

# ADDRESSING THE IMPACTS OF COVID-19 ON VULNERABLE ENERGY CUSTOMERS

## SUMMARY OF EMERGING TRENDS

### Introduction

Respiratory disease has been linked to living in a home that is cold and damp (and amongst those living with fuel debt)<sup>1</sup>. National Energy Action (NEA) works across England, Wales and Northern Ireland to ensure that everyone in the UK can afford to live in a warm, safe home. NEA appreciates that many energy suppliers and their staff will be working tirelessly to provide appropriate support and services for customers in vulnerable circumstances during the COVID-19 outbreak. NEA has also been capturing our own staff's feedback on the early impacts COVID-19 is having on vulnerable customers' access to support. The findings provide a snapshot of some emerging trends. This paper summarises the findings and draws out some possible next steps to support the industry, Government and regulator to continue the welcome work to protect vulnerable energy customers.

### A lack of awareness

Despite the on-the-day media outreach which accompanied the Government and industry's joint announcement on protecting domestic customers during the disruption caused by COVID-19 [19 March], many clients NEA has worked with subsequently have demonstrated very low or confused knowledge of the support that could be provided by their supplier. NEA has been trying to communicate the support [both energy and water] companies can provide, however, there is little consistency on the support companies are providing to vulnerable customers and no public platform where the support that is being provided by individual suppliers is being regularly updated. To date, there has been little to

no ongoing centralised media, wider communications activity or information in different languages/British Sign Language/ Braille/audio format to help make all customers aware of the support that could be available.

### Challenges accessing support

NEA is trying to give vulnerable customers the confidence they need to contact their supplier to see what wider support could be provided. Some customers are however very reluctant to get in touch with their supplier and then ask for assistance. NEA staff members have also reported suppliers (energy and water) are limiting their interaction with customers on the phone or only taking 'emergency calls'. The classification of what constitutes an 'emergency call' is however not clear and varies depending on the supplier. Information on the support that is available for customers on suppliers' websites is often difficult to identify. Some clients have encountered language barriers when trying to access support over the telephone or online. Again, as well as different languages, description of support is often not available in British Sign Language/ Braille/audio format to help make all customers aware of the support that could be available.

### Variation in support provided

There is a lack of consistency in the criteria suppliers are adopting for discretionary funds to be added to credit accounts or for customers to be sent a pre-loaded PPM top-up card. There is also a lack of consistency in the offer of (and the criteria suppliers are adopting for) debt relief and payment holidays or referring customers for debt advice. Some suppliers are sending messages recommending PPM users top up to a 'healthy' level of

<sup>1</sup> Cold air can cause airways to constrict and stimulate mucus production. This affects the bronchial lining of the respiratory tract and can reduce resistance to infection (risking bronchitis, pneumonia, and bronchoconstriction in asthma or COPD sufferers). Homes which have damp or mould have been linked with a 30-50% increase in respiratory problems (with asthma sufferers two to three times more likely to live in a damp home than non-sufferers). Damp can encourage mould and bacteria to grow (known allergens), thus leading to negative impacts such as allergies, upper respiratory tract infections and asthma – especially in children. Studies have found a dose-response relationship between the severity of damp and the severity of respiratory obstruction. For further information on the health impacts of living in a cold visit: [www.nea.org.uk/wp-content/uploads/2019/02/NEA-Under-One-Roof-FULL-REPORT-FINAL-Feb-19.pdf](http://www.nea.org.uk/wp-content/uploads/2019/02/NEA-Under-One-Roof-FULL-REPORT-FINAL-Feb-19.pdf).

credit, but for some customers this isn't possible. Some suppliers are not accepting vending values which are low enough to be affordable to those facing financial difficulties. Before mentioning potential access to discretionary credit if someone can't top up, some suppliers are asking customers to rely on family/friends to top up on their behalf. For people without family or peer networks this isn't practical and other customers are concerned this could put their own relatives' finances or health at risk (particularly if they have to compromise Government advice to travel to locations to buy top-up cards or access credit). Some suppliers are proposing to customers that they need to increase their direct debt to cover additional usage. Some of the increases are inappropriate and/or are unaffordable at the current time for some customers.

### **Conclusions and possible next steps**

Given the outbreak, it's now even more crucial to help people keep warm and safe in their homes and create a living environment which gives people the best possible chance of recovery. As noted above, NEA appreciates that many energy suppliers and their staff will be working tirelessly to provide appropriate support and services for customers in vulnerable circumstances during the COVID-19 outbreak. Despite the limited scale of our investigation to date NEA has identified several issues vulnerable customers are currently encountering in order that they can afford to live in a warm, safe home. Small steps could really help; making sure information on what support is available for vulnerable customers is more visible or prominent on the home pages of companies' websites and developing a regularly updated platform which provides accurate and up-to-date information on what support is available from all suppliers would help customers and support NEA and other organisations signpost the support available.

NEA recognises that some suppliers may already be taking some of the aforementioned proactive steps but the lack of consistency and the lack of aggregated information which is being kept up to date on who is

doing what, is causing NEA big challenges in signposting the most vulnerable customers for support. Overall it is important to address the emphasis that is being placed on customers to get in touch with their supplier and then asking for assistance. Instead of waiting for customers to contact them, all suppliers could also be proactively contacting the most vulnerable customers (as indicated by the Priority Services Register and/or using wider information they have about their vulnerable customers such as those in fuel debt or those applying/receiving Warm Home Discount etc.) and notifying customers of the support available via calls/text/letter etc. This information could also be overlaid with data from the shielded patients list (SPL) to offer debt advice, discretionary top-ups or debt relief for priority households.

Given the scale of the challenges customers are currently facing (and the obvious limitation of relying on suppliers to fund the aforementioned support), there is also a need to consider new mechanisms to ensure that the most vulnerable customers can afford to live in a warm, safe home during the outbreak. NEA would support a universal 'levelling up' of friendly credit limits for PPM customers, the Government reintroducing support such as the General Electricity Rebate (GER) or similar energy rebates to those which are used via Warm Home Discount or payments to those eligible for Cold Weather Payments. There are also increasing calls for the Government to take fiscal measures such as temporarily freezing VAT on fuels (not just electricity and gas but other heating fuels) to reflect the essential nature of this service. Further steps could also be adopted such as reducing or freezing standing charges to ensure low-income consumers that may only top up their prepayment meters rarely don't lose credit before they can access any energy. NEA is also pushing for early clarity from Ofgem on how PPM customers will continue to be protected by suitable price caps.