

## Too many hurdles - information and advice barriers in the energy market

## Research Summary

**Many people are at risk of being vulnerable because of personal circumstances but also as a result of policies and suppliers' practices. So it is vital that everyone's information, advice and support needs are met, especially in the fast-changing and complex energy market. But instead there are serious barriers in getting the help people need, especially those in difficult situations. Comprehensive changes in policies and practices are urgently needed.**

This study focused on the needs of vulnerable consumers and found that they frequently face multiple barriers in accessing information, advice and support in this essential service. It explores the factors that contribute to these barriers, including those arising from both personal circumstances and organisational behaviour. The study aims to help improve policies and practices in the energy sector so that they reflect the reality of people's needs.

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### Method

The study was based on a literature review of research and other material from the energy sector and elsewhere. The key findings from the review were explored in interviews with a selection of organisations which advise people in vulnerable circumstances. The purpose was to gain a qualitative picture of the range of people's needs and difficulties faced. The recommendations were based on the findings of the literature review and the interviews.

### The challenging energy landscape

The study highlights the increasingly challenging and complex nature of the energy sector and

rises in fuel poverty. Consumers have had to deal with significant price rises with further increases on the way. They have to navigate what is frequently a confusing market, and the consequences of the wrong choice can be significant especially for those in vulnerable situations. These issues have contributed to a substantial level of mistrust amongst consumers of energy suppliers.

The study identifies other changes taking place – in the types of assistance available, consumer advocacy, and issues affecting complaints and redress: all of which will affect vulnerable consumers.

### What do we mean by multiple barriers?

The study explored two key dimensions of difficulties which contribute to multiple barriers in accessing information, advice and support: people's circumstances; and organisational policies and practices. It also looked at the interactions between these.

For example, carers are likely to be on low incomes and at greater risk of poor physical or mental health. Many people with literacy or numeracy problems, or mental health issues, are likely to be on a low income. But they may

be worried about revealing their difficulties. Life events, such as job loss, bereavement or domestic violence, can erode people's self-confidence and make it difficult to cope with energy issues.

The other key dimension of difficulties relates to the policies and practices of energy suppliers. The following were among the barriers highlighted in the study:

- Automated telephone systems that are difficult to navigate with long menus
- Call centre staff using rigid scripts
- Costly telephone contact
- Bills and contracts that are hard to understand
- Systems that exclude people without internet access
- Lack of clear information about assistance schemes
- Inconsistencies in frontline staff knowledge or advice about support schemes and cheaper tariffs.

Too often, systems seem more geared to the needs of the organisation than those of consumers, and there is insufficient attention paid to the needs of people on low incomes and other vulnerable situations, compared with efforts to attract better-off customers. The study discussed how the effects are likely to be particularly damaging for people who are already experiencing other difficulties. These barriers also contribute to consumer distrust of energy companies and of the energy market.

### Advice and information needs

The potential consequences of not having their information and advice needs met are likely to be much more serious for vulnerable consumers. One person's irritant may be someone else's serious problem.

The following emerged from this study as key information and advice needs that are likely to

be of particular importance to consumers who face multiple barriers:

### The costs of electricity and gas

People need information about what tariff they are on, whether it is the best one for them, and if not, how to find out what would be the most appropriate tariff. Clear information about cheaper tariffs and other forms of assistance is a critical need, and how to access help. A number of interviewees commented on the variable nature of help from suppliers, including inconsistencies in the quality of information and advice from companies' staff.

Independent, accessible and understandable information needs to be available to those without internet access. But switching should not be seen as the overriding solution. People in vulnerable situations may have little confidence in the market and do not want to incur the risk of making the wrong decision. Also, they may not have access to information to compare offers easily, or may simply have enough to cope with already in their lives. It may also reflect the lack of suitable products in the energy market that meet their needs.

Information and advice about available payment methods is another crucial need. But also vulnerable consumers need to know that the method will suit their needs and not entail unnecessary risks.

### Managing bills and consumption

People in vulnerable situations need easily accessible and understandable information about how arrears and bills can be managed without putting themselves at risk. Energy companies should take account of the needs of people with specific requirements, such as refugees or asylum seekers who may be unfamiliar with the domestic market, and people in rented accommodation who may not know who has responsibility for bills or arrears.

Access to trustworthy and understandable information and advice to help manage energy use is of crucial importance for many. This is especially the case for those with high essential energy needs, for instance, because of medical conditions that require constant heating or frequent clothes washing.

Easily understandable information and advice on energy management can cover a range of topics including:

- heating controls
- the energy consumption of appliances and products, and
- the availability and appropriateness of energy efficiency measures.

### **Appropriate and trusted assistance**

Many people who are facing multiple difficulties may well prefer face-to-face advice. People with mobility problems may need information and advice through home visits, especially if they are not on the internet.

The study pointed out that, if people are facing multiple difficulties, they may well be reluctant to actively seek advice. This could be because they are isolated or stressed. Some people in difficult circumstances may feel embarrassed about seeking help. These factors underline the importance of ensuring that information, advice and support are easily accessible and sensitively provided. It is also vital to avoid making people feel stigmatised or patronised, for example, by portraying older people as incapable of looking after themselves.

The need for people to feel comfortable with sources of information and advice about energy issues is another important theme. Door-to-door or other cold calling to promote switching or energy efficiency may be welcomed by some but disliked by others because of perceived intrusion or lack of trust.

An important theme that emerged from the study was lack of trust in suppliers as sources of help. People may have had previous bad experiences or not want to disclose personal information to private companies. Some may be embarrassed or fearful of divulging difficulties such as literacy problems, mental health issues or hearing loss. Some interviewees reported problems in dealing with suppliers on behalf of clients, for example, when company staff insisted on speaking to clients who had communication difficulties.

### **Effective communication**

Companies' communications systems often present unnecessary barriers, such as the use of costly telephone numbers. Other hurdles include voice-activated systems which present barriers for many especially those with speech difficulties, and call centre systems which can be difficult to navigate.

### **Effective information**

The study recognised that a number of steps have been taken to try to improve the understandability of information on energy bills and more action is proposed by Ofgem. But more needs to be done to take proper account of people's differing needs. This includes looking at how energy consumption and costs are calculated and shown, clarity of formats and signposting to information and help.

People with sight loss or other impairments need access to information in a form which suits their needs. This includes the whole range of customer information, from bills to tariffs and energy efficiency help through to how to make a complaint.

### **Conclusion**

Policies and practices in the energy sector should be based on an inclusive approach and an understanding of the broad nature and extent of consumer vulnerability. Such an approach reflects over-arching anti-discrimination and equality policies.

## Recommendations

- The energy suppliers should adopt and implement the BSI standard on '*Inclusive service provision*' (BS 18477:2010) which sets out requirements for identifying and responding to consumer vulnerability.
- Frontline staff should be properly trained to identify triggers to indicate that customers are in vulnerable situations, to deal with people in difficulty, and also regularly trained in equalities legislation.
- Frontline staff should pro-actively provide full information on cheaper tariffs and assistance services, and signpost to independent sources of advice. The suppliers should ensure that their call centres and communications systems are user-friendly, eliminate long menus and provide easy access to direct contact.

The energy suppliers should be required to:

- provide freephone numbers to all consumers;
- adopt an industry-wide 'brand' name for Priority Service Registers, and pro-actively publicise these services;
- provide clear information about the full range of tariffs with bills and Annual Statements, including cheaper tariffs;
- agree to a protocol for their dealings with third parties acting on behalf of vulnerable consumers.
- The Department for Business, Skills and Innovation and Ofgem should ensure that there are effective systems at local level to provide consumers with easily-accessible advice and support on energy issues, including provision for face-to-face advice. This should be backed up by properly resourced national advocacy arrangements.

- The Department of Energy and Climate Change (DECC) and the Department of Health should ensure that information on help with energy issues is available through health and social care professionals.
- Ofgem and/or Consumer Focus (subsequently Citizens Advice) should publish information for consumers on key topics, such as: what energy bills mean; how to get help; and services for people with specific needs. These should be available in a range of formats and languages, as well as printed and online. Ofgem should ensure that the fact sheets are widely available locally or that Consumer Focus is resourced to do so.
- Ofgem and the DECC should take action to improve the understandability of energy bills, taking full account of people's needs including sight, literacy and numeracy. Also, the terminology and calculations about energy pricing and use should be presented in ways that are easily understandable for all consumers.
- The Department of Business, Innovation and Skills and DECC should ensure that policy-making is based on an understanding of the broad nature and extent of consumer vulnerability. Impact assessments should state how this has been applied.

## For more information

The full research report can be downloaded from the websites of the eaga Charitable Trust and the Centre for Consumers and Essential Services, University of Leicester: <http://www.eagacharitabletrust.org/projects> and [www.le.ac.uk/la/cces](http://www.le.ac.uk/la/cces). For more information, contact Professor Cosmo Graham: [cosmo.graham@leicester.ac.uk](mailto:cosmo.graham@leicester.ac.uk)