Citizens Advice response to Ofgem statutory consultation on Consumer Standards - 24/7 Metering Support



We agree that activating supply licence condition (SLC) 31G.3A is a helpful step towards ensuring consumers are provided with continuous energy supply, and towards limiting any harm that arises from a disruption to their energy supply. Citizens Advice supports the proposal within the wider framework of customer service improvements proposed under Ofgems' Consumer Confidence Programme, and enhancing protections under Ofgem's proposed Vulnerability Strategy, though we note that the impact of this proposed change on consumers is likely to be fairly limited. We continue to support action to ensure the service can be delivered in an efficient manner, such as via joint phone lines or a centralised service with network operators. We also note that rather than piecemeal changes in regulation to prevent harm to consumers, introducing a Consumer Duty could offer more comprehensive protection for consumers. Suppliers could be required to 'enable and support customers to pursue their energy objectives', and 'act to avoid foreseeable harm', supporting them to have continuous connection and acting to avoid supply disruption causing harm.

The consultation proposes to activate the SLC 'to ensure all consumers, no matter the supplier they are with, have a route to receive advice and support on a 24/7 basis when they are off-supply due to meter faults.' Currently, there are requirements and guidance that suppliers offer customers 'advice at times that meets customer needs' (SLC 31G.3A). From our desk-based research, 66% of customers have access to 24/7 online or phone contact with their supplier, and only a small minority of customers are not able to access support over weekends or bank holidays. There are therefore few worst-case scenarios where a customer has to wait for 3 days to make a supplier aware that they are off-supply due to a meter fault. Nonetheless, if the proposed SLC is enforced adequately, all customers, no matter their supplier, could notify a supplier, even outside of working hours, that they are off-supply due to a meter fault. This could enable:

- Consumers to quickly access reassurance that they will be reconnected, and tailored information about estimated timeframes for reconnection and steps to take in the interim
- Immediate reconnection if the fault can be fixed remotely or with the supplier guiding the customer
- Faster reconnection for consumers with a prepayment meter (PPM)

All of the above could limit harm, physical and otherwise, that might occur when suppliers are-supply due to a meter fault. This is especially beneficial for vulnerable consumers who are dependent on their supply to remain healthy and safe.

However, we would like to highlight that activating the SLC does not necessarily ensure that relevant consumers can actually receive the advice and support on a 24/7 basis. Customers may struggle to find the right phone number, and may, due to digital disadvantage, not be able to use email or chat. Even if customers manage to ring or message their supplier, the supplier may not respond in a supportive or timely manner. Many people ring Citizens Advice for help when their supplier is not offering adequate customer service to help them reconnect to their supply, as evidenced in case studies from this year (which we have shared in our response to this consultation). This is particularly the case for PPM customers, where a meter fault can mean that credit does not register and they lose their energy supply. This is of high concern where the customer is vulnerable and may suffer increased harm as a result.

For this reason, we believe activating the SLC is effective only to the extent of suppliers' general regulatory compliance. Better enforcement of regulation is therefore essential. We are encouraged by the potential for Ofgem's possible customer service improvements through the Consumer Confidence programme to review the overarching rules and improve specific consumer outcomes. We also anticipate strong alignment with the review of the Guaranteed Standards of Performance through the proposed Vulnerability Strategy refresh. We will monitor how suppliers choose to meet their obligations, including whether they choose to establish a centralised consumer-facing telephone line to simplify access to customer service if consumers are off-supply.

Please see below for a more detailed response to the consultation questions.

Q1. Do you agree with our proposal to activate supplier SLC 31G.3A(c) in order to meet our desired outcome for consumers?

Citizens Advice supports the proposal to activate the SLC 'to ensure all consumers, no matter the supplier they are with, have a route to receive advice and support on a 24/7 basis when they are off-supply due to meter faults.' We note however that the impact of this proposed change on consumers is likely to be fairly limited.

From our desk-based research, 66% of customers have access to 24/7 online or phone contact with their supplier, and only a small minority of customers are not able to access support over weekends or bank holidays. There are therefore few worst-case scenarios where a customer has to wait for 3 days to make a supplier aware that they are off-supply due to a meter fault. Nonetheless, if the proposed SLC is enforced adequately, all customers, no matter their supplier, could notify a supplier, even outside of working hours, that they are off-supply due to a meter fault. This could limit consumer harm in three main ways, which we elaborate on below.

Communication

The proposal could enable consumers to quickly access reassurance that they will be reconnected and tailored information about estimated timeframes for reconnection and steps to take in the interim.

Ofgem has previously highlighted the importance of good communication and support when customers are off-supply. This emphasises the importance that communication has in ensuring customers are safe, as well as reducing their emotional distress. For example, customers reported that they would have made safer choices if they'd known more accurate estimated times of restoration.

Good communication and customer service is even more important when customers are vulnerable, as Ofgem has recognised in its proposed Consumer Vulnerability Strategy. Vulnerable consumers may be dependent upon power to stay healthy, including refrigerating medication, operating medical equipment, or keeping themselves at a temperature which doesn't worsen other health conditions. When without energy to do those things, communication on how long that might last, and what else to do in the interim, is essential. It's important to note that those vulnerable customers may be more likely to lose supply due to a meter fault, as those with a disability are more likely to have a PPM to pay

¹Page 35, Ofgem (2022) Final report on the review into network' response to Storm Arwen

for their electricity.² Only people with PPMs have come to us for help when off-supply due to a meter fault. Thus, because they're more likely to have a PPM, those with disabilities could be more likely to have their energy supply disrupted due to a meter fault.

It may be worth changing the desired outcome to reflect the importance of accessibility to the enquiry service proposal, so that 'all consumers, no matter the supplier they are with, have an **accessible** route to receive advice and support on a 24/7 basis when they are off-supply due to meter faults.' Digital disadvantage limits the extent to which channels such as email, webchat, or enquiry forms allow customers to report an issue. Digital disadvantage is more likely for those on lower incomes, because the cost of internet access may be prohibitive.³ Given the high proportion of PPM users who are on lower incomes, digital disadvantage may affect this cohort more than credit meter customers.

Reassuringly, our desk-based research shows that, while 41% of customers don't have access to a 24/7 phone line, 75% of all customers, and 96% of PPM customers, do have access to phone line contact Monday-Saturday. On the other hand, this suggests that the proposal will have a limited impact in terms of ensuring more digitally disadvantaged customers can access support outside of working hours.

<u>Immediate reconnection</u>

If the meter fault can be fixed remotely or with the supplier guiding the customer through what to do, customers could have their supply restored during, or as a result of, access to the 24/7 enquiry service. However, it must be noted that the SLC does not specify that the service must help customers to reconnect at the time of enquiry. Instead, the guidance makes clear that this is a regulatory expectation, one of which we are strongly supportive, and which we consider to be in line with the overarching SLC 0.3 that suppliers 'act promptly and courteously to put things right when the licensee or any Representative makes a mistake'.

² 17% of electricity users and 16% of gas users **with a disability** use a PPM, while 12% of electricity users, and 9% of gas users without a disability use PPMs. Yonder poll, commissioned by Citizens Advice (2023)

³ Page 7 and 8, Citizens Advice (2022) <u>Access Denied: Digital disadvantage and exclusion in the energy market</u>

⁴Citizens Advice (2023) <u>Kept in the dark: The urgent need for action on prepayment meters</u>

Faster reconnection for PPM customers

Once a customer has notified the supplier that they are off-supply, if they have PPM and it is failing to supply them as it should, within 3 hours on a working day, and 4 hours on any other day, an employee or authorised person must visit to repair or replace the meter.⁵ If they contact their supplier outside of working hours (8am- 8pm on a working day, 9am-5pm any other day), the obligation kicks in as soon as working hours begin, unless contact is by post. This means that, the longer the enquiry service is open, the quicker customers can make the notification and kick-start the time-period within which the supplier must act.

For example, if a PPM customer's supply goes off on a Saturday at 6pm, they may initially ring the National Gas Emergency Line, which is widely advertised for use if there's a supply issue. Within 30 seconds, the customer call must be answered, but if it's not a network fault, they may be told to ring their supplier.

At this point, in the current regulatory environment, if that customer is with a supplier who does not have a phone or webchat contact available at that time, they would need to wait until contact is available, which could be Sunday morning, or Monday morning. They would therefore need to wait until either 1pm on Sunday or, for those PPM customers who don't have enquiry services available on Sundays (about 4% of customers according to our desk-based research), 12 noon on Monday for a supplier to act. Customers may be able to use email, although we note some suppliers say they do not monitor the inboxes over the weekend. Either way, the accessibility of the enquiry service depends on which channel the customer is able to use, which leaves some customers excluded from having their PPM reconnected quickly.

If the SLC was activated, the customer could notify their supplier immediately, and the supplier would have to act by 1pm on Sunday. This could reduce their time off supply by 24 hours, significantly limiting physical and emotional harm. We note that in this scenario, the benefits are more pronounced than if the customer went off supply during the working week.

Ways in which activating SLC does not limit harm

As the consultation outlines, there are limitations to the extent in which activating the condition will limit harm to customers off-supply due to a meter-fault.

⁵ The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015

<u>Standards on speed of action to reconnect customers do not apply outside of working hours.</u>

Networks' obligations to restore supply are within timeframes which do not account for working or non-working hours. We understand that current standards apply to allow for supplier's business models, but consumer needs must also be considered. We therefore welcome Ofgem considering this within its wider review of the Guaranteeed Standards of Performance (GSOPs), as part of the Consumer Confidence programme. We also note that network operators' obligations to restore supply incentivise good customer service, and it is these obligations which overarch good customer service outcomes.

Case studies from clients asking for our help show that people would benefit from this change.

For example, a single parent with two children tried to top-up their PPM on a Saturday evening and it said 'battery failed'. They contacted their supplier emergency helpline at roughly 6:30pm. The supplier told them that because it was out of hours on a Saturday, they could only raise an appointment request for an engineer visit at 10am the following morning. Despite this, the supplier did not contact the customer the next morning.

Not only did the supplier not meet the timeframe to act as per the GSOPs, but because the standard only applied from the next morning, the supplier did not have any incentive to get an appointment booked. The customer was left waiting for an appointment to be confirmed, unable to make a decision about how best to care for their children in the interim.

<u>Finding the right person to contact may pose a barrier to customers.</u>

SLC 31G.1 requires that suppliers provide customers with information in a form that enables customers to quickly and easily understand how to identify and contact each relevant party about a problem. From desk-based research, finding the relevant number on a website sometimes requires clicking on multiple parts of a webpage, and reading long chunks of text. In one case the opening hours of the same phone line are listed differently on two different parts of the website. We understand that this may ensure suppliers only receive calls from those who cannot fix the issue themselves, triaging only the most urgent cases, but this also risks delaying and in some cases preventing customers from seeking assistance. We are therefore supportive of the initial industry-proposed solution, that there is a centralised service operating in the same way as, or together with,

the energy networks. This would ensure consumers can simply and quickly access the support they need. As the consultation outlines, it could also be easier to have a unique point of contact if there's an interruption in supply as customers are unlikely to know the reason why they are off supply.

Q2. Are there any further issues with implementation that we have not considered in this consultation? Please provide any relevant information to evidence the issues.

Citizens Advice has identified several other issues which don't suggest that the SLC shouldn't be activated, but do underline that doing so may not have significant effect. Unless other changes are made, in particular improving industry compliance and Ofgem enforcement, activating the SLC will not prevent harm to customers off-supply due to a meter fault.

<u>Poor compliance with current standards on speed of action to reconnect PPM customers</u>

Many cases show suppliers are failing to meet the current standards of performance on taking action to fix supply issues due to PPM faults. Several case studies show this below, exacerbated by the lack of out-of-hours enquiry services. They highlight the importance of driving better supplier compliance with the current regulatory regime, and considering how well the compensation payments for failure to meet the standards sufficiently compensate customers or incentivise good practice.

A customer's gas supply went off on a Friday. They couldn't get through to the supplier as it was after 4pm, and the supplier's automated service directed them to the national grid emergency line. The national grid did a test which said that the supply was getting to the property and the meter was at fault, so the supplier would have to fix it. They had to wait until Monday, when they spoke to their supplier who said a supplier would be there by 2pm. Nobody showed up, and the supplier then said it was nothing to do with them. In the end, the customer paid an emergency gas safe engineer to come out. The engineer found the battery needed replacing by the supplier. The customer called the supplier to explain this, who sent an emergency engineer on Monday evening to replace the battery. The client was not only off supply for three days, but is now out-of-pocket as the supplier won't compensate them for the call out fee they paid to the first engineer.

Another customer, who has a 74 year old in the property with arthritis, is off supply. They have enough credit on their PPM, but the meter needs fixing. The supplier keeps telling them that they will send an engineer out, but they haven't done so, and they've now been two days without energy.

Current customer service is poor

As highlighted by the case studies below, poor customer service can make it harder for customers to reconnect to their energy supply, when the issue is the responsibility of the supplier to fix.

A customer with diabetes says that although they can top-up their PPM electricity credit, the card won't top-up the gas credit, and they are without gas supply. They have tried to contact the supplier multiple times but they cannot get through.

Another customer, who is heavily pregnant, is currently off supply for gas. The meter outside is showing no power. The supplier was meant to send an engineer out in the morning to diagnose and fix the meter problem, but they have not done so. The customer cannot get through on the phone lines to speak to them about it.

Suppliers are also not always acting effectively to proactively prevent supply issues, which exacerbates the problem. So far this year, 1755 people have sought our help because they are struggling to top-up their PPM due to technical issues. Even where they have emergency credit or friendly hours credit, the meter fault may prevent the credit registering, so they could still end up disconnected.

Standards for fixing credit meter issues don't address continuity of supply

If customers have a credit meter, and it is failing to supply them as it should, or 'operating outside the margins of error', the supplier must assess and take action to help ensure the meter is working as it should to supply the customer, within 7 working days. This means it could be 9 days before the supplier acts to fix the problem. Although there is little evidence that credit meter issues leave customers off-supply, it is in theory possible. We therefore suggest that this is included for consideration as part of the review of the GSOPs.

Q3. Do you have any comments on the draft Impact Assessment published alongside this document, including the costs and benefits, competition impacts, and unintended consequences?

No.

Q4. Does the guidance provide sufficient clarity for suppliers, consumers and their representatives on Ofgem's expectations and consumer outcomes?

We believe that the guidance provides sufficient clarity for suppliers and consumer representatives on Ofgem's expectations and consumer outcomes.

As implied by the draft update A2.20, it is important that customers, even when the issue is not due to a meter fault, are not turned away in such a way that prevents them seeking further assistance for their problem. This guidance states that it is important that industry's consumer messaging does not create confusion for consumers about whom to contact. As outlined in our response to question 1, it is questionable whether this is currently achieved across the board. For example, some customers contact Citizens Advice thinking that they are calling their supplier. We therefore suggest removing the statement that clear messaging 'is currently achieved for services during regular opening hours'.

We also agree with the expectation that the customer is 'advised of the supplier's process to investigate and fix any meter fault, including an estimated timeline for the issue to be investigated or resolved'.

However, we think that the addition that the estimated timeline is provided 'if the issue is in the supplier's control' should be removed. Given that any meter fault is the responsibility of the supplier, the qualification that fixing it may not be in their control, removes some of their responsibility to fix it. Not only that, but we are wary that this may lead to suppliers avoiding providing estimated timelines, which can be an important source of guidance to customers, as explained in our response to question 1.

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