



# Consultation Response

Ref 2018

## Submission to the Commission for Customers in Vulnerable Circumstances

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more of these domains, for example from poor mental health, cognitive decline, the onset



## Wider vulnerable circumstances

In addition, Commissioners should consider the following circumstances.

### Loneliness and isolation

Over 1 million older people say they always or often feel lonely. Half (49%) of those aged 75+ live alone and one in six (17%) older people have less than weekly contact with family, friends and neighbours.<sup>13</sup> This can mean people have less support to deal with practical problems in the home, cope with emergencies such as power cuts or a broken heating system, or navigate the market.

### Digital exclusion

Whereas virtually all (99%) 16-34 year olds use the internet, this falls to eight in ten (78%) of those 65-74 and four in ten (41%) of those 65+.<sup>14</sup> For many older people, this means post, telephone and face-to-face communication are essential, and online-only services (e.g. price comparison websites) are not accessible.

### Caring responsibilities

There are over 2 million older people providing unpaid care. More than half have a health condition or disability themselves. More than 400,000 are aged 80+.<sup>15</sup> Over a third of carers aged 65+ provide 50 or more hours of care a week.<sup>16</sup> Caring responsibilities can bring stress and social isolation, and extra costs in terms of heating bills.

## 2. In your experience, how can particular vulnerable people interact with their energy supplier?

Having outlined under Q1 the circumstances that can make older people vulnerable, in this section we present real, anonymised examples of harmful situations in the energy market. They reflect many of the circumstances described above. They come from energy support services delivered by local Age UKs and our Information & Advice service. We also set out some recommendations for how suppliers could deal with these situations.

### Billing complexity and debt

Some people encounter difficulties with their bills, involving confusion or disputes around metering, and leading to bill shock and stress.

1. A woman in her 80s, living alone, was having problems with her meter and bills. This resulted in her supplier demanding payment of over £2k, causing stress.

This can lead to customers getting into debt and making unaffordable repayments.

2. [Name redacted] was repaying it but the repayments were not affordable. They needed someone to go through the paperwork with them and talk to the supplier on their behalf.



Where disputes arise about the cost of a standing charge, suppliers should explain these charges clearly and with sympathy, given that it may be a stressful situation, and give information on alternative tariffs that may be more appropriate.

#### Health problems and high costs

Many of the queries Age UK receives are from people living with health conditions or disabilities, wondering if they get can discounts on their bills. While providers may well have options such as the Warm Home Discount (WHD) or alternative schemes, it is clear that people do not approach their supplier, and more work is needed to understand why this is. For example, will be repercussions if they admit to struggling, or because there are practical barriers such as managing complex telephone menus to get through to the right department?

6. parents in their 80s were







## Increasing digitisation

The move to smart meters is likely to bring the growth over time of time-of-use tariffs. There are risks that older, vulnerable or disengaged customers are disadvantaged in this more complex market.

consumers could all potentially be paying at least £30-£40 more a year under a time-of-

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Commissioners should therefore consider

- x How to ensure suppliers do not want a smart meter into accepting one.
- x How to ensure suppliers provide effective support to those vulnerable customers who want one to understand and sustainably use them.
- x The longer-exclusion from cheaper deals or declining customer service standards.

The energy market is changing rapidly in other ways. There are currently over 60 energy suppliers in the market, compared to 13 in 2004.<sup>22</sup> Coupled with smart meters, this adds up to an explosion in the number and type of suppliers and tariffs for consumers to choose from, with an accompanying boom in digital comparison and switching tools.

In this context, it is important to highlight the ongoing digital exclusion of older people, which means they are at risk of

- x Paying higher prices through exclusion from the best deals, including online-only tariffs and collective switches/group deals.
- x Exclusion from digital comparison and switching tools, increasingly necessary to navigate the market.
- x Extra payment costs.
- x Poorer customer service in terms of communication with their supplier.
- x Lack of access to online advice on a range of energy issues, including home energy efficiency improvements.

Over half (56%) of people aged 75+, and a third (35%) of those 65-74 do not use the internet.<sup>23</sup> As Table 1 shows (using older data), non-use of the internet is associated with socio-economic background as well as age. Further, older people using the internet conduct a smaller range of activities online; people aged 75+ are less likely to do banking online (26% compared to 53% of all internet users) and make transactions (17% v 52%).<sup>24</sup>

Table 1.1: Internet users, by age and socio-economic background

		55-64	65-74	75+
AB	5%	0%	0%	1%
C1	8%	2%	0%	3%
C2	20%	11%	1%	1%



5. Review the smart meter programme as a whole, including the experiences of vulnerable customers.
  6. Develop options for automatic compensation for vulnerable customers/customers on a PSR, e.g. slow repairs, missed appointments.
  7. Make support for vulnerable customers more consistent across the industry, among suppliers of all sizes and including new entrants.
6. What are the particular challenges that suppliers face in identifying and supporting customers in vulnerable circumstances via different channels e.g. telephone, online?

We are aware of the challenges suppliers face in identifying customers in vulnerable circumstances. It is important that suppliers do this as best they can, but they should also plan in advance for common customer circumstances or life events that can make people vulnerable. This could be understood as a expect and prevent                      Examples of these expected circumstances include bereavement, donating LPA to a relative, and going into hospital or a care home.

This could help suppliers plan how to practically support customers in these circumstances, but also to spot the signs of customers going through them. Suppliers should then test their systems to make sure they have anticipated and developed appropriate responses to all reasonably foreseeable customer needs.

Further, we would like to see suppliers not only respond to customer vulnerabilities, but also to consider pro-actively if or how their own practices cause or exacerbate them. They should, for example, test how all their policies and processes (e.g. debt recovery) impact people with different types of vulnerability.

Suppliers should maximise the use of their PSR. For example, PSR data should be used to flag the fact that a customer has a hearing impairment so that call handlers can adjust how they speak to them. Given the widely shared aim of more switching, it is essential that vulnerability data is reliably transferred during a switch.

<sup>1</sup> <https://www.energy-uk.org.uk/customers/2014-10-19-17-29-07/commission-for-customers-in-vulnerable-circumstances.html>

<sup>2</sup> Households Below Average Income 2015/16, DWP, 2017

<sup>3</sup> Family Resources Survey 2016/17

<sup>4</sup> Income-related benefits: estimates of take-up: financial year 2015/16, DWP 2017

<sup>5</sup> Health Survey for England 2005: Health of Older People, IC NHS 2007

<sup>6</sup> <https://www.alz.org/dementia/mild-cognitive-impairment-mci.asp>

<sup>7</sup> The Alzheimer's Society fact sheet 400

<sup>8</sup> The estimate is for the UK, based on Great Britain data from the General Lifestyle Survey 2011, Office for National Statistics 735 0 59he General