

Good practice guide

How energy suppliers can
signpost and refer
vulnerable consumers to
the right source of help



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Summary

Fewer than 1 in 4 consumers believe that their energy supplier has ever offered them help and support. And fewer than 1 in 10 recall being signposted or referred to a third party organisation.¹

It is widely recognised that energy suppliers need to work effectively with charities and third sector organisations in order to support consumers who are in vulnerable situations. A key part of this is knowing how to signpost and refer consumers to the right source of help.

We set out to understand how energy suppliers approach this currently, to identify good practice, and to share learning in a way that was accessible, particularly for new market entrants.

In September and October 2016 we carried out in-depth interviews with 15 energy suppliers, a debt collector and a trust fund administrator. We also consulted Citizens Advice Plymouth and the Extra Help Unit.²

Recommendations

Our analysis led us to the following recommendations. Energy suppliers should:

1. Agree a company policy for signposting and referring vulnerable consumers to third parties
2. Set up clear signposting and referral options to a range of organisations
3. Be consistent in offering additional help
4. Allow consumers to access services on their own terms and provide support when needed
5. Empower customer facing staff to make good referrals
6. Build relationships with referral partners and learn from each other

¹ GfK Consumer Panel ad hoc data (October 2016), sample size of 8275 respondents, weighted to represent 16+ GB population

² cas.org.uk/about-us/consumer-advice/extra-help-unit

1. Agree a company policy for signposting and referring vulnerable consumers to third parties

In August 2016, the regulator set out its intention to introduce a ‘vulnerability principle’ into the supply licence.³ According to this, suppliers will be expected to:

“demonstrate better identification of vulnerability and to respond to consumers in a way that takes into account their individual needs and circumstances.”

Some consumers may need independent advice or help with a matter that their energy supplier can’t deal with. These problems can impact on the consumer’s ability to manage or pay their energy bills, as well as to engage effectively with their supplier. It could include, for example, complex debt problems, mental health problems or insecure employment. Third parties, such as advice agencies and specialist charities, can help to explore the root of the problem and find sustainable solutions, taking into account the consumer’s whole situation.

Suppliers therefore need to signpost or refer vulnerable consumers to third parties where appropriate. This should complement the help and support that is provided in-house.

Suppliers should do what they can to help and support consumers themselves while recognising when a third party is better placed.

There are many ways that suppliers can help and support consumers in vulnerable situations in-house, including:

- cheapest tariff checks
- voluntarily billing customers on cheaper tariff rates
- discretionary prepayment top ups⁴
- flexible support with managing debts

³ Ofgem, [Future of retail market regulation: working paper on broad principles](#), 18 August 2016

⁴ Citizens Advice, [Staying Connected](#) and [supplier good practice guide](#), 11 April 2016.

- debt and hardship relief⁵
- priority services
- Warm Home Discount
- ECO and other energy efficiency schemes

Providing support in-house can help to build and maintain a good relationship with customers. It can simplify the customer journey and ensure problems are resolved quickly.

However, where needed, suppliers should help customers to identify and access the advice and support that is provided by third parties. In addition, some suppliers promote or deliver some of their own support services in partnership with third parties - most notably, hardship and trust funds.

Referral partnerships work well when they have support from leaders at all levels, are woven into strategy and operations, and are used and valued in many parts of the organisation. There are many ways that suppliers can build systems that help their staff to promote work with third parties. We discuss some of these in our other recommendations below - training, IT, sharing successes and good practice can all help.

2. Set up clear signposting and referral options to a range of organisations

Suppliers should make sure their referral partners can collectively meet the needs of vulnerable customers. Consideration should also be given to how different referral partners relate to each other, to avoid duplication and simplify the customer journey where possible. For example, suppliers might refer customers directly to an income maximisation service, or they might refer customers to a debt advice provider who can make an onward referral if needed.

⁵ Citizens Advice, [Welfare reform and essential bills](#), 13 July 2016.

Ofgem also requires domestic suppliers to signpost customers to the Citizens Advice consumer service and Ombudsman Services: Energy. For more information about this, see our recent complaints signposting audit.⁶

Below we discuss some of the key types of signposting and referrals for vulnerable consumers.

Consumers in financial difficulty should be offered independent advice to help resolve their money problems.

This could include:

- reaching an appropriate solution to manage their debt(s)
- maximising their income
- support with managing their financial affairs⁷
- resolving problems with their welfare benefits

The appropriate solution for each customer will depend on their individual circumstances. It could involve setting up an affordable debt management plan, applying to an energy supplier's trust fund or applying for a debt relief order. Suppliers are not always best placed to decide which option is most appropriate for the consumer. They should therefore signpost or refer consumers to organisations that can offer an independent diagnosis.

For example, some suppliers incentivise consumers to take up debt advice by mentioning the possibility of debt relief via their trust fund. While this can be an effective way of getting some consumers to the right source of help, it risks leaving other consumers stranded if expectations are not managed. It is better instead to refer consumers to an independent debt advice agency who can help them explore the possibility of applying for debt relief alongside other options.

⁶ Citizens Advice, [Complaints Signposting Audit](#), 21 December 2016.

⁷ The Citizens Advice Financial Capability Areas were developed in line with the MAS UK Financial Capability Strategy Adult Outcomes Framework. They are: keeping track of money, controlled spending, having enough money to live on, planning ahead with money, looking for the best deals and staying informed about money services.



One large supplier has trialled different ways to promote their trust fund alongside debt advice. Their debt letters advise customers: if you are having difficulty paying, our referral partner can provide debt advice and income and expenditure assessments, and may also be able to help you with your application to our trust fund.

Consumers who are struggling to meet the cost of energy may benefit from energy efficiency advice.

This could include:

- tips on how to save energy around the home
- help accessing energy efficiency schemes
- home energy efficiency visits

Suppliers can take a variety of approaches to providing energy efficiency advice either in-house or through outsourced partners. For some suppliers, it is an integral part of the support they offer to customers in financial difficulty. For others (often those with a large smart prepayment base) it is an integral part of their service offering to all customers.

Several suppliers have worked with NEA to deliver energy efficiency training to their frontline. This ensures that agents are properly qualified to deliver advice - for example, they do not encourage low users to cut back too far. Other suppliers have referral partnerships with specialist organisations who can deliver advice over the phone or in the consumer's home.

Consumers may need assistance accessing a food bank.

Some consumers are in a position where they cannot afford sufficient food or fuel.⁸ If suppliers identify that a customer is vulnerable because they do not have enough food, they should signpost to a local advice agency (such as Citizens Advice) who can help the customer access local food bank assistance.

⁸ Evidence shows a clear link between being able to afford sufficient food and fuel. See Hannah Lambie-Mumford et al., [Heat or eat: food and austerity in rural England](#), August 2015.

Suppliers should have a process that staff can use if they believe anyone in the household is at serious risk of harm.

Possible scenarios include consumers who are threatening to self harm or those who are experiencing domestic abuse.

Suppliers should develop guidance on when the police should be contacted, who should do this and when staff should dial 999. Other organisations that may be appropriate to signpost or refer consumers to include social services and the Samaritans.

For more information on how creditors can help challenge financial abuse, see our recent report and guidance.⁹

3. Be consistent in offering additional help

Some suppliers find it challenging to engage customers with offers of help, particularly around debt and financial support. Others are anxious about offering help to customers who do not want or need it, in case this provokes a negative reaction. An important way of addressing this is to normalise third party services, both with customers and frontline staff.

By delivering a consistent message in the right way, consumers are more likely to take up offers of help when they need and want it.

Suppliers should endeavour to make all customers aware of third parties that can offer additional help and support should they need it.

The help available from third parties should be promoted consistently across all communication channels, such as letters, telephone and the supplier's website.

⁹ Citizens Advice, [Addressing Financial Abuse](#), 25 April 2016.

Suppliers should also make sure they meet the needs of customers with different communication skills, such as poor language skills or cognitive impairments, by adapting their communication approaches.

The message that help is available should be clear at all points of the customer journey, from point of acquisition through all customer service interactions, and at all stages of the debt path. This helps to normalise the offer, avoiding the perception that help is only available in special circumstances.

All customer facing staff should promote third party services, rather than only certain teams or departments. Section 5 below gives more detail on how to help staff do this. Specialist teams may have greater capability for making referrals and supporting customers through the process. In such cases, suppliers should ensure that frontline staff consistently refer customers to the specialist teams and promote the support they can offer.

Suppliers who struggle to engage customers with offers of help tend to take an inconsistent approach. For example, customers are only referred for debt advice at a late stage in the debt path when all other options have been exhausted and the relationship has broken down. Often the customer will not take up an offer of help at this late stage, or will drop out of the referral process. We have shown how suppliers can instead integrate offers of help into earlier interactions and enable customers to take up help when they need and want it.

4. Allow consumers to access services on their own terms and provide support when needed

Ultimately it is the consumer's choice whether they seek help or not. Suppliers should present suitable options and help consumers to navigate these. They should also provide support to help consumers access services if needed. But it is equally important to accept when a consumer is not in a position to accept help, and to explore alternative solutions.

Consumers who are signposted or referred to a third party without proper preparation are likely to drop out of the process. Staff should take the time to

explain what help is being offered and what will be expected from the consumer in terms of time and commitment.

Staff should also support the consumer through the process of a referral if needed. For example, if a consumer is particularly distressed or anxious, they could offer to call them back to see how the referral went. It can be helpful for suppliers to have some capacity for doing casework, so that agents are able to provide tailored support to customers on an individual basis.



One local authority supplier asks all of its frontline agents to take personal responsibility for each customer they speak to. Agents will support customers to access the help and support they need on an individual basis, and customers are encouraged to call back if they need any further assistance.

The Extra Help Unit reports that for many of their clients it takes a lot of courage to contact their energy supplier. Once they get to a further point of referral, they have often exhausted their emotional energy and are not in a good place to take up additional help and support. To accommodate this, suppliers can offer to call back customers at a later date to discuss options. They might also transfer the customer through to a referral partner to arrange a convenient time to be called back.

However, some consumers may simply not be in a position to accept help and should not be penalised if this is the case. Suppliers will need to explore alternative (perhaps temporary) solutions such as putting the customer's account on hold.

5. Empower customer facing staff to make good referrals

Staff need to be confident and capable of talking to customers about third parties that can help and support them.

This includes:

- understanding how these organisations can help
- knowing how to communicate this effectively to the customer
- caring about doing the right thing for the customer

Many suppliers undertake training with referral partners and other third parties. This helps raise staff awareness and understanding of different vulnerabilities and how third parties can help. Training can also cover conversation techniques such as TEXAS, IDEA and CARERS, which assist staff in dealing with conversations about vulnerability.¹⁰ Suppliers report that this sort of training increases staff empathy as well as giving them the skills they need to make good referrals.

The Extra Help Unit, along with other stakeholders, has highlighted the importance of frontline agents being able to work with customers who have mental health problems. Often these customers are overlooked as ‘difficult’ or ‘angry’ and are not given the support they need. Suppliers should ensure staff receive training that develops a combination of knowledge, skills and strategies to work with these consumers.¹¹ They should also consider training to help staff build personal resilience and feel more confident at dealing with emotionally challenging situations.¹²

Suppliers should keep staff informed and engaged on an ongoing basis.

Successful approaches include:

- staff awareness campaigns
- online training modules
- individual coaching



One large supplier has a comprehensive strategy for making sure staff use the support available for customers. They told us the key is “getting staff passionate about it”. They have taken a range of approaches, many of which could be adapted by suppliers with different resources. They run regular staff awareness campaigns, briefings and information sessions. As well as providing information

¹⁰ Financial Conduct Authority, [Practitioner’s Pack](#), February 2015.

¹¹ Money Advice Trust, [Lending, debt collection and mental health](#), November 2015.

¹² Resilience training can be delivered by the Samaritans and other mental health charities.

on their intranet, they say it is also important to give it to staff physically via vulnerability cards.

They also place an emphasis on peer learning and recognition as this helps “bring it to life”. For example, they encourage staff to share success stories and celebrate the good outcomes that they achieve for customers. Agents might also share case studies with customers in order to demonstrate the potential benefits to them of taking up advice from a third party.

Quality assurance can play an important role in ensuring that staff are signposting or referring customers to the right source of help. For some suppliers, how well agents recognise and respond to signs of vulnerability is a fundamental part of their performance management. Most commonly, this is monitored through call listening and learnings are fed back through individual coaching.

One interviewee noted the importance of not taking a tick-box approach to signposting. They score agents’ calls on whether they achieve the right outcome for the consumer:

“If an agent set a [debt repayment] arrangement where we actually think, based on the information that we’ve received from that customer, the right outcome would have been to have signposted and sent them for free advice, and given them a 30-day breathing space, that would fail a call... It could be that, actually, we did get the right outcome but the signposting wasn’t particularly great, so that would be put down as a learning.”

Suppliers should give staff the tools they need to make good referrals.

Suppliers should allow agents time to have the right conversations with consumers. One supplier we spoke to does not time calls at all, while others have flexible KPIs so that agents can take longer than normal if needed.

It can also be helpful to provide visual prompts and reminders of the different organisations that agents can signpost or refer customers to. This can range from ‘vulnerability cards’ attached to computer screens to pop up dialogues integrated into the CRM system.

Several small suppliers give their staff autonomy to use the internet to find the right source of help for consumers. This can be useful when local assistance is needed, such as food banks and social services.

6. Build relationships with referral partners and learn from each other

Suppliers need to think and act proactively in order to meet the needs of vulnerable consumers. Constructive relationships with third parties are an essential part of this. And constructive relationships with referral partners, in particular, help to keep signposting and referrals effective.

Several suppliers we spoke to had undertaken site visits and call listening with referral partners, arranged adviser secondments (in both directions) and carried out extensive consultation with partners on policy and operational changes.

One supplier we spoke to emphasised the importance of regular bilateral communication around operational and policy issues. They also facilitate relationships between referral partners, recognising the need to work together effectively:

“we’ve had them all in a room to thrash out what the best way of doing things should be. That’s been really good.”

More broadly, working constructively with third parties helps suppliers to understand their customers better and to develop more accessible, inclusive customer service offerings.

Conclusion

Energy suppliers can take a range of approaches to help and support vulnerable consumers. But some consumers need help or support with a matter that their supplier can't deal with. Suppliers therefore need to have effective signposting and referral routes to third parties.

We recommended suppliers to work constructively with a range of referral partners. We also discussed the need to support consumers up to the point of referral, and sometimes beyond, in order to help them access services. But equally, suppliers should not penalise consumers who are not in a position to accept help.

In order to engage customers with offers of help, suppliers should promote third party services consistently throughout the customer journey. Customer facing staff need the skills and confidence to talk to customers about third parties, and the tools to help them make good referrals. Ongoing training and engagement are key to this.

In speaking to energy suppliers about their experiences, we identified a number of challenges in getting signposting and referrals right. This paper has focused on the ways that suppliers have overcome these challenges and what Citizens Advice considers to be good practice. We have not evaluated the quality of advice or support provided by third parties.

Citizens Advice will continue to work with energy suppliers to implement our recommendations, monitor progress, and to identify and share further good practice.

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