

FUEL DEBT ADVICE BULLETIN



Action for Warm Homes

Advice and information from NEA, the national fuel poverty charity

July 2016

This edition of the Fuel Debt Advice Bulletin will summarise some of the key topics affecting the provision of fuel debt advice. In this edition a new feature has been introduced to highlight projects around the country if you wish your project to be included in future editions, please contact jimmy.pugh@nea.org.uk to discuss.

Contents include:

- Smart Energy GB – Smart Meter Rollout
- Competition & Markets Authority – Energy Market Reforms (Final)
- Fair For You
- Warm Home Discount Scheme
- Home Heat Helpline closure
- Local Advice for Fuel Debt (new feature)

Smart Energy GB – Smart Meter Rollout

Smart Energy GB in Communities is a new part of Smart Energy GB's partnerships programme and an integral part of the consumer engagement campaign, which will be delivered by a consortium of charities dedicated to ensuring that no one is left behind in the rollout of smart meters.



NEA in partnership with our sister charity [Energy Action Scotland](#), leading communications charity [Media Trust](#), and grant-making charity [Charities Aid Foundation](#), will be working with Smart Energy GB to help inform and inspire people about smart meters and the positive changes that they can bring.

About smart meters and the rollout

Smart meters will replace the traditional meters we currently have in our homes. They will provide consumers with accurate bills, near real time information on energy usage in pounds and pence, and greater control over their gas and electricity. The smart meter rollout is an essential technology upgrade, unprecedented in its scale, to improve Great Britain's energy infrastructure. Between now and 2020, every home and microbusiness across Scotland, England and Wales will be offered a smart meter by their energy supplier.

Working in partnership with Smart Energy GB

Smart Energy GB is the national campaign for Great Britain's smart meter rollout. It's their task to help everyone in Great Britain understand smart meters, the national rollout and how to use their new meters to get their gas and electricity under control.

Working with and through partnership organisations – from across the voluntary, private and public sectors, is a central part of the campaign. We will be working with Smart Energy GB to ensure that together we can engage some of the most vulnerable and hard to reach communities in the smart metering rollout.

What can we offer?

Through the Smart Energy GB in Communities programme, we will be providing a range of advice and support to help engage a network of enthusiastic partners and ensure a wide outreach. This will include:

- The Smart Energy GB in Communities fund is being administered by CAF to provide support for organisations delivering projects and activities that engage their communities with the campaign. The large grants is now closed, however the small grants is still open and aimed at local community groups.
- You can find more information on the funding opportunities by clicking [here](#) and other useful assets and materials [here](#).
- NEA and EAS are delivering a regional programme of support including smart meter training, support at stakeholder events, bite size briefings and access to resources. Supporting resources can be found on the Smart Energy GB Resource centre click [here](#)
- Marketing and communications training will also be available for partners who might need a bit more guidance on how best to bring the campaign to life.

The focus for 2016 is on partners who work with the following priority groups:

District heating customers	Lack of proficiency in English or Welsh
Lacking basic digital skills	Learning disability
Low literacy	Memory impairment
No personal internet access	Off-gas grid customers
Prepay customers	Private tenants
Severe or profound deafness	Social housing tenants

If you work with any of these groups and would like to find out more about becoming a partner in the campaign or receiving a staff briefing on the smart meter rollout, please contact communities@nea.org.uk To be added to the free Smart Energy GB in Communities newsletter for regular updates on the campaign and the programme activity www.nea.org.uk/smartenergygb/e-newsletter

Why NEA?

We believe that smart metering has the potential to provide real benefits for vulnerable and low-income householders, but only if these individuals are effectively engaged and supported throughout the smart meter journey. We are proud to be working with Smart Energy GB and our consortium partners to ensure that everyone has the same opportunities to engage in the smart meter rollout, regardless of personal circumstance or where they live.

Smart meters are being installed by energy suppliers. To find out how you can get a smart meter from your energy supplier please visit the [Smart Energy GB website](#).

Competition & Markets Authority Energy Market Reforms (Final)

The Competition and Markets Authority (CMA) has concluded its energy market investigation setting out a wide range of reforms to modernise the market for the benefit of customers.



Over 30 measures will be brought in after the most comprehensive investigation into the energy market since privatisation. These aim to drive down costs by increasing competition between suppliers and helping more customers switch to better deals, whilst protecting those less able to benefit from competition. They will also bring in technical and regulatory changes to modernise the market and ensure it works in consumers' interests. The CMA has published a [short overview](#) of its investigation, a [summary of the report](#) (PDF, 1.12MB, 82 pages) itself and a range of [other materials](#) for consumers and businesses together with its final report.

The investigation found that 70% of domestic customers of the 6 largest energy firms are still on an expensive 'default' standard variable tariff. Suppliers will now be ordered to give Ofgem details of all customers who have been on their default tariff for more than 3 years, which will be put on a secure database to allow rival suppliers to contact customers by letter and offer cheaper and easy-to-access deals based on their actual energy usage. Ofgem will control access to the database and customers can opt out at any time if they wish.

The options to switch are far more limited for the 4 million households on prepayment meters. For these customers, a transitional price cap will be introduced which will reduce bills by around £300 million a year. The cheapest tariffs for such customers are currently £260 to £320 a year more expensive than those available for direct debit customers. The price cap will remain in place until the introduction of smart meters removes the limitations on such customers accessing better deals.

The CMA is also introducing a range of measures to revitalise competition and reduce the costs borne by customers. These include pressing ahead with reforming outdated systems for measuring and charging energy and reducing the costs of transmitting electricity. Ofgem will also be given much greater influence over the detailed codes that govern the working of the market and more powers to enable it to scrutinise the performance of the market and suppliers as well as the impact of policy.

The changes will be accomplished via a combination of CMA Orders and recommendations to Ofgem and government. The CMA will shortly publish a timetable setting out this remedies implementation process over the next 6 months. All information published in relation to the investigation (including the full report) is available on the [energy market investigation case page](#).

Fair For You

Fair For You CIC is a new, online social lending business providing an ethical, affordable way for the 9m low-paid, often financially-excluded, households to buy essential household goods.



fairer prices
for you
and your family

Fair For You lends to people on low incomes with a high propensity to repay, those that many banks and traditional finance companies will not. As such, they provide an alternative for those families who would

otherwise use either a rent-to-own store or high cost, short-term lender. Once agreed, the loan is used to buy high quality, branded items direct from the manufacturer or supplier on the organisation's 'digital high street', at normal, high street prices.

There are no hidden fees, no penalties for missed payment, no early repayment charges, no up-selling and no one turns up at the customer's door threatening to repossess goods or demanding payment. The company supports, rather than penalises, customers if they fall into arrears. Any applicants that Fair For You is unable to lend to at the time of application are referred to Turn2Us for a benefit review and grant check.

Fair For You is fully FCA licensed, owned by a charity of the same name, and has been backed by Esmée Fairbairn, Barrow Cadbury, and the Joseph Rowntree and JP Morgan Foundations.

Loans attract interest on the outstanding balance in line with those charged by credit unions (3%/month - 42.6% APR), with no early repayment fees, so customers who repay early (which is about 40% of them), save interest. For more information, and to see the 'digital high street', visit www.fairforyou.co.uk

Warm Home Discount Scheme (WHD)

In the Spending Review back in November 2015, the Government announced that the Warm Home Discount (WHD) scheme would be extended to 2020/21 at current levels of £320m per year, rising with inflation, to help households who are at risk of fuel poverty with their energy bills.



Following its consultation on the WHD 2016/17 in May 2016, DECC has now published its [response](#) and laid the [Warm Home Discount \(Miscellaneous Amendments\) Regulations 2016](#) to re-establish the scheme for 2016/17 and implement its changes.

In summary, in 2016/17:

- The value of the rebate will remain at £140.
- The scheme year will run from *August 2016 – May 2017*, which may mean that some customers will not receive their rebates until after the winter months.
- The Core Group element and Broader Group element of the scheme remain unchanged. However, wider data sharing powers may be available from 2017 so that, in the future, all energy bill rebates may be provided in the same way as currently used for people on Pension Credit Guarantee Credit, without the need for consumers to fill out applications.
- Participating suppliers may, at their discretion and if requested by the customer, allow for the rebate to be credited to the customer's gas account where they hold a dual fuel account with that supplier.
- The participation threshold will remain at 250,000 domestic customer accounts.
- The Industry Initiatives element of the scheme will continue, but the Government has introduced a cap that allows suppliers to only spend a maximum of 50% of their Industry Initiatives allowance on debt *write-off*. This limit does not apply to the money suppliers spend on debt *assistance*, which includes activities such as advice and support for vulnerable customers on financial management, energy efficiency and other measures. (Note: The Government intend to reduce the cap on debt write-off over

time subject to further analysis and consultation and currently envisage the cap decreasing by 10% per scheme year, so that it will be 40% in 2017/18).

- Part of suppliers Industry Initiatives spending may also be achieved through centrally selected and pre-approved schemes which would benefit new initiatives. This is optional for suppliers to contribute funding towards, as many have existing schemes that they wish to continue to fund.

NEA's initial comment to the Government's consultation response can be found [here](#)

Home Heat Helpline Closes

The Home Heat Helpline which, for over 10 years, offered free help and advice for people worried about their energy bills, closed on 30 June 2016 due to "...significant reduction in call volumes despite a significant spend on promotion of the helpline".



Consumers are now being directed to the Citizens Advice Consumer Service on 03454 04 05 06 or the Energy Saving Advice Service (ESAS) on 0300 123 1234 for information and advice.

Local Advice in Northumberland

On the 1st April this year DAWN Advice merged with Citizens Advice Northumberland, and in doing so provides a single accessible advice service across the county. The new service will deliver face to face advice from thirteen sites together with a county wide telephone service and a range of specialist projects of which the British Gas Energy Trust (BGET) is one.

The Citizens Advice logo, consisting of the words 'citizens advice' in a white, lowercase, sans-serif font inside a dark blue speech bubble shape.

citizens
advice

The BGET health project has been established for nearly four years and since that time has helped people in fuel poverty which includes negotiating with fuel suppliers, resolving fuel related issues including the energy efficiency of properties and providing energy comparison checks. Applicants do not need to be customers of British Gas to be helped. Last year, the project assisted 534 clients removing £760,109.22 of debt following applications to the Energy Trust for Debt Relief Orders, bankruptcy fees and utility grants, and assisted households in obtaining replacement boilers as well as deliveries of oil/LPG/coal for those households off the gas network. The Trust will also assist those struggling to pay funeral costs.

The logo for The British Gas Energy Trust, with 'The British Gas' in blue and 'energy trust' in red, both in a sans-serif font.

The British Gas
energy trust

CASE STUDY:

Working in partnership with Community Action Northumberland and Warm Up North, the BGET health project assisted an elderly couple with health issues whose only source of heating was air duct heating in one room and a gas fire. The Trust provided funding of £3,850 to install gas central heating and, after a benefits entitlement check was carried out it was also identified that they could be eligible for Attendance Allowance. The couple were placed on their energy suppliers Priority Services Register and an Energy Comparison check was carried out.

If you'd like to know more about the project or have clients in the area who may need help please telephone 0300 303 1931 (Option 2) or email infomorpeth@citizensadvicenorthumberland.org.uk

NEA Annual Conference 2016

Wednesday 21st - Friday 23rd September 2016, Manchester Central Conference Centre



NEA's Conference is widely recognised as the largest fuel poverty and energy efficiency event in the UK. During NEA's 35th anniversary year the annual conference and exhibition is likely to attract around 300 delegates and 40 exhibitors and is sponsored by British Gas.

The conference programme will be structured around a number of key themes including:

- the changing policy landscape
- the future delivery of energy efficiency schemes to the fuel poor
- how the NICE guidance is being implemented and showcasing examples of best practice
- consumer protection
- the Smart Meter roll-out and
- innovation in delivering energy efficiency.

For more information and/or to book your place, go to NEA's website: www.nea.org.uk/conference2016

This Fuel Debt Advice Bulletin was produced in July 2016 by National Energy Action (NEA).

If you do not wish to receive future editions of the Fuel Debt Advice Bulletin, please let us know by emailing jimmy.pugh@nea.org.uk

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