

Tackling gaps and overlaps

Discussion paper

Addressing the energy advice challenge

The logo for Citizens Advice, featuring the text "citizens advice" in a dark blue, sans-serif font inside a white speech bubble shape with a small tail pointing downwards and to the left.

**citizens
advice**

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Introduction

This discussion paper outlines why the government should **develop a comprehensive energy advice strategy** in order to help the country meet its net zero targets. It explores the role and purpose of advice, identifies the current gaps in energy advice funding, as well as the opportunities to deliver advice services that would have greater impact and help more people. It is deliberately provocative in places and we welcome feedback on the proposals.

Advice is a cost-effective way to facilitate and deliver benefits for individuals as well as wider society.

For many, advice is the bridge towards taking an action. It's something that complements the behaviour change we want to see and the support we want to provide for people. Over the coming years, energy advice will become even more important as we recover from the pandemic, try to cope with rising energy bills and make progress towards meeting our net zero commitments.

A new strategy should help coordinate how advice is delivered, ensuring all industry or taxpayer funding are used in the most effective way and contribute to the long term vision.

The time for action is now. The economic scarring caused by the pandemic has resulted in an increase in people behind on their essential bills. The cost of living crisis and war in Ukraine means people's budgets are under more pressure than ever before. This puts even more pressure on existing independent advice services, many of which are already facing rising demand and reduced budgets.

At the same time, the government's net zero ambitions and need to improve our energy security mean there must be a significant economic and behavioural shift to ensure targets are met. Every household will be impacted, from installing low carbon heating sources to making their homes more energy efficient and changing usage patterns.

There will be a diverse range of new service propositions and financial packages available. This adds a further layer of complexity to an already difficult market. Many things will need to happen to get consumers to engage and one component piece has to be access to **independent and impartial advice**. We know the number of households affected by these changes will rapidly grow over the decade.

Using independent advice to drive behaviour change, such as encouraging people to take up new flexibility services, **will also be much more cost-effective** than investing in reinforcing existing energy infrastructure.¹



Why now?

Rocketing wholesale prices and the large number of supplier failures have left more consumers facing higher energy bills, with bills rising by an average £700 in April 2022. Further increases in October - with bills rising to £2,500 or even £3,000 cannot be ruled out.

There is increasing pressure on energy suppliers and network companies to signpost consumers to independent sources of help such as debt advice. Funding constraints mean these advice organisations may struggle to cope with an increase in demand.² This is a risk that needs to be managed as poor quality signposting or a bad experience when seeking help can discourage people from taking up advice.³

Looking to the future, consumer needs for independent advice are likely to increase significantly as a result of the government's net zero commitments. This should be considered as a key enabler.

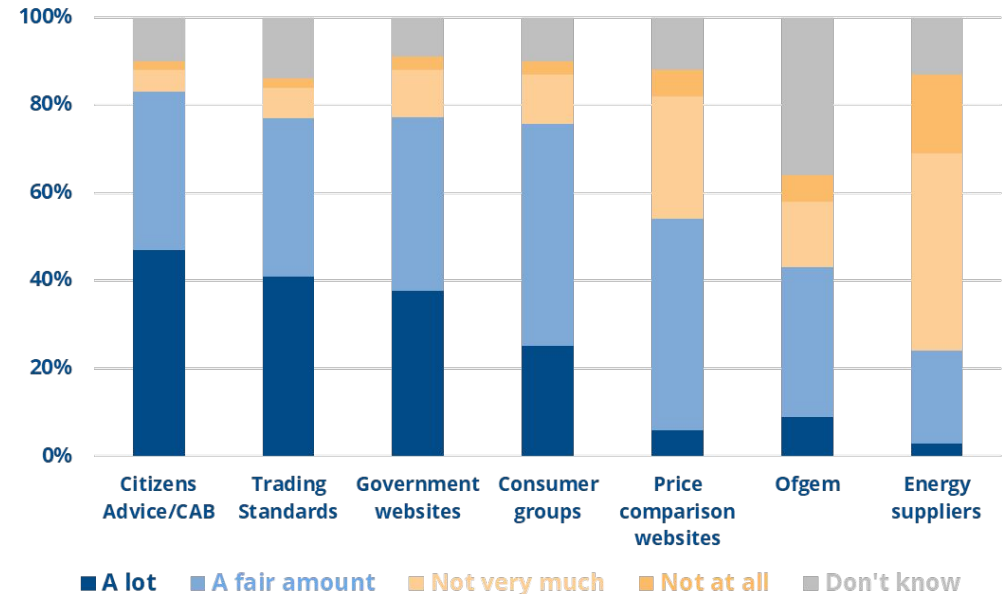
The expected growth of smart tariffs, products and services, means that people's advice requirements will be more complex. This is particularly the case for advice needs around energy efficiency and low carbon heating.

People will need to make more complex choices in future and the majority will need independent advice to help them understand what options are available and most appropriate for their individual circumstances. Advice agencies will need expert staff as well as new tools in order to provide tailored advice to people.

The paper is informed by Citizens Advice's experience as the statutory advice provider and advocate for household and small business energy consumers, as well as our trusted reputation and continued innovation in the market, for example through our digital lab. It also contains input from other organisations working in the energy sector.

We regularly commission research about people's advice needs to help inform our advocacy work. Our aim is to influence the development of the government and Ofgem's policies and work directly with industry to tackle poor performance and drive up standards within the sector. This paper focuses on the experience of household consumers, as the existing advice arrangements are more complex for these users.

Trust in organisations and public authorities to give impartial information (based on all people), BEIS polling Autumn 2021⁴



Citizens Advice is the most trusted source for impartial advice at over 83%

Current model: a complex web of funding

There is currently a wide range of funding streams across the energy sector which creates a complex web of funding with overlapping aims. We estimate that, based on the current trajectory, up to £25-45m could be spent each year across a range of different organisations on energy advice. **Currently there is no central analysis of how effective this spend is and where its impact could be improved.**

With the net zero target and the need for significant behaviour change from millions of households to achieve this, it is more essential than ever that we get this right. People will need advice on a wider range of energy market issues, including whether they could get a better deal, what their consumer rights are, how they can complain about poor services and what additional support are they are eligible for. Households in debt or struggling to afford their bills will need access to holistic advice to help them take control of their finances. The choices people make will get more complex in future as new products and services are launched. They will need support to navigate these more complex markets to make decisions that are right for their personal circumstances and avoid scams or mis-selling.

Based on our consumer insight and experience providing education and advice, **we're calling for the government to develop a clear strategic vision for energy advice, to manage the complexity of current funding streams.** There is also a need for greater collaboration amongst the advice sector to ensure that limited amounts of spend achieve the biggest possible impact for consumers.

The first step must be to develop a greater understanding of what energy advice services currently exist, then establish what models work best and for who. The greatest value for money will be achieved when opportunities to **strengthen existing advice programmes are taken and action is taken in a integrated way**, avoiding isolated ad-hoc interventions.

In order to deliver the best possible outcomes, all existing and future funding for energy advice must be used in the most efficient way to help support people to:

- make the right choices
- build skills and confidence to enable them to solve their problems
- access additional help, and
- reduce their carbon emissions.



Citizens Advice currently receives funding to deliver energy advice and support through a range of different schemes including levy funding, time-limited grants like Warm Home Discount industry initiatives, Ofgem's Energy Redress Fund (managed by Energy Saving Trust) and network company funding. Our local network currently delivers a wide range of local energy advice and education programmes funded by a mix of national Citizens Advice, supplier and network industry initiative funding, Energy Redress funding and devolved government funding.

Untangling the web

Once there is a better understanding of the current gaps, consumer needs and preferences there's scope to explore how to use existing funding pots more effectively.

Until there is greater clarity, work on developing new industry funding mechanisms should be paused unless it can be clearly demonstrated that this won't result in duplication.

Priorities should include:

- Establishing better referrals between organisations
- Development of open access or shared advice tools
- Creating a shared database of existing and historical projects as well as their aims and impact
- Taking all opportunities to shift to more stable funding which can run over multiple years and
- Collection of standardised data sets.

The government and Ofgem, through its role in scrutinising existing industry funding, must explore opportunities to ensure this shared advice infrastructure can be developed, built and maintained.

We also believe funders have a particular role to play in delivering improvements in tracking impact and avoiding duplication. For instance, it is generally better value for money to support or improve existing initiatives as opposed to establishing new ones. Funders also have a role to play in improving the quality of data collection by making this a condition of future bids.



Case study: Comprehensive advice strategy supports people to make changes in their homes

Between 1967 and 1976 the UK's gas supply was converted from Town (or coal) gas to natural gas. Over a 10 year period around 14 million customers had approximately 40 million appliances significantly modified or replaced.⁵ This was an operation of huge proportions bringing together the manufacturers of new appliances, a skilled workforce, customers and a national information campaign.

The conversion was centrally planned and led with the country converted on an area by area basis. A national information campaign was supported by local press adverts and public meetings led by the gas board. This enabled consumers to hear about the process of conversion, ask questions and see live demonstrations of new cooking appliances alongside the old. In a pre-privatisation world most major towns and cities had gas showrooms that showcased gas appliances and provided account and service enquiries for a customer's gas supply, delivering a one-stop shop for advice and information.

The purpose of advice

Citizens Advice is an organisation with twin purposes.







Our advice is able to help most people solve their problems, but where this isn't possible, we use our data and insight to advocate for policy or process changes.

As the statutory advocate for energy consumers, we believe that any industry or taxpayer funding for advice must be spent in the most cost-effective and efficient way to deliver the best possible outcomes.






Stages of the journey

- **Public engagement** - becoming aware there's an issue
- **Consumer education** - understanding where to go for help
- **Independent advice** - impartial information and support about the available options or rights
- **Casework** - more intensive help & support for people, which can include taking up a complaint on their behalf
- **Redress** - external process for settling unresolved disputes











People's energy advice needs will vary based on their:

	Income
	Access to saving
	Tenure
	Property type
	Digital literacy
	Any additional accessibility barriers they face

Advice should help people:

	Understand options
	Make informed choices
	Feel confident about decisions
	Resolve problems
	Find other sources of help or support

People will want to access advice:

				
Online	Webchat	App	Video calls	Email
				
Letter	Telephone	Face to face	In the community	In their homes

Existing funding for energy advice

This paper focuses on funding available across England, Scotland and Wales. The Welsh and Scottish governments provide further advice funding, largely focussed on energy efficiency or fuel poverty support.

National Citizens Advice receives the majority of its energy advice funding through what's known as the energy levy. The levy funds the work of Ofgem and the Citizens Advice service's statutory advice and advocacy roles.

The services delivered include the Citizens Advice consumer service, the Extra Help Unit and the Big Energy Saving Network.⁶ From April 2021 onwards, first tier advice for Scottish consumers has been delivered by Advice Direct Scotland. Total advice funding through the levy was expected to total approximately **£5.3m in 2021/22, equivalent to 10p per household a year.*** Oversight is provided by BEIS and the Scottish Government, with the Citizens Advice service required to provide quarterly updates, an annual report and consult annually on our forward work plan.

* Based on domestic household share of total energy volumes

Energy levy spending

The Citizens Advice Network received £4.5m in levy spending for energy advice in 2020/21.⁷

The Citizens Advice energy advice pages had **1.4m users** with **2.8m unique page views**.⁸

The Citizens Advice Consumer Service answered **103,370 contacts from consumers**, providing them with personalised advice. Qualifying consumers are also able to be directly referred to their energy supplier, Ombudsman Services or the Extra Help Unit.

The Extra Help Unit provided case handling support to **14,700 clients**, obtaining **over £2m in redress** from energy companies. The Unit's Ask the Advisor support line for advice agencies handled a further 1,382 contacts.

Big Energy Saving Network is delivered by Local Citizens Advice offices and other partners. The network provides training to frontline workers as well as personalised advice. Our BESN champions provided **personalised advice to 17,685 clients**. We helped clients achieve **estimated savings of £4.3m** on their energy bills. Figures do not include people reached or savings achieved by the advisers we trained.

Warm Home Discount industry initiatives⁶

Obligated suppliers spent **£33.9m⁹** on industry initiatives in 2020/21 proving people with a range of support including:

- benefit entitlement checks or assistance to claim benefits
- energy efficiency measures
- funding the provision of energy advice and training to energy advisers
- debt assistance (advice or monetary assistance)
- rebates for people living in mobile homes, or
- financial assistance towards fuel bills for fuel poor households
- funding referral services to sources of support

This is equal to approximately **£1.19 per household**. Suppliers spent **£8.6m on energy advice¹⁰**, £3.4m on benefit checks, £10.1m on energy efficiency measures and £5.3m on debt assistance. In total, 468,382 consumers received some form of help in 2020/21.

Energy advice was the most common outcome, with 357,100 customers helped (76% of total people helped). This can include everything from the number of web hits, to specialised support provided by supplier teams, to casework support from independent charities. For instance, approximately 66% of the total number of customers that received energy advice in 2019/20 were reached by a single programme operating in Scotland.¹¹

The funds spent on energy advice through the WHD industry initiatives scheme are equivalent to 30p per household. This is equivalent to triple the annual funding provided to the statutory advice provider in the energy sector during the same period.¹²

Energy Redress Fund

The Energy Redress Fund is managed by Energy Saving Trust on behalf of Ofgem. Its core aim is to deliver benefits to people negatively impacted by the breaches and to support energy consumers in vulnerable situations. Up to 15% of the funds can be used to support innovation projects and 15% on carbon reduction projects. Funding is available for a maximum of 2 years.

To date, the fund has distributed approximately **£9m per annum**. It has awarded £31.4m in funding since its establishment, helping 128,000 consumers.¹³ The amount spent on energy advice, as opposed to financial support or other forms of support, is not available.

In 2020/21, the fund prioritised the distribution of fuel vouchers to support households financially impacted by the pandemic.¹⁴

Network company funding



Gas - Distribution Networks (GDNs) have access to a use-it-or-lose-it pot of money covering all fuel poverty, consumer vulnerability and carbon monoxide work. This totals £60m across the 5 year Gas Distribution 2 (GD2) price control period. This is double what they had originally planned for.¹⁵ GDNs may spend up to **£7m per annum** on fuel poverty advice and activity.¹⁶



Electricity - Distribution Network Operators (DNOs) in recent years under Electricity Distribution 1 (ED1) have reported spending in the region of **£1.4m per year** on energy and other advice areas. Final Business Plans for ED2 indicate spending in advice areas of as much as **£15m per annum**, although Ofgem will determine what spending is allowed towards the end of 2022.¹⁷

As the permitted spending by GDNs for GD2 is significantly higher than previous actual spend, we can probably assume the amount that DNOs can spend from 2023 could likewise be higher.



Summary - Spending on advice by energy networks in the coming years could be in the region of **£15m - £25m per annum**.

Smart Energy GB funding

Smart Energy GB (SEGB) spends approximately **£2m per annum** on marketing partnerships, working with organisations and community groups to provide information and advice about smart meters.¹⁸

Based on current and future spending estimates, up to **£25 to 45m per annum** could be spent on energy advice via levy, redress and industry funding but the number of different funding pots and difference in the 'energy advice' being delivered makes this difficult to calculate. 'Energy advice' often includes providing direct support with debts and/or income maximisation, as it's often delivered as part of a wider package of support for clients.

When does energy advice become debt advice?

This paper focuses on the funding for energy advice. There is a separate but related challenge with how to fund debt advice charities who also assist a large number of energy consumers.

Debt advice charities are experiencing rising demand. In previous years, energy suppliers have contributed to these charities on a voluntary basis, in many cases enabling direct referral routes for their indebted customers. Despite sustained growth in the number of people seeking advice on energy debts, this funding has significantly reduced in recent years, largely due to the financial pressure of the price cap.

As of the current WHD year, obligated energy suppliers - those with 250,000 customers or more - have the option of directing WHD industry initiatives funding towards debt support. However, this funding is typically going towards more specialist debt advice programmes such as initiatives offered by organisations such as Citizens Advice Plymouth or National Energy Action.

Given the financial challenges currently facing energy suppliers, this paper does not have a preferred solution for the debt advice funding gap. Debt advice charities are eligible, in theory, to bid for existing energy advice funding but the funding model and approach may not be a good fit with their existing operations.

Key energy advice challenges and gaps

There are some key reasons why current energy advice funding isn't delivering the best possible outcomes for people. Demand is high and likely to rise further, with funding limited. In addition, there are some key challenges which can mean that existing funding may not be used in the most impactful ways.

It's unclear whether people's needs are being met

Advice funding is widely dispersed so there isn't a coherent understanding of whether people's advice needs are being met through existing programmes.

People's personal circumstances mean that they'll have different advice needs. Too many energy programmes are not sufficiently tailored enough to deal with a wide variety of client needs and preferences.

No organisation is responsible for tracking advice gaps across the country. There is no central monitoring of people's advice needs or understanding of whether those needs are being met through the channels available to

them. Problems can include duplication of effort or the failure to prioritise new services in areas with significant gaps in advice provision.

Advice commissioning isn't always carried out by experts

There are a variety of funders and different assessment frameworks in use. Because of the wide variety of organisations involved, commissioning of energy advice may be carried out by less experienced organisations or staff.

Ofgem is responsible for assessing compliance under several of these funding schemes. However its role is limited in scope. There isn't a single organisation responsible for providing guidance, assessing what good looks like or measuring impact using consistent quality assurance standards. This needs to be addressed in order to improve the impact of advice funding.

Inflexible or time limited funding is common

Smaller pots of money can restrict which organisations are able to bid and may reduce

the quality of advice delivered. Short term funding can result in too much time building up or shutting down programmes rather than helping people. Adviser expertise will be lost when the funding runs out. **The current approach of small and short term funding is inefficient and does not lead to value for money.**

Funders typically prefer to invest in direct delivery of advice services. There can be a bias against investing in necessary infrastructure to improve warm referrals between organisations that might be better placed to solve the client's wider problems.

Data collection is incomplete and inconsistent

There isn't consistent data collection across all the different funding streams for energy advice. Opportunities to address the root causes of people's poor experiences with the energy market or understand the wider challenges they're facing may be missed when relevant data isn't captured by advice agencies.

What needs to change

Citizens Advice has over 80 years of experience as an advice provider and 10 years experience as the statutory energy advice provider. In order to face the challenges of the 2020s and beyond, the following principles will be key.

1 Everyone who needs support should be able to access it

Demand for independent and impartial advice is likely to continue to be higher than available funding. The focus must be helping the largest number of people in the best possible ways, whether that's through digital, telephone or face to face support channels. Nationally available services should offer strengthened referrals to local services for those who need more intensive support.

There needs to be particular support for groups, often called the 'hard to reach', who are traditionally under-served by existing services.

2 Delivering value for money is key

Funders should ensure that new or additional advice spend complements, rather than duplicates, existing services.

The creation of new advice funding pots is one way to meet rising demand for energy advice. But it's not always the most efficient way of addressing the problem. Before any new funding streams are created, opportunities to strengthen existing schemes should be explored and the potential impact on other advice services should be reviewed. Where possible, the new funding pot should be deployed to address an existing gap, as opposed to funding further generic advice services.

3 People have different channel preferences and advice services must reflect this

We should invest in our digital advice services as this is increasingly the preferred route for consumers. But we also need to maintain telephone advice and in-person advice for harder to reach groups.

People are unlikely to follow a single, standard path to energy advice. Their preferred channel might shift over time or depend on their stage of the advice journey. Services need to reflect this and get people to the right place. Multi-channel is good but an omni-channel approach is even better.

4 Investing in creating and maintaining strong referral mechanisms can be key to getting people to the right support, more easily and quickly

It's unlikely that a single organisation can solve every single problem. Signposting isn't enough, particularly when the organisation being signposted to doesn't have the capacity to deal with increased demand for its services. People in vulnerable circumstances may not act on the signpost.

It's important to invest in creating better 'advice infrastructure' such as referral mechanisms, as well as front line delivery to ensure people are provided with a good customer journey. Another priority should be the creation of better tools to ensure advice agencies can provide advice on newer, more complex products and services.

What needs to change

5 Good data collection is essential

There are two key areas in need of improvement. Firstly, funders should ensure that organisations are capturing consistent and comparable data about what's driving consumer problems and/or the impact of the advice provided. Advice spend has the biggest impact when it's able to solve people's problems and help deliver lasting policy or process improvements.

Secondly, the energy sector is currently trying to open up data across the sector in order to deliver increased efficiencies, through initiatives like the Energy Digitalisation Taskforce. There is a similar challenge that needs to be tackled in the energy advice space in order to better understand:

- what works
- what needs to be improved,
- to avoid or limit duplication of effort, and
- identify any existing advice gaps.

Funders should explore how to create a shared database of funded advice projects, target client groups and assessment of their impact.

6 More stable sources of funding can lead to better advice outcomes

Moving away from six monthly or annual funding cycles can allow advice providers to invest in continuous improvement by trialling and testing what works.

This is one of the biggest challenges to tackle as funding cycles are typically year-on-year. The size of the WHD industry initiatives funding spend on advice is typically not known until several months into the current funding year as suppliers have the option to decide how best to spend their allocation. In 2020/21, 7 initiatives involved collaborations between suppliers.

The Energy Redress Fund releases its funding in tranches and will fund projects for a maximum of 2 years.

Opportunities to pool funding to allow for the creation of partnerships or enhanced referrals should be explored, including how this could work practically.¹⁹

This doesn't mean that advice provision should be centralised in a limited number of organisations or that bigger organisations are always better.

Diversity and localism are important when providing services to people, particularly those in vulnerable circumstances. And being small, nimble and innovative can translate into the delivery of some really impactful services.



Key challenge: Being clear about the difference and impact of signposting versus referrals

We've defined signposting as presenting the consumer with a list of organisations who might be able to help them. The onus is on them to get in touch with an organisation that might be able to provide advice and support.

Referral is where the company or advice agency puts someone directly in touch with another organisation which is able to help them - either passing them through via a warm handover or booking a future appointment for them.

Suppliers are required to signpost their customers to the Citizens Advice consumer service as its contact details must be provided on every energy bill. It is difficult for the consumer service to be able to forecast demand as there isn't a straightforward calculation for how many people will act on this signpost. This means organisations cannot prepare appropriately and creates more barriers for individuals.

The consumer service has referral arrangements in place with the Extra Help Unit. Their forecasts are based on a percentage of the consumer service's total demand.



Key challenge: What could pooling funding look like in practice?

Pooling funding could happen in a number of different ways.

One approach would be to pool all non-levy government advice spend into a single pot.

An alternative approach would be increasing the flexibility of existing schemes and allowing advice programmes to be funded by multiple funding pots, within a single overarching strategy for advice projects.

Citizens Advice's preference is for existing funds to be consolidated into a single larger pot as this would offer the best opportunity to ensure the overall delivery of a wider energy advice strategy. We recognise that this is not a straightforward option given the different rules and regulations governing the different funding pots.



Policy impact case study: Energy supplier failures

44 suppliers have failed in the last 3 years. The Citizens Advice consumer service shared evidence that:

- Companies failed to produce accurate bills leading customers to fall behind on payments or struggling to get refunds
- Companies failed to resolve complaints in a timely manner or at all
- Administrators for failed suppliers were aggressively pursuing customers for debt

The Citizens Advice policy team used consumer service data to demonstrate the harm caused by gaps in the current protection framework. This insight helped us successfully make the case to Ofgem about the need to introduce tougher requirements for new entrants in 2019 and some changes to tackle poor behaviours by existing suppliers in 2021.

We continued this work during the recent retail market turmoil, which led Ofgem to commit to a series of further changes including better financial oversight and reform of the supplier failure process.

What Citizens Advice is doing

In order to help more people, we need to be better at providing advice to people via the best channel for them. This applies both to the energy advice services as well as our wider advice services.

This means we need to invest in improving the quality of our digital advice by providing people with tailored advice that helps solve their problems. We will make it easier for people who need personalised advice or in depth support to access it through their preferred contact channel. Our plans are outlined in our 2021-2023 product strategy.²⁰

We are also looking to refresh our approach to local partnerships to reach communities who might not think to turn to Citizens Advice for support. This year we are trialling and testing new approaches to improve how people access our energy advice services.

We are creating strategic partnerships with organisations to help us provide more holistic support to people. Examples include our Trussell Trust helpline. In its first 12 months, the Help through Hardship service has taken over 60,000 calls, helped over 71,000 people with emergency food and led to an estimated £11.3m in additional income gains for the people who call.

We will pilot new approaches with other advice providers to help us create better end to end customer journeys. Citizens Advice would provide people with detailed support such as resolving a problem with their energy company, debt advice, help switching tariffs or signing up to support schemes. We would then refer the client onto an organisation which is better placed to provide more specialist support, such as installing energy efficiency measures in their home or applying for replacement appliances.

Citizens Advice is a bi-national organisation and we will continue to ensure that our nationally delivered services are flexible enough to be able to respond to the different advice frameworks within Wales.

We regularly analyse data from our own services as well as other market data to understand the experience of energy consumers and identify process and policy improvements. We are also part of the tripartite arrangements with Ofgem and Ombudsman Services, to help us identify and tackle emerging service problems.²¹

In all of these areas, we have a clear focus on our equity, diversity and inclusion goals, to ensure we're creating services that meet the needs of all people. Through our advocacy work, we will prioritise issues that disproportionately affect people who are at greater risk of detriment, disadvantage and harm.

What needs to happen next

This paper outlines the big challenges facing consumers. It's our view that the status quo is no longer an option if we want to address the current energy advice gaps and the emerging net zero advice gaps.

Making it easier for people to access good quality advice and support must be our top priority. If the current energy advice funding arrangements are acting as a barrier to achieving this aim, then change is required.

Public concerns about energy bills are higher than ever, with energy affordability now a concern for tens of millions of households. The government will also be asking the public to engage with more complex choices around shifting to low carbon heating, future proofing their home with energy efficiency measures or new smart products, and using energy in smarter, more flexible ways.

People will need access to comprehensive and independent advice and support in order to make these changes.

These are big challenges and there aren't many easy fixes. The recommendations in this paper echo some of the key findings of the review of the Energy Redress Fund's recent review, particularly the lessons learned section.²²

The first issue to be addressed is that there isn't a single organisation that owns this challenge.

The government must develop a clear strategic vision for energy advice. Ofgem should facilitate the delivery of this vision, where appropriate, through its monitoring and oversight of existing industry and redress funded schemes.

We know the future of energy advice poses greater challenges

As people are asked to make difficult choices about the technologies they have within their home and the services they sign up to, advice will become more complex.

To respond well, advice will need to be tailored to individual needs and circumstances, possibly using industry and consumer data. Deep expertise in energy efficiency and low carbon technologies may need to be gained, something enabled by sustained funding and scale. As future markets change, advice may cut across market boundaries and there may be many more touch points where it will be necessary or useful to receive it.

"If we can put consumers at the heart of the process and bring them along with us, then we stand a better chance."

Participant in our Future Energy Consumer: Digital series, 2020²³

Recommendations

1. Comprehensive support

The scale of the net zero challenge, the speed with which change will happen and the scale of support consumers will need to successfully engage with the transition all require a fundamental reassessment in how energy advice is delivered. To achieve this, opportunities to move to pooled funding should be prioritised, to develop user-centred and improved services as a central goal, along with a focus on value for money. People's ability to benefit from high quality advice and support can vary depending on how good their supplier is at commissioning with its WHD cash. This could also help identify duplication or overlaps and help tackle the current problems with advice gaps in certain parts of the country.

2. Longer timeframe

Ideally this funding would be available over a longer period of time to allow advice organisations to invest in and refine their services in response to client needs. It also puts advice organisations in a better position to retain their skilled advisers.

3. Data Collection

We would like to see all funders commit to requiring advice services to collect a standardised data set as this would help identify emerging market issues, identify what works and/or any service gaps that need to be tackled. Citizens Advice, through our role as the statutory advocate, would be interested in using the data about emerging market issues, including as the net zero transition progresses, to ensure that energy consumers benefit from improved services and fairer outcomes.

4. Devolution

Whilst this paper hasn't explored the funding priorities of the Welsh and Scottish governments in any detail, it is worth considering whether there is scope for greater collaboration in future. Consumers in Scotland and Wales already have access to more holistic support because of the importance placed on it.

5. Pooling

Finally, we think it is worth considering whether better outcomes could be achieved through providing additional funding via the levy. This would allow for the strengthening of the 'front door services' provided by the statutory bodies and enable investment in better referral pathways with the specialist energy advice services operating nationally or locally. It could also help drive innovation by targeted use of funding to create end to end programmes aimed at closing some of the existing advice and support gaps, particularly where people need dedicated in-home help and support. Other organisations have a lot to offer here in terms of nimble and innovative delivery and this strategic funding could be a route to developing more sustainable customer journeys across different organisations.

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Appendix

- 1 Citizens Advice vision for a future energy market

The future energy market is:

inclusive by design and recognises the essential nature of energy supply. It should facilitate and encourage innovation, be accessible by all and treat everybody fairly, regardless of their circumstances

This means it delivers:

- ① A seamless consumer journey
- ① Control for consumers and citizens
- ① A fair way of paying for the energy system
- ① High standards of regulation and governance

How a future energy market should feel for consumers



- ✓ I can confidently engage in the energy market
- ✓ I can access different options and benefit from new technologies and services
- ✓ I am not penalised for being loyal to my supplier or provider - or locked-in to any product or service
- ✓ I can control and amend how my data is used and shared
- ✓ If something goes wrong I can quickly and easily get it put right - I don't have to navigate between companies
- ✓ I feel in control over my energy experience



Companies provide transparent, comparable and simple information about products and services



Advice and support to make the right decisions



Robust regulations for new business models that ensure consumers are not asked to pay the costs - or carry the risk - of a company failing



Products and services are inclusive by design



Protections are consistent across markets



Products and services are interoperable and data is easily portable



Independent advice and redress options

Citizens Advice helps people find a way forward.

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.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.



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