

The Energy UK Safety Net

Protecting Vulnerable Customers from Disconnection

February 2016

Introduction

The six largest domestic energy suppliers in Great Britain - British Gas, EDF Energy, npower, E.ON, Scottish Power, and SSE – aim to protect their customers, and in particular their most vulnerable, by offering the most appropriate support for their circumstances. Each customer who has been identified as vulnerable is treated as an individual; no two individuals' circumstances are the same and their situation must be addressed on a case-by-case basis.

Identifying vulnerable customers who are struggling to pay their bills can be difficult, so energy suppliers work with third parties to ensure that their practices are as robust as possible. Therefore, Energy UK the trade association for the main domestic energy suppliers, has produced this guide for advice agencies to illustrate the steps that suppliers may take, so that the advice agency is aware of the support which may be available for their clients.

What does 'vulnerable' mean?

A common definition of 'vulnerable' has been agreed to allow suppliers to undertake a preliminary assessment of a customer's potential vulnerability based on basic information. Vulnerability can be transient in nature and, therefore, has to be assessed on a case-by-case basis as customers each have their own needs. To enable suppliers to offer the most appropriate support, each customer's individual circumstances must be taken into account. However, Energy UK members have agreed a definition to provide a framework within which they can assess customers' potential vulnerability. This definition is:

“A customer is vulnerable if for reasons of age, health, disability or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household”

Suppliers are ultimately responsible for deciding whether a customer is vulnerable and where a supplier determines that a customer is, for reasons of age, health, disability or severe financial insecurity, unable to safeguard their personal welfare or the personal welfare of other members of the household, the customer will not be disconnected. In order to ensure that genuinely vulnerable customers are not excluded from the definition Energy UK has provided guidance on identifying vulnerability.

For example, if suppliers identify households in the following circumstances, then they will consider whether the customer is vulnerable, according to the definition above:

- A customer is caring for an elderly person in the household;
- A customer is of Pensionable Age
- A member of the household is disabled or has a long-term medical condition (i.e. chronic illness) and is therefore unable to support themselves;
- An informed third party, such as a carer, social worker, health visitor or physician has indicated that a member of the household may be vulnerable;
- The age of any children living in the household;

- A customer dependent on medical equipment that is operated by electricity. For example, stair lifts, electric wheelchairs, defibrillators or dialysis machines.

This list is an illustrative guide and is to be used in conjunction with the definition – it is not possible to provide an exhaustive list of every condition that could indicate vulnerability, as all customers have their own needs.

Suppliers may also work with charities and support agencies when they identify signs of vulnerability in a household.

The Energy UK Safety Net

Energy UK members aim to help their customers, and in particular their most vulnerable customers, and provide them with the appropriate support they need to manage their energy use. Therefore, members have signed up to the Safety Net pledging to never knowingly disconnect a vulnerable customer at any time of year, where for reasons of age, health, disability or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household.

In addition, the Safety Net provides enhanced measures that are integrated into all suppliers' debt management processes, an agreed universal definition of a potentially vulnerable customer, improved communication with support agencies, a range of debt management and repayment options and follow-up procedures to support vulnerable customers.

Energy suppliers will:

- Apply the agreed definition of vulnerability within a framework of best practice guidance
- Wherever possible, attempt to capture information about their customers and identify potential vulnerability
- Ensure that vulnerable customers' internal records are updated to indicate that special attention is required
- Work, where appropriate, with advice agencies, support services and charities to offer vulnerable customers the most suitable support to help with their energy debt
- Have specialist teams to assist vulnerable customers and to support the implementation and ongoing administration of vulnerable customer policies
- Offer a range of debt repayment options in order to find the most appropriate solution for vulnerable customers to manage any debt
- Make attempts to contact all customers following a disconnection with the aim to agree a repayment plan with the customer
- Obtain senior management authorisation prior to any disconnection being carried out
- Re-connect any customer who has been found to be vulnerable after disconnection as a priority, and usually within 24 hours of confirming that the customer is vulnerable¹
- Monitor any repayment arrangements after they have been set up, in line with Ofgem's Key Principles for ability to pay
- Ensure all business functions, both internal and external, who may have contact with vulnerable customers, are aware of the provisions of the Safety Net

The Safety Net in operation

Suppliers will put the Safety Net into practice in different ways, depending on how their businesses are structured. However relevant operational practices include:

- Making every effort to identify a vulnerable customer based on Energy UK guidance and other relevant sources

¹ Reconnections are subject to the availability of meter operators to action request.

- Continuing to capture information, where available, about customers' circumstances from trained call centre and field agents
- Attempting to contact customers on a number of occasions, throughout the debt path through, for example, letters and telephone calls, as well as where possible, face-to-face contact
- Training of all field agents to recognise signs of vulnerability and empowering them to halt the disconnection, pending further investigation by the supplier
- Encouraging personnel involved in smart meter installation to report any concerns to vulnerable customer teams that arise during home visits
- Seeking debt management solutions that are appropriate for the customers' circumstances, such as repayment schemes, prepayment meters, Fuel Direct, referral to debt advice agencies, and social services via dedicated support teams
- If a customer's wellbeing is assessed to be at risk, disconnection will be halted and, if appropriate, social services will be informed (taking into account guidance provided by the Information Commissioner's Office regarding disclosure of personal information)

Any disconnected customer will be monitored post-disconnection and contacted by the supplier, as part of the overall customer contact experience. This contact will be recorded as part of the audit trail.

Contact with customers

Suppliers make considerable efforts to encourage all customers to discuss their circumstances with them directly so that appropriate payment arrangements can be put in place to recover any debt.

Suppliers make numerous attempts to contact indebted customers, by various means and at various times of day, based on the information they hold for that customer, before considering disconnection. Individual suppliers' processes may vary, and will be contingent on the customer's behaviour; however typically suppliers will make:

- 6 attempts to contact through correspondence
- 1 attempt to contact by telephone
- 1 attempt to contact by personal visit to property where no previous contact has been made, including visually checking the property for signs of vulnerability
- 1 attempt to contact by visit to court if a warrant is required
- Final attempt to contact at warrant execution or at the point that a senior manager has authorised remote disconnection

If during a contact with an indebted customer, (either by telephone or face-to-face), suppliers' frontline staff are made aware that a customer is unable to pay the bill, they will attempt to capture and record information about the customer, subject to the customer being willing to provide this. This may include details such as the customer's age, whether they are currently receiving benefits, the age of children and any special circumstances, such as whether any members of the household are disabled or have special needs.

Suppliers aim to promote a dialogue to encourage customers to volunteer information about themselves and their dependants, although they recognise that customers may sometimes be reluctant to do so.

Suppliers will, where appropriate, seek to meet the customer face-to-face to reach agreement on the recovery of a debt, whilst using the opportunity to obtain further information about the individual circumstances of the customer, enabling an initial assessment to be made as to their degree of vulnerability and the most appropriate action thereafter.

Illustrative debt collection path

Below is an example of the steps a supplier may choose to take between issuing a bill and the warrant visit or approved remote disconnection, along with indicative timescales for each stage. Suppliers' actual

debt collection pathways may, however, differ based on the supplier in question, the information the supplier holds about the customer, and the customer's individual behaviour. At each point of the contact with customers, if vulnerability is identified the customer will be referred to a specialist internal team where appropriate.

- Bill Issued: Day 1
- Reminder notice: Day 10 – 28
- Second reminder notice: Day 20 – 40
- Outbound call: Day 21 – 70
- Final demand notice: Day 28 – 68
- Pre-disconnection letter: Day 35 – 92
- Collections visit: Day 36 - 92
- Human rights letter: Day 48 – 104
- Warrant obtained: Day 60 – 120
- Pre warrant visit (if required): Day 50 – 130
- Warrant actioned (PPM fitted / Disconnection): Day 80 – 180
- Post-disconnection follow-up (if required): 1 – 10 days after disconnection

Customers who are vulnerable will have their records updated accordingly, which will be apparent to relevant staff whenever the customer and supplier are in contact.

Following any disconnection, suppliers will also typically make numerous attempts to contact disconnected customers, by various means and at various times of day, based on the information they hold about that customer to ensure disconnection has not occurred in error and to arrange the most appropriate repayment plan. Individual suppliers' processes may vary, and are contingent on the customer's behaviour; however typically a supplier will attempt to:

- Contact the customer by telephone on the day of or shortly following a disconnection.
- Write to the customer if unable to contact by telephone.
- Arrange a site visit to meet with the customer face-to-face if deemed necessary by the supplier. Subject to suppliers' discretion, this could include situations where for example, it has not previously been possible to contact the customer, a visit has been requested by the customer, or where vulnerability has been subsequently identified post-disconnection,

Households with children

To offer additional support to households with children, suppliers have agreed to the following minimum standards in relation to households with children:

- During the period of the Winter Moratorium (1st October to 31st March) Energy UK members will not knowingly disconnect either the electricity or gas supply of a household with a child under the age of 16.
- Outside the period of the Winter Moratorium, Energy UK members will not knowingly disconnect either the electricity or gas supply of a household with a child aged five years or younger, provided that the customer commits to paying a "consumption only" arrangement, thus showing a commitment to paying for future energy use.

As part of the disconnection process, households with children aged five years or younger in residence may, therefore, be subject to additional checks (and may still be disconnected in exceptional circumstances), including:

- All disconnections will be subject to case by case approval
- Approval for disconnection of a household with children aged five years or younger will be made by a senior manager

- Advising householders prior to disconnection that social services may be informed as a precaution – and advising social services if disconnection is performed
- Asking for proof that children aged five years or younger are present and documenting the ages
- Offering a consumption only arrangement before disconnection (showing a commitment to paying for future energy use)

Where a household with children aged five years or younger is disconnected suppliers will reconnect without repayment of the debt if the customer can commit to paying for ongoing consumption upfront.

Suppliers will also not knowingly disconnect either the electricity or gas supply of a household with children aged five years or younger in April or September if the weather is cold. Suppliers are responsible for determining what constitutes cold weather.

This represents a minimum standard for non-disconnection of households with children; individual suppliers may go beyond this.

Debt management

In many cases vulnerable energy customers have multiple debts and their circumstances may require a more holistic approach in order to provide effective support. In these cases, where appropriate, suppliers will signpost customers to independent advice agencies, such as Citizens Advice, National Debtline, and Step Change.

Where a supplier's agent can establish that a customer is receiving any form of state benefit this will be taken into account in order to assess the customer's ability to make repayments. Regard is taken of the customer's ability to repay their debts at a rate higher than the minimum equivalent weekly amount for Fuel Direct, set by the Department for Work and Pensions. Suppliers may also offer benefit entitlement checks as part of their wider programmes of social initiatives to ensure that that a household is claiming all of the benefits it is entitled to.

The role of prepayment meters (PPM)

PPMs, including smart meters operating in prepayment mode, are used where the customer cannot pay their balance in one payment and/or may have refused or failed to comply with other suitable repayment options. The prepayment meter can be fitted or the meter switched to PPM mode with or without the customer's consent, where it is safe and practicable to do so.

A PPM will not be fitted or PPM mode applied to recover debt where there are practical difficulties, such as customers not being able to physically use the meter or not having full time access to the meter position.

Where it is not safe and practicable for households to use a PPM, suppliers will ensure that the principles of the Safety Net continue to apply. In this situation disconnection will not take place if the customer is vulnerable, and other routes to recoup the debt will be followed. For example:

- Offering to move, adapt or replace the PPM so it is safe and practicable to use, where appropriate
- Offering alternative payment methods, including fuel direct

To ensure that a recently installed meter is being used and the customer is coping with the repayments, suppliers will check on the customer's account and if necessary contact the customer, sometimes in conjunction with a carer or a third party where appropriate.

As part of their Supply Licence and the Equality Act 2010, suppliers have a duty to move a meter if the customer is unable to reasonably access it and as such poses a safety issue. Suppliers will not install a PPM if the customer is unable to use it safely, such as being unable to re-charge their payment device.

Data Protection Act 1998

Guidance from the Information Commissioner's Office states that when an energy supplier has reason to believe that a customer is vulnerable and that disconnection may well cause real risk to the customer's health and safety, or to others within the household, the energy supplier may legitimately disclose the customer's name and address to a person or organisation who it is reasonable to assume may be able to intervene on the grounds that this is in the best interests of the customer.

Advice agencies

Suppliers have links with a range of local and national organisations, including Citizens Advice Bureaux, local authorities, housing associations, charities and advice agencies and often work with these organisations to resolve customers' difficulties, signposting them to their services where appropriate.

Priority Services Register (PSR)

Domestic electricity and gas suppliers have licence obligations to offer special services to customers who are of pensionable age, blind, deaf, disabled or have a long-term medical condition (i.e. chronically sick).

These services are available to these customers on their supplier's PSR and cover:

- Password schemes,
- Repositioning of pre-payment meter where the customer finds it difficult to use,
- Redirecting bills to third parties,
- Quarterly meter readings where relevant to the technology used,
- Free gas safety checks.

Suppliers must also provide appropriate communication services for customers to contact them who are visually impaired, deaf or hard of hearing.

Suppliers encourage eligible customers to take up their PSR options and the industry continues to work towards improving awareness of the PSR such as working with advisers, health workers and social service providers, to encourage eligible customers to register themselves on the PSR.

Under obligations set out in the Electricity Act 1989 and the Gas Act of 1986 suppliers may also offer to move a meter free of charge if it is in an unsuitable position for a disabled customer. For example, a meter may be lowered from an overhead cupboard if the customer is wheelchair bound.

Disconnection of customers subsequently identified as vulnerable

Under the Safety Net, suppliers will not disconnect a customer who, for reasons of age, health, disability or severe financial insecurity, is unable to safeguard their personal welfare or the personal welfare of other members of the household. However, if such a customer is disconnected and subsequently identified as vulnerable, suppliers will aim to reconnect the customer as a priority. This will normally take

place within 24 hours of the supplier confirming that the customer is vulnerable². Suppliers will also analyse why the situation arose and take steps to prevent it happening in future.

Smart metering should enable significantly faster reconnection than within 24 hours.

Disconnections in error

Suppliers will do everything in their control to ensure that disconnections in error do not occur. Where a disconnection in error does take place, suppliers will analyse why the situation has occurred and take appropriate steps to prevent the issue in the future. In cases of disconnections in error, suppliers will take all reasonable steps to ensure that the customer is reconnected as rapidly as possible, and normally within 24 hours of ascertaining the circumstances². Smart metering should enable significantly faster reconnection than within this timeframe.

Where a supplier or their agent disconnects a household in error, the supplier will give that customer a guaranteed minimum compensation payment of £50, or a higher amount appropriate to the circumstances of the case, normally on their energy bill.

Suppliers would not expect to provide such a payment where they had taken all reasonable steps to identify whether the customer or any occupants of the customer's premises were vulnerable prior to disconnection and only became aware of any such vulnerability following disconnection.

Domestic consumers with a non-domestic supply

There are circumstances where domestic consumers take their energy through a non-domestic supply (e.g. a flat above a shop or pub) and who may, therefore, not have a formal legal relationship with the energy supplier.

Suppliers understand the need to ensure that vulnerable consumers whose domestic household makes use of a non-domestic supply (including dual usage and where the meter is in a third party property) are not disconnected for reasons outside of their control. Members have, therefore, pledged that where they determine that a member of a domestic household, which takes its energy through a non-domestic supply, is, for reasons of age, health, disability or severe financial insecurity, unable to safeguard their personal welfare or the personal welfare of other members of the domestic household, the non-domestic supply will not knowingly be disconnected for reasons outside the domestic household's control.³

Notwithstanding the foregoing, in certain exceptional circumstances (specifically the persistent reliance on shared supply as a means of payment evasion by a non-domestic customer) suppliers reserve the right to pursue disconnection after exhausting all other options; and having first given sufficient notice to both the non-domestic consumer and the associated shared domestic supply. In such circumstances, if the domestic consumer's wellbeing may be put at risk from disconnection, the Extra Help Unit and social services will be informed prior to disconnection (taking into account guidance provided by the Information Commissioner's Office regarding disclosure of personal information).

Suppliers are ultimately responsible for deciding whether a consumer is vulnerable and will put this commitment into practice in different ways, depending on how their businesses are structured. However relevant operational practices include:

- Making all reasonable efforts to identify whether a non-domestic supply is being used by a domestic household prior to disconnection.

² Reconnections are subject to the availability of meter operators to action request.

³ Some examples of circumstances when a supplier will consider whether a consumer is vulnerable, according to this approach, can be found on p1.

- Making all reasonable efforts to determine whether or not domestic consumers are vulnerable where a domestic household is identified as sharing a non-domestic supply.
- Ensuring all non-domestic field agents (involved in the debt or disconnection path) are trained to recognise signs of domestic vulnerability.
- All non-domestic field agents should report any concerns that arise during site visits to the appropriate internal customer teams, and systems should be in place to do this.
- Empowering all non-domestic field agents to halt a disconnection where they suspect a domestic household that includes a vulnerable consumer is utilising the supply, pending further investigation by the supplier.
- Obtaining senior management authorisation prior to any non-domestic disconnection being carried out where a domestic household is identified as sharing the supply.
- Reconnecting any non-domestic supply where a domestic household that includes a vulnerable consumer is later discovered to have been using the supply, where it is safe and reasonably practicable to do so, as a priority. This will usually occur within 24 hours of confirming that the consumer is vulnerable⁴.
- Where practicable, commercially viable, and with the property owner's permission, suppliers will also consider whether it is appropriate to separate a shared supply by installing a new meter.

External debt collection agencies

Should a supplier use an external debt-collection agency, they will ensure that they adhere to the same principles on vulnerability and have similar processes to their in-house debt management teams.

Health and Safety

There are occasions, on the grounds of health and safety that the some parts or all parts of the Safety Net may be deemed inappropriate or unachievable. If the health and safety of the consumer, field agent or local community are seriously compromised then on such occasions, any relevant minimum standards set out in this document may not apply.

⁴ Reconnections are subject to the availability of meter operators (and for some meter types National Grid timescales) to action request.