

Getting support to those who need it

How to improve consumer support in essential services



Summary

Getting support to those who need it

The COVID-19 crisis has led to an unprecedented fall in household incomes. We need more effective mechanisms to help essential service providers to get support to people who need it, particularly those in vulnerable situations.

The newly announced smart data working group will be seeking to unlock value across the energy, water, financial services and telecommunications sectors¹. There is a huge opportunity to improve and modernise how data is shared across essential services sectors in order to deliver better support services to people.

In this paper we set out:

- How the current approach is designed and why it doesn't work for people in vulnerable circumstances
- The principles that would underpin a better approach to delivering support, and the benefits this could bring
- What needs to happen next to improve the support offer for people

The new process must be built around a recognised, trusted and easy to use consent process, in order to improve people's confidence in accessing digital services and sharing sensitive personal information.



How the current approach is designed and why it doesn't work

Crucial support for consumers is provided through essential service providers. But the system for accessing it is complicated and inefficient.

The COVID-19 crisis has led to an unprecedented fall in household incomes. Up to 6 million households have reported falling behind on their household bills, with carers, shielders and key workers hardest hit². That could leave them at risk of eviction, bailiff enforcement, disconnection from a key service, or other severe consequences.

Essential service providers can often help consumers in difficulty. This can range from providing communications in a certain format, to help if there is a power cut, to direct support for consumers in financial difficulty.

To deliver this support, each service provider must set up and maintain their own register of consumers and their support needs. Each has a specific definition of vulnerability and their own application process to determine which consumers qualify for help.

There are unnecessary obstacles to accessing support.

People can't sign up for all the support they need in one place, but must separately contact each provider. If their circumstances change, they will need to update all these providers individually. If someone switches to a new supplier, they need to restart the application process.

Even within sectors, there can be duplicated responsibility for identifying vulnerability: energy suppliers and energy network companies both separately identify and engage with the same consumers, to provide similar forms of additional support.

These issues will continue to increase with people signing up to new types of services providers such as price comparison sites, auto-switchers or saving tools.

The case study on the next page shows an example of what this process feels like for people

Case study



John was working two days per week as a decorator in a school, but had to stop work due to the COVID-19 crisis. He is awaiting hip replacements, but this has also been postponed indefinitely due to the crisis. His mobility has got worse and he has been struggling with mental health problems.

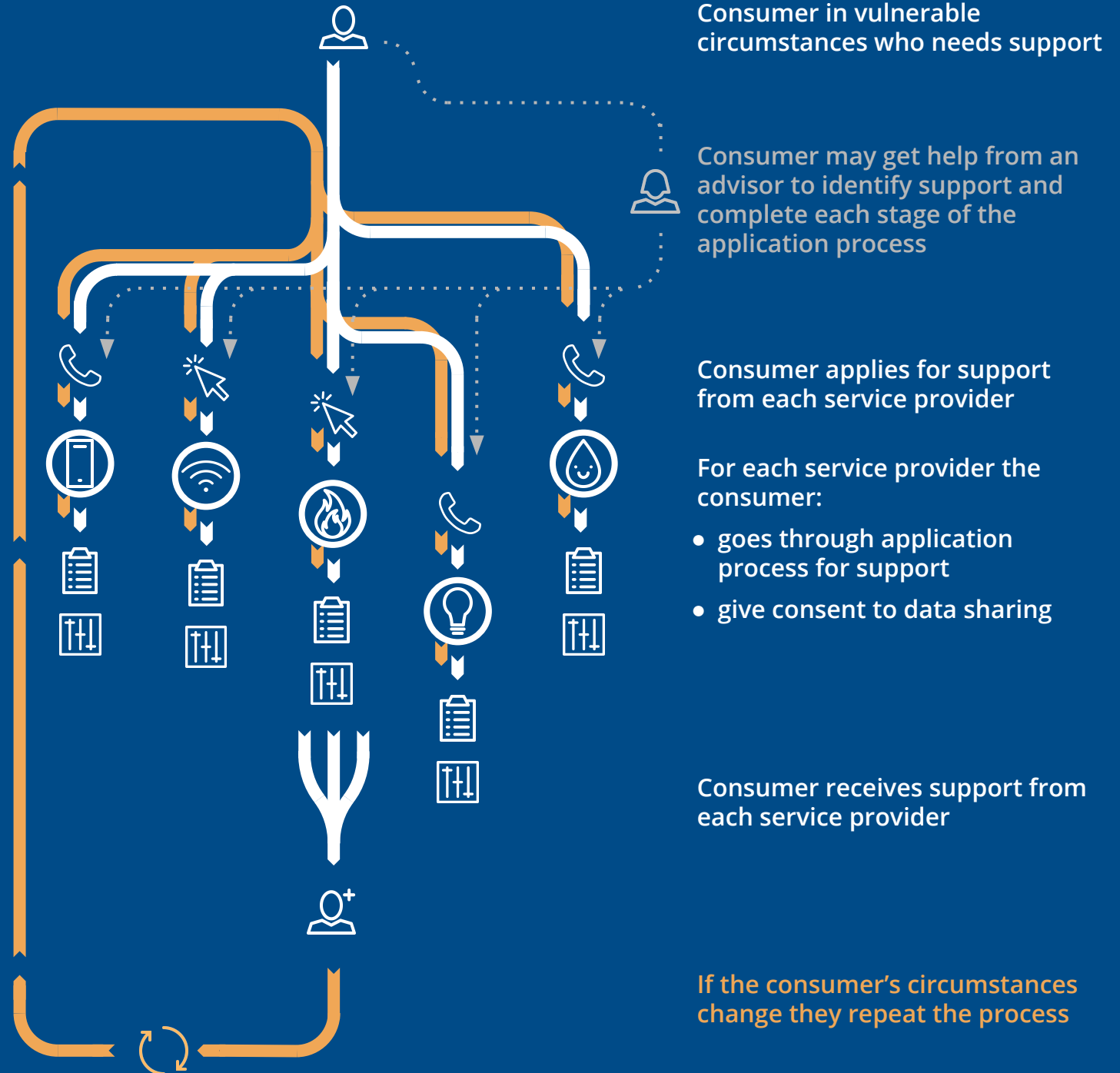
John successfully applied for Universal Credit but has a mortgage, unsecured personal loan and credit cards. He requested payment holidays on all of these services for three months. He also applied to his mortgage repayment protector policy, but if that's successful it may affect his Universal Credit payments. He has a negative budget and is unable to pay essential bills including his energy and water bills.



To help John, an adviser had to contact multiple creditors. John, helped by the adviser, had to go through an assessment for each creditor, to see if he met their criteria for support. In each case he was assessed against a different definition of vulnerability. And each provider offered a different type or level of support. This was a stressful experience, especially for someone like John, who is already facing challenging circumstances.

Customer journey

The current complex system



Problems with the current approach

1. Consumer experience is poor

To get help with the essential services, consumers in vulnerable circumstances have to register for support with each essential service provider they use. The process of signing up with multiple providers can be difficult, time-consuming and stressful. This can cause particular problems for consumers already in vulnerable and stressful circumstances, and is a barrier to them signing up for support. And when their circumstances change, or they switch provider, they need to go through this process again. Data portability across essential services markets is limited to non-existent.

2. It is demanding on support services

Because of the complexity, support services, like Citizens Advice, often need to help their clients sign up for help from essential service providers³. This means guiding consumers through multiple, repetitive, complex sign-up processes, each requiring consumer consent. This puts a burden to already stretched support services.

3. Consumers miss out on the support they need

Having to complete multiple application processes to get support from different service providers makes it less likely that consumers will register for some, or all, of the support they need.

Having to reapply for support if they switch provider, or their circumstances change, provides another chance for consumers to fall through the net. Service providers can assess vulnerability in different ways, which means a consumer may get support from one supplier, but not another.

Getting support to people who need it is already hard without these added hurdles: consumers in vulnerable situations often don't identify themselves as needing support⁴. Those that do are often not aware of the support open to them⁵.

When a consumer falls through the net, and is not identified as vulnerable, a service provider won't realise that they need support. The provider may expect an action from the consumer that can't be taken. They may act towards the consumer in a way that's inappropriate and exacerbates their vulnerabilities. Where this happens, it can end up causing knock-on problems for the consumer. They may fall behind on payments and into debt. These problems are damaging for the consumer and costly to resolve.

Problems with current approach

4. Duplication of effort

The process is also resource-intensive for service providers. Each provider has to maintain their own register of customer's needs. They have to spend time and money to engage with consumers and assess their support needs, and then to create and maintain their data systems. A result of the coronavirus crisis is that firms in the financial services sector have warned that they may not have the capacity to properly assess which consumers need an extension of support.

This effort is duplicated across service providers, within the same sector - like different energy suppliers - and across essential services. It results in higher costs for essential services and uses resources that could be used to better meet consumers' needs.

5. Increased chance of errors

Having duplicate registers of consumer vulnerability, each maintained by a different service provider, increases the chances of data errors. With different providers holding different information about a consumer, it can be hard for people to keep track of any errors in their data, and to get it corrected.

6. Lack of transparency over data use

Service providers may follow different processes in the way that they collect consumer data and the terms and conditions about how they will process it. As a result, it can be difficult for consumers to understand what data they have shared with which service provider, and how that data will be used.

A better customer journey for accessing support with essential services

The process of applying for and providing support for consumers in essential markets could be improved in a number of ways.

This slide shows one way a more consumer-friendly support journey could look.

These proposals follow the recommendations made by the **Commission for Customers in Vulnerable Circumstances**⁶.

The following slides outlines how consumer support should function.

We recommend establishing a new industry taskforce to develop proposals for a new approach to providing support, based on these principles.

This would build on and add urgency to existing initiatives, such as the smart data working group, to improve the consumer experience of accessing support in essential service markets^{7,8,9}.



The consumer can easily identify the support available to them if they sign up



The consumer completes an assessment of their support needs, or a support service does this on their behalf.

It uses a standard approach to determining vulnerability



The consumer decides what information can be shared with their current essential services providers



This information is shared securely with relevant service providers.



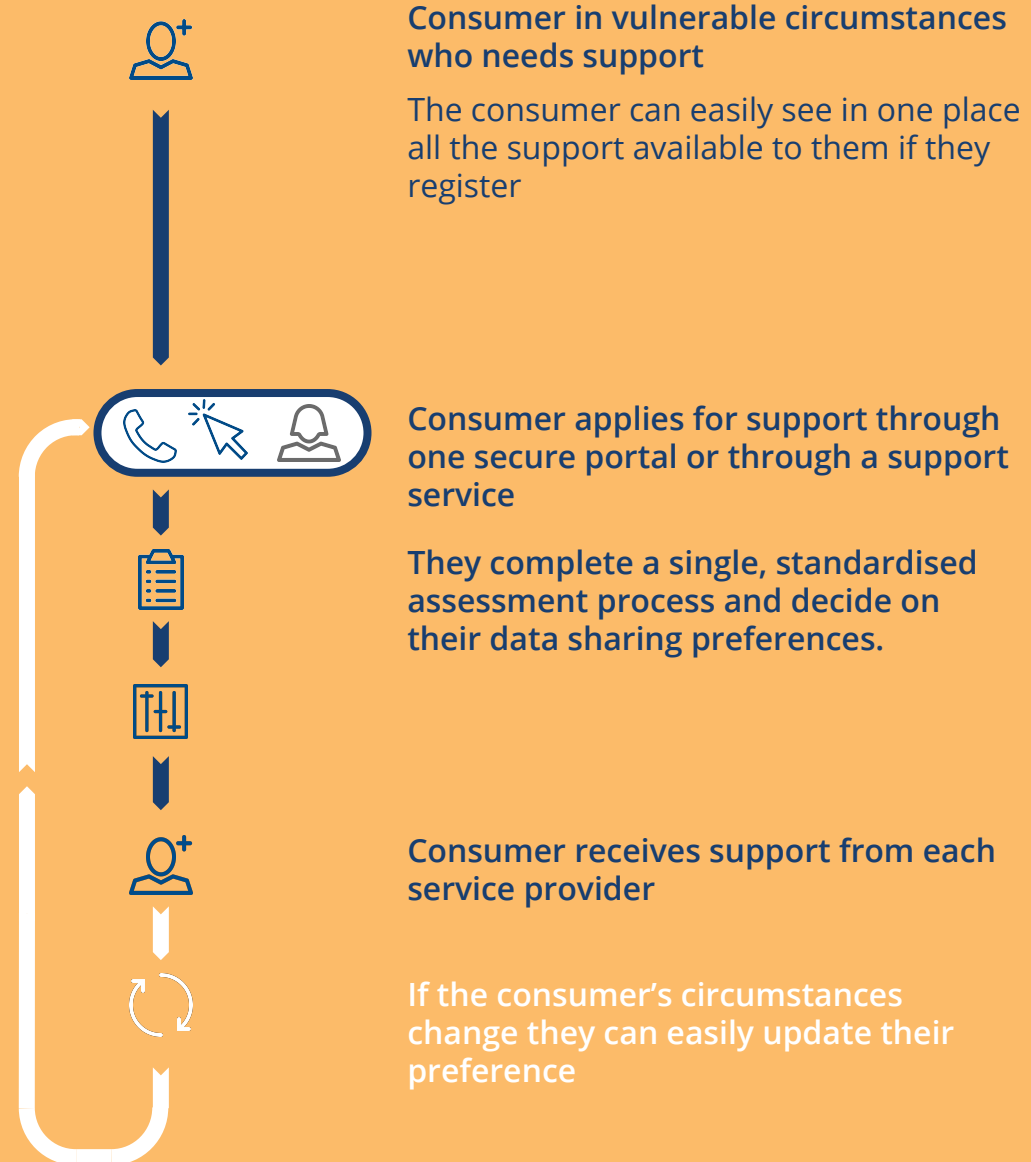
Each provider can provide support that meets the consumer's individual needs.



If the consumer's circumstances change they can easily update their data. They can also update their consent settings at any time.

Customer journey

Potential



Principles of a better customer journey

1. A consistent approach to consent

Introducing a clear and consistent consent process could increase people's willingness to provide their personal data as well as improving the customer experience. This could help consumers feel in control of their data and build trust in the process. This would form the basis of data sharing between service providers¹⁰. In Australia, the government has introduced a Consumer Data Right, which requires all essential services providers to get consumer's consent in a standard way¹¹.

2. Assess vulnerability in a consistent way

A common approach to assessing additional support needs would streamline the consumer journey and help consumers access support when they need it.

Definitions and assessment processes for vulnerability vary across sectors, even though they collect very similar data. Consumer characteristics can lead to vulnerability across more than one sector, depending on the features of each markets. Circumstances like loss of income or a mental health problem may require similar support.

One example of how assessing vulnerability could be standardised is through portable financial assessment, as shown in the case study on the right.

Case study: Supporting passportable financial assessments

A passportable financial assessment could help people access support when they're experiencing financial difficulty. Making the result of a financial assessment transferable between service providers would avoid the need for multiple assessments and make it more likely consumers get the help they need.

Doing this would require a consistent approach across service providers. It would require consistency in:

- the definition of financial hardship
- guidance on acceptable spending

This could be achieved by using the existing Standard Financial Statement (SFS) as a basis. On top of this, it would need agreement on the accepted levels of conduct and consistent forbearance measures. There would have to be regulatory oversight to make sure there was consistency of approach across different creditors and sectors.

Principles of a better customer journey

3. Make the best use of data the first time it's provided

People in vulnerable situations, should not be asked to submit the same information, for similar purposes, multiple times. The process of registering for support should make the best use of this data the first time it is submitted. Consumers should be able to use permissions to keep all their essential service providers updated of their status, through secure data-sharing.

The UK government's **Tell us once** initiative allows people to report a death to most government organisations via a single contact. 98% of users surveyed reported a positive overall experience of the scheme¹².

4. Data should be portable between companies

People should be easily able to transfer the data about their needs to new service providers in essential services sectors.

5. Help trusted support services to register consumers in need

Government and essential service providers should signpost to a trusted mechanism for data provision. Charities and other support services will then be well-placed to understand the support their clients would benefit from. It should be made easy to guide consumers and refer them into support schemes. This route could be used by consumers who are offline or struggle to use the internet. Support services already carry out assessments of their clients' support needs. This process could be used to authenticate a client's eligibility for support from their essential service provider.

6. Make it easy to update data

Consumers move in and out of vulnerable situations throughout their life. Some are by their nature temporary, like bereavement or a short-term health condition.

When their circumstances change, it should be easy for a consumer to update all their essential service providers of the change. This makes it more likely they will then get the right support when they need it. Research shows consumer appetite for this kind of service¹³.

The benefits of a new approach

- ✓ **More consumers receiving the support they need**
Fewer consumers would fall through the net. More consumers would get the help they need with essential services.
- ✓ **A better consumer experience**
A streamlined process would be less demanding, stressful and time-consuming for consumers in vulnerable situations.
- ✓ **More consumer engagement**
People will be more likely to engage with a simple registration process that brings them benefits across sectors, than with multiple individual processes that only bring benefits in one sector.
- ✓ **Easier communication**
A simple registration process would enable a more effective communication strategy to encourage consumers to take up support across essential services.
- ✓ **Better engagement from support services**
A simple registration process would help charities and other support services identify eligible consumers and register them for support.
- ✓ **More responsive support**
Consumers will get support that reflects their changing circumstances.
- ✓ **More accurate data**
A single streamlined registration process would reduce data errors caused by the multiplicity of provider databases.
- ✓ **More trusted data-handling**
A better consent process would make it easier for people to understand how their data is being used and the benefits from sharing their data.
- ✓ **More efficient use of resources**
Less duplication of effort by essential service providers and support services could free up more resources to help provide users with the support they need.

Next steps



Establish an essential services industry taskforce

- Bring together and analyse existing evidence
- Listen to consumers
- Consider data privacy and security protections
- Test and evaluate available options including processes for offline consumers
- Include government and regulators

The government's newly established smart data taskforce will identify opportunities for improvement across a range of different sectors. In order to deliver rapid progress for consumers in vulnerable situations, an essential services taskforce should also be established.

1

The UK government should bring together different parties to set up a steering committee.

This would include key bodies like Citizens Advice, the Information Commissioner's Office, the Government Digital Service, National Governments, Ofgem, Ofcom, Ofwat and FCA

2

The steering committee would establish an industry taskforce, made up of experts.

The working group should:

- Establish the terms of reference
- Provide strategic direction
- Ensure buy-in to its findings from decision makers

The taskforce should have an independent chair and designated project team reporting in to the working group.

3

The taskforce would produce a report on options for modernising vulnerability support in essential services.

This report should be produced within six months of the establishment of the taskforce. The working group would sign off the taskforce's final report.

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