

Reaching the 'Hardest to Reach' with energy advice: final report - Executive Summary

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1. Introduction

This project was funded by the Higher Education Innovation Fund (HEIF) and ran from 2016 to 2019. It was led by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University in partnership with Citizens Advice. The project was also supported by a Stakeholder Reference Group (SRG) of policy makers, practitioners and academics including the Department of Business Energy and Industrial Strategy.

Funding was sought on the basis that the best ways to engage with the huge diversity of hard to reach energy users in the UK are under researched and their experiences poorly understood and their voices rarely heard. The project also recognised the imperative to engage more effectively with energy users as energy markets threaten to become increasingly unpredictable due to technological change and Brexit, the impacts of which are likely to be felt most acutely by the most vulnerable in society.

Project overview

The methodology underpinning the project has four components, as follows:

- A review of current thinking, policy and practice in relation to providing energy advice to the hard to reach.
- Qualitative research with citizens panels of hard to reach energy users in Bristol and Sheffield.
- A co-production workshop with the SRG to share findings and develop ideas.
- The development of conclusions and recommendations for policy and practice.

2. Providing energy advice to the hard to reach: a review

Understanding ‘hard to reach’: We argue that the term ‘hard to reach’ is context specific and cannot be described by a single list of groups likely to miss out on advice services. We also focus agency on service providers failing to make sure their services are inclusive rather than suggesting it is the characteristics of certain people that make their engagement with services difficult. However, we do identify 4 broad groups for whom energy advice needs to be tailored, including: those who are ‘new to this’, those undergoing ‘big lifestyle change’, those for whom life is a ‘balancing act’ and those who ‘can’t do this alone’.

Vulnerability: We highlight the current understanding of vulnerability as a dynamic, situational concept and welcome Ofgem’s work to incorporate this understanding into its regulation of energy companies. We identify three types of vulnerability that can affect energy consumers: financial, health and capacity related and location-based. We consider vulnerability and fuel poverty, though closely related, to be two different concepts and think that policies and programmes should reflect this.

Understanding energy advice: We note that independent advice providers conceive advice as an independent, impartial form of support that helps people find

the best solution for their needs. However, people facing problems with a service or good will often first seek to resolve the issue with the provider of that good or service. This is also often considered 'advice', although independent providers may dispute this. This report adopts the looser meaning of the term, not least because for many people in vulnerable circumstances this is the only support they will receive. It is therefore essential that service providers make sure support is inclusive and accessible.

Classifying energy advice: We identify four types of energy advice: reducing energy costs, reducing energy demand and improving the effectiveness of energy used, increasing income and consuming energy services. We suggest that the providers of independent energy advice fall into two camps: those focusing on energy efficiency and those focusing on energy markets. We stress the importance of joining up energy advice with other forms of advice, particularly for people with multiple problems for whom energy advice may not be their most pressing need.

Trends in energy advice: We note that the provision of energy market advice in England and Wales is fairly extensive, both at the local level and at the specialist second tier level (those taking referrals from other advice providers). While there is still room for improvement, this contrasts with the provision of energy efficiency advice where there has been a notable decline in recent years. In many parts of England and Wales, there is no telephone advice, let alone face to face advice. In these areas people can only access energy efficiency advice through a government website. This excludes many consumers in vulnerable circumstances. We consider that this trend undermines government policy priorities outlined in the Clean Growth Strategy and Fuel Poverty Strategy. However, we note that the growing emphasis on the health benefits of energy efficient homes may help reverse this trend.

Legal and regulatory protections: We review the various legislative, regulatory and self-regulatory protections in place to support consumers in vulnerable circumstances. We welcome such Ofgem initiatives as incorporating a vulnerability principle within supplier licence conditions and its intention to introduce tougher compliance and enforcement action. We also welcome the proposals of the Commission for Customers in Vulnerable Circumstances (CCVC) to drive up suppliers' standards for consumers in vulnerable circumstances. However, we are disappointed that neither Ofgem nor the Commission have addressed the suppliers' delivery of the Energy Company Obligation (ECO) energy efficiency programme. Our recommendations make proposals for rectifying this.

3. Findings from the Citizens Panels

We worked through trusted gatekeeper organisations and used snowballing techniques (where one respondent recommends another to speak to) to engage the hard to reach (Sadler et al, 2010). These techniques allowed us to recruit 26 individuals to take part in semi-structured qualitative interviews lasting up to 40 minutes each.

Who did we speak to?

The resulting sample represented a good mix in terms of gender and age but less so in relation to ethnicity (18 of the 26 participants were White British). More females participated than males (15 females and 11 males) and the 40-50 (n= 7) and 50-60 (n=7) age groups had greater representation than other age groups. However, we did secure 5 participants in the 60+ age group and 4 in the 30-40 age group. Only one participant was aged between 20 and 30 and only one was over 80. In terms of

tenure, 15 participants were in social rented accommodation of various sorts and the remaining 11 were privately renting.

Each participant identified multiple vulnerabilities that they felt affected them- the most common of which were related to low income, mental health problems and social isolation. As a result of the research being conducted in an urban context, those facing location related vulnerabilities were underrepresented.

The nature of the energy related problems experienced

Respondents were asked to describe any energy related issues they were experiencing or had experienced in the past. All of those we spoke to were experiencing significant energy related difficulties despite not having been recruited on this basis. The majority of these problems related to concerns about the affordability of energy and homes that were cold and difficult to heat. Often participants were experiencing several issues in tandem reporting problems with cold homes, energy debt, under-heating and struggling to understand bills, tariffs and meter readings as well as a lack of confidence or capacity to seek help. It was clear in many cases that the affordability problems reported reflected wider difficulties associated with a low income. Many participants identified energy problems that were linked to their landlord (whether private or social). Primarily being a tenant caused problems when it came to trying to resolve energy problems but in some cases, private landlords were identified by respondents as causing or frustrating their energy problems.

Experiences of seeking help and support

17 of the 26 respondents had sought help with the energy problems they were experiencing. Of those who had sought help, 12 had turned to their energy supplier and five to independent advice providers. Most of those seeking help had approached their energy supplier in response to a communication they had received or because they perceived that it was the only way to resolve their problem. All of those who had sought advice through independent providers reported positive experiences but in line with the findings of the CCVC, most of those who had approached their energy supplier reported poor treatment and said they did not trust their energy supplier. It was widely commented that energy suppliers showed no sensitivity to individual circumstances and preferences when dealing with their customers and overwhelmed them with information and questions.

"I don't like the lack of connection, you just feel as if everything is being done by robots. I think what is really unfair is the way that communications are working with everybody is all geared to the young and new technology I think they should keep the options open so that it's not just a digital world... I think it's being pushed at the expense of people who can't access it easily and I think that is really bad. They are anonymous, they are not real." (Valerie, 83, in the early stages of dementia)

There was also evidence of 'negative feedback loops' in relation to exchanges between participants and energy suppliers. Participants reported that they would often enter into the conversation in an anxious state because they anticipated problems and/or because making the call pushed the limits of their confidence. This anxiety would then frequently lead to heated exchanges or be interpreted by the person taking the call as hostility and the call may even be terminated before a resolution was found.

"I have a panic attack when I pick up the phone to talk to them. Half the time, when you're getting het up you are trying to explain to them something and they

are not understanding for one reason or another and then you get mad because of it and they put down the phone." (Sophie, 41, former rough sleeper)

What would make it easier to access energy advice and support?

Of the 26 respondents, 23 would prefer face to face advice. Over half of those calling for face to face advice felt that shops or other premises in accessible locations would be the best option with the rest suggesting that home visits would be more effective.

Face to face advice was felt to improve the chance of being heard and understood. Complex situations can be explained more easily in this context because it is easier to share documents and to bring someone along for support.

"It's better that way because you know you're going to get somewhere. They can say what they want over the phone but face to face is better because then you know it's coming from the mouth and not coming from over a phone, you can actually see the person's language, you can actually see if they are being honest and truthful in what they say and do. It's not easy to do it over the phone; it's like disbelief when it's over phone...you can't see what body language it is." (Caroline, 41, disabled, living in social housing)

Those who advocated home visits felt that they would enable advice providers to reach a greater breadth of people as they remove any issues around mobility or travel; reduce anxiety as they are in a familiar setting and enable the occupant to convey the problem more easily. A small number of respondents felt that over the phone advice would be acceptable with some modifications to the current system including the eradication of push-button menus; free phone numbers and fewer transfers of callers between departments requiring them to explain their situation again. It was also important to participants that they were not hurried and there was also a call for the use of simple, uncomplicated language.

Despite trust in energy companies being universally low, the majority of participants who had sought help with their energy problems had turned to their energy suppliers. Many participants found it difficult to navigate the energy advice landscape and several participants stated that their own family was their most trusted source of support.

4. Recommendations

At the final meeting of the SRG we shared some of the findings from the citizens panels and used co-production techniques to work with those present to develop solutions to the problems experienced by participants. Our recommendations build upon the themes emerging from the workshop and our review of current policy and practice.

Review of current policy and practice

- Energy companies and other service providers should take a proactive approach to making sure everybody has access to services and take positive action to address the needs of those currently missing out.
- The UK government should update the statutory provisions enshrined within the Utilities Act for addressing the needs of consumers in vulnerable circumstances. These should reflect Ofgem's current approach to understanding vulnerability

and such energy market developments as the much larger number of energy companies, smart meters and decarbonisation policies.

- Ofgem should encourage all energy companies to meet the BSI inclusion standard, BSI 18477, for example by putting in place systems that reward those meeting it.
- Energy companies should develop new approaches to understanding the experiences of consumers in vulnerable circumstances and use these to improve service delivery, e.g. through commissioning independent research, supporting outreach engagement activities and working with intermediary groups in close contact with such consumers.
- Ofgem should monitor the extent to which the Energy Company Obligation (ECO) is reaching specific groups of consumers in vulnerable circumstances.
- The introduction of a state-funded energy efficiency scheme with explicit inclusion objectives to complement ECO would improve access for hard to reach households to energy efficiency measures. Irrespective of this, the UK government and Ofgem should reform the framework that governs the delivery of ECO such that it better meets the diverse needs of consumers in vulnerable circumstances.
- Trusted intermediaries, such as independent referral services working with front line health and other workers, can play a valuable role in making sure energy efficiency and other energy support reaches consumers in vulnerable circumstances. This is a key recommendation of the NICE NG6 guidelines. The NHS, Public Health England and relevant government departments should make sure that such referral services are properly funded and integrated with local health and other service provider structures.
- The UK Government should make sure that everybody has access to quality face to face local energy market and energy efficiency advice, including home visits for the most vulnerable, which complements telephone and web-based advice services. Existing energy advice programmes, such as Big Energy Saving Network and Energy Best Deal Extra have proved more effective at reaching consumers in vulnerable circumstances on a face to face basis, should put more emphasis on providing energy efficiency advice.
- Independent advice providers and accreditation bodies should establish a series of minimum standards for energy advice, building upon the NEA level 3 energy training.

Stakeholder panel workshop

- **Work through professionals embedded in communities:** such as health professionals (district nurses, midwives), housing officers, repair teams etc. They have skills in engaging with vulnerable individuals and are more likely to be trusted.
- **Embed support with home energy problems into the routine management of chronic conditions and hospital discharge.** Early access to support may obviate a proportion of hospital admissions and lead to improvements in chronic conditions.
- **Work with agencies taking a preventative approach:** including the Fire and Rescue Service (through homes safety checks) and Public Health departments which may have resource and experience to contribute.

- **Work with people's existing motivations:** for example, if food and/or health are of importance to households with young children then energy advice initiatives should work through these agendas.
- **Be alert to energy issues that aren't perceived as such.** Problems bound up with energy issues may not be perceived this way by those experiencing them. For example: respiratory problems may not be linked to a cold home and difficulties affording food may not be considered in the context of high energy bills.
- **Use general financial concerns as a conversation starter:** issues with debt are the most common driver of people making contact with advice agencies. Energy advice needs can often be identified through these broader conversations.
- **Talk to everyone:** consider 'hanging around' at key events with a wide appeal such as flu clinics and aiming to talk briefly to everyone in attendance.
- **Apply the principles of Making Every Contact Count (MECC) in an energy advice context.** MECC views the millions of routine engagements that various agencies have with their client base on a daily basis as an opportunity to pass on (brief) messages about healthier lifestyles. Brief messages about the importance of keeping warm at home and seeking help with obstacles to this could be embedded into routine contacts made by energy suppliers and advice providers on the same basis.