Refreshing our consumer vulnerability strategy

November 2024

Ofgem

1. Do you agree that we should not update the current definition of vulnerability?

Vulnerability definition here.

Yes

No

I'm not sure

Give us your views about how we define vulnerability

The current definition of vulnerability is comprehensive. We welcome the fact that bereavement is recognised as a circumstance that can put consumers in a vulnerable position.

Our 2023 polling found that bereavement can lead to significant financial strain: (1)

- 34% reported that their financial situation worsened as a result of their bereavement. This rose to 47% of those aged 18-24 and to 79% of those whose spouse/partner died.
- 43% had borrowed money in the preceding two years to cover essentials as a result of their bereavement. 21% said they had borrowed money on more than one occasion.

Within the definitions it must be recognised that certain vulnerabilities mean that people need to be able to access support faster. For example, someone with a terminal illness should receive urgent access to support so they can live out the final part of their lives with as little strain on their finances as is possible.

This is particularly important as high energy costs can cause significant financial strain for people at the end of life – a terminally ill person's energy bill can rise by 75% after their diagnosis.(3) Sue Ryder polling in 2023 found 81% had been unable to run essential medical equipment due to high energy costs since the start of the cost-of-living crisis. (2) 48% said the impact of this was increased visits from healthcare professionals, 44% said the impact was needing emergency healthcare assistance and 36% said the impact was poor pain and symptom management.

Terminally ill people can have their benefits fast-tracked under 'Special Rules', this should be replicated when it comes to accessing support with bills.

1) Between May and June 2023 Censuswide surveyed 2,015 18+ respondents who have experienced a bereavement in the last 2 years.

2) In May 2023 Censuswide polled 201 people aged 18+ who are receiving palliative and end of life care in the UK.

3) https://www.mariecurie.org.uk/globalassets/media/documents/policy/dying-in-poverty/k406-povertyenergyreport-finalversion.pdf

2. Do you agree that we should keep our 5 key themes the same?

- Improving identification of vulnerability and smart use of data
- Supporting those struggling with their bills
- Driving significant improvements in customer service for vulnerable groups
- Encouraging positive and inclusive design innovation
- Working with others to solve issues that cut across multiple sectors

Yes

No

I'm not sure

Do you agree that we should make 'Working with others' a cross-cutting theme?

Yes

No

I'm not sure

Give us your views about Theme 5: Working with others to solve issues that cut across multiple sectors

We agree that working with others should be a cross-cutting theme. It is important to regularly consult with a range of stakeholders to ensure that vulnerable customers are not missed, and evidence based and effective support is provided. Proactive engagement must be carried out regularly with the voluntary sector to understand the needs of vulnerable customers.

4. Consumers in vulnerable situations often don't tell their suppliers about their needs. Reasons for this include:

- **a lack of perceived benefit**
- **concerns around control over personal data**
- **worries about potential negative outcomes or experiences**
- **feelings of embarrassment**

Some consumers don't realise they are vulnerable. We believe energy companies can better use data to identify them. The Priority Services Register (PSR) should be reviewed.

Outcome: Vulnerable customers should have their needs identified, be able to easily notify and update their circumstances, and have better understanding of and access to support services designed to suit their circumstances and meet their needs.

Do you agree with our proposed outcomes for Theme 1?

Yes

No

I'm not sure

5. Give us your views on how we define success and measure the progress of these outcomes

An outcome that must be assessed is whether terminally ill and bereaved customers have been identified and have received adequate and timely support.

As a part of its review, the Priority Services Register (PSR) should be amended to allow any household in which somebody diagnosed with a terminal illness lives to sign-up. Achieving this should be defined as a key success.

Marie Curie research estimates that around 150,000 people die at home in England and Wales each year from conditions that are commonly treated with medical devices. (1) It is vital that people at the end of life who are reliant on medical devices are prioritised in the event of power supply issues.

At present, people with a terminal illness may fall within existing categories of those eligible for the PSR. For example, people of state pension age and those who need to use medical equipment that requires a power supply. However, we believe that the criteria should be extended to include anybody diagnosed with a terminal illness, to cover all scenarios. The sign-up process should include the option to add further detail, such as medical equipment usage, to ensure service providers have an accurate picture of need. As is the current situation, individuals should not be required to show proof of their diagnosis or condition. Importantly, the person with a terminal illness should not have to be the billpayer in order for the household to be eligible.

Additionally, as part of the review of the Priority Services Register it should be ensured that it is easy for consumers to update the PSR to reflect any relevant change in circumstances. For example, an individual could already be signed up to the PSR because they meet one of the qualifying criteria (i.e. they are of state pension age) and may later diagnosed with a terminal illness. It is imperative that service providers have an accurate and up-to-date picture of need, so they can provide the right support.

Alongside making better use of data, customer facing staff must also be trained in sensitively identifying and asking about vulnerabilities. As this consultation recognises, people may not tell suppliers about their needs due to factors such as embarrassment. Someone may be vulnerable for reasons that are personal and difficult to talk about, for example if they are terminally ill or bereaved. If staff are able to ask the right questions in the right way and respond compassionately and appropriately people will be more willing to share their circumstances. Levels of staff training must be measured as an outcome.

1) https://www.mariecurie.org.uk/globalassets/media/documents/policy/dying-in-poverty/k406-povertyenergyreport-finalversion.pdf

6. Consumers in vulnerable situations should get:

- **accurate bills that are easy to understand**
- **compassionate and consistent support**
- **flexibility in payment methods and frequency**

How we define success
These outcomes are achieved when:

- **there are fewer people in arrears and more people on repayment plans**
- **there is an increase in bill accuracy**
- **consumers find it easier to understand their bills**

Do you agree with our proposed outcomes for Theme 2?

Yes

No

I'm not sure

7. Give us your views on how we define success and measure the progress of these outcomes

The points on defining success should include a point on achieving the outcome of 'compassionate and consistent support.' A vulnerable person may be going through a very difficult and emotionally challenging time, for example they may have been bereaved or may be terminally ill. It is absolutely vital that these customers get compassionate and sensitive support and that this is measured. Analysis of posts on Sue Ryder's Online Bereavement Community (1) revealed a number of issues bereaved people face when sorting out financial affairs such as companies using the name of the person who has died, people having to tell companies multiple times about the death and bereavement teams being inefficient as well as uncompassionate.

Having these poor experiences and not getting compassionate support can put people off from accessing or continuing to access support and may lead to their financial situation worsening. This is therefore a vital outcome to measure.

1) https://community.sueryder.org/?gclid=EAIaIQobChMIt_Xo6L7CiQMVMgUGAB1lowd0EAAYASAAEgItmfD_BwE