged people and those who support them.

- + BEIS should ensure that digitally disadvantaged consumers are protected from the loyalty penalty, especially if the price cap is removed. As part of its refreshed retail strategy it should consider whether there is a role for targeted 'nudges' like those trialled by Ofgem to support engagement by digitally disadvantaged consumers.
- + BEIS should ensure enduring access to the benefits of smart metering for digitally disadvantaged consumers by introducing requirements for suppliers to replace lost or broken smart meter in-home displays.
- + Ofgem should ensure that products it supports through its regulatory sandbox are inclusive for people who are digitally disadvantaged and should particularly call forward projects which target this cohort. This should help identify best practice approaches and reduce the risk of people being locked out from new energy products and services. In the longer term, a new Consumer Duty on suppliers would ensure that products meet the needs of their users.



**Enabling good outcomes for digitally disadvantaged people in the energy market**



**Improving access to digital services**

- + Together with suppliers, DCMS and Ofcom should work to encourage higher take up rates of broadband social tariffs among eligible households and continue to investigate the potential benefits which could be gained by pursuing a regulated approach to social tariffs

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