

FUEL DEBT ADVICE BULLETIN



Action for Warm Homes

Advice and information from NEA, the national fuel poverty charity

December 2016

This edition of the Fuel Debt Advice Bulletin will summarise some of the key topics affecting the provision of fuel debt advice. Contents include:

- Domestic Suppliers' Social Obligations: 2015 Annual Report
- Eligibility Criteria for Priority Services Register
- New Debt Assignment Protocol Factsheet
- Prepayment meter principles 2016
- NEA Update
- Warm Homes Campaign

Domestic Suppliers' Social Obligations: 2015 Annual Report

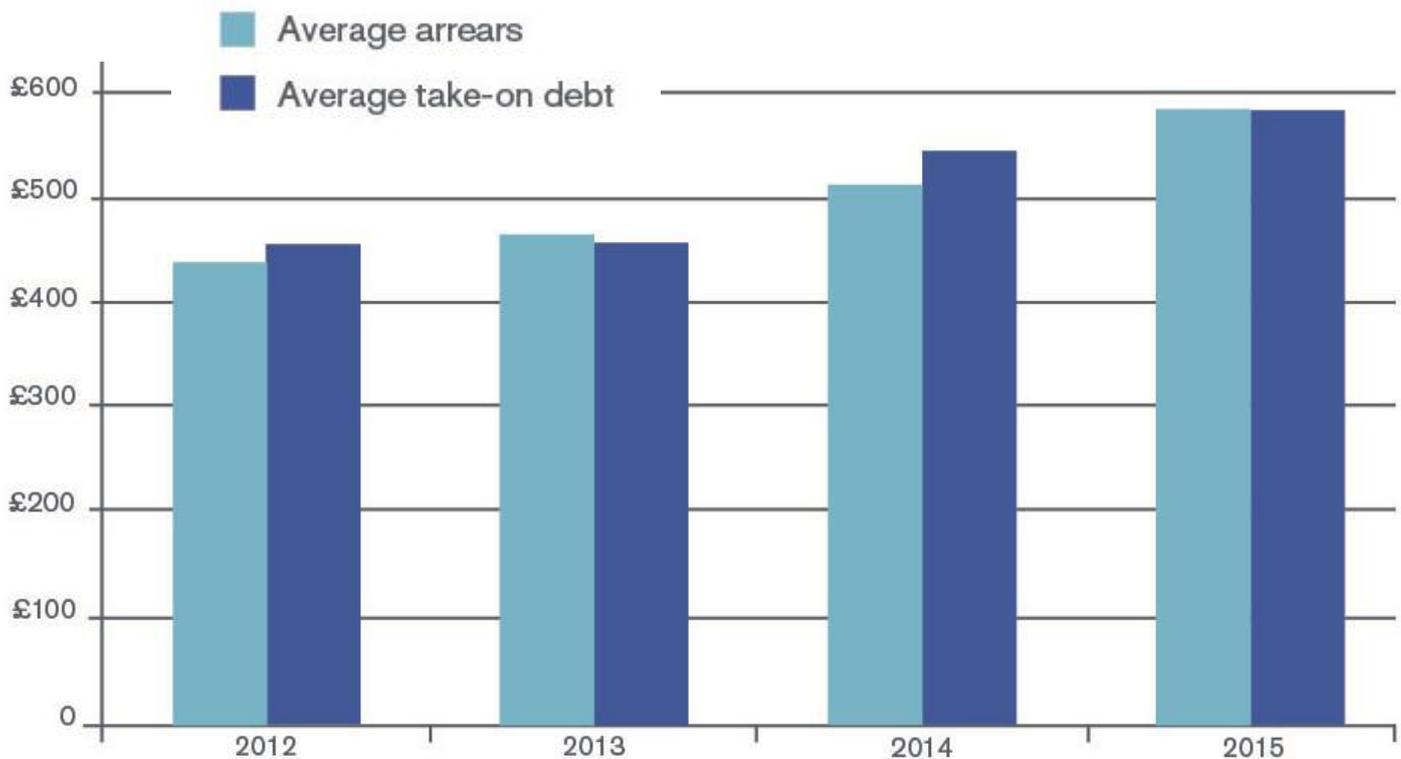
Ofgem has published its latest [report](#) summarising domestic suppliers' performance in 2015 on debt, disconnection, prepayment meters (PPMs) and services for consumers in vulnerable situations. Some of the key points found by the report are:



- The number of customers in debt has fallen since a post-recession peak in 2013. There were 4.6% of gas customers in debt in 2015, compared to 6.2% in 2013, with a similar falling trend for electricity.
- Although fewer customers are in debt the average amount owed by customers has increased, over the years. For customers repaying a debt last year, their average debt at the time they agreed a debt repayment arrangement was almost £600. For some suppliers this figure is over £1,000 for electricity customers and there has been little change in the number of customers with debts over £300
- Around two in five customers repaying a debt (39% for electricity, 43% for gas) do so via a PPM. The long-term growth in the number of PPM customers slowed in 2015, but levels are not falling with PPM payment overtaking credit payment method for the first time.
- The majority of suppliers have removed charges for installing and removing meters, meaning that most consumers can change their payment method without incurring charges. The latest price information available suggests that customers paying via PPM pay on average £138 more per year than those paying by Direct Debit, and £272 more per year than the cheapest market deal.
- Customers of small and medium-sized suppliers are paying higher debt repayment rates. For electricity

customers, the small and medium suppliers have a high proportion of customers with weekly repayment levels above £15, while most customers at the large suppliers are repaying below £6 per week. See tables below.

The graph below, taken from the report, shows average arrears and average debt when a repayment arrangement is set up for electricity customers.



Ofgem monitors the performance of domestic suppliers in relation to debt, disconnection, prepayment meters and help for vulnerable customers on a quarterly as well as an annual basis and the data below shows December 2015 quarterly headline statistics by Country.

Electricity Headlines	Number of customers in debt	Number of PPM customers in debt	Number of customers in arrears
England	644,403	247,712	408,520
Scotland	66,554	27,225	49,336
Wales	34,525	14,737	26,094
Great Britain	745,482	289,674	483,950

Gas Headlines	Number of customers in debt	Number of PPM customers in debt	Number of customers in arrears
England	565,728	239,546	340,235
Scotland	59,143	26,584	39,990
Wales	29,405	13,068	20,917
Great Britain	654,276	279,198	401,142

Further breakdown can be found in Ofgem's Monitoring company performance – 2015 annual data report, [also available here](#).

Eligibility Criteria for Priority Services Register

Energy suppliers are required to have a Priority Service Register (PSR), through which eligible customers can get free, vital services from network operators and suppliers to help them manage their energy. These include being given a password so that they can safely identify representatives who visit their house, readings for customers who struggle to read their own meter, and advance notice of power cuts and information on any help available during emergencies.



Around 3.6 million electricity and 3 million gas customers are already signed up to suppliers' PSR – but currently only consumers who are disabled, chronically sick, or of pensionable age are eligible to be on the register to access these services. However, Ofgem has announced that from 1 January 2017 they will be broadening the eligibility criteria for the PSR to include any energy customers in vulnerable situations who need additional services – including those whose situation is temporary. This could include customers with mental health issues which prevent them from understanding their bill, or who have injuries which stop them topping up their prepayment meter. Suppliers will also have to take all reasonable steps to identify customers in vulnerable situations, and offer to place them on the register. **[More information can be found here](#)**

Each fuel utility company has its own version of the Priority Service Register

The following householder(s) can apply:

- customers of pension age
- disabled or chronically sick
- hearing and/or visually impaired

Services include:

- bills and leaflets in large print and Braille
- talking bills
- use of password
- special controls and adaptors
- annual gas safety check

How to sign up to the Priority Service Register

Contact your supplier (telephone number can be found on the energy bill) to see if you're eligible to sign up to the PSR. If you have different suppliers for gas and electricity, you'll need to call them both.

New Debt Assignment Protocol Factsheet

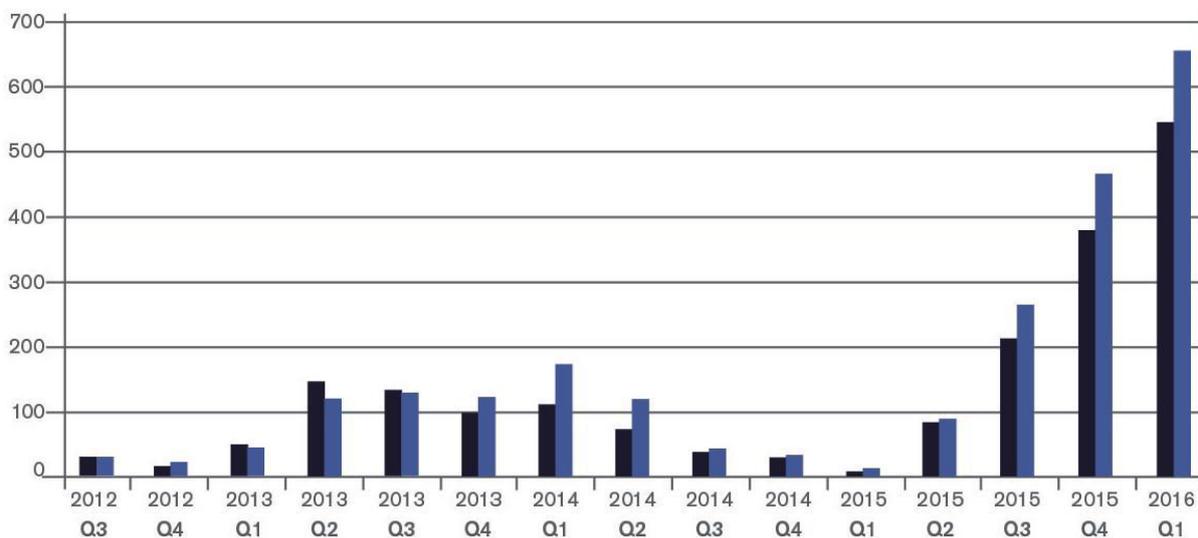
The Debt Assignment Protocol (DAP) is designed to help domestic prepayment customers who are in debt up to £500 per fuel to switch suppliers. Ofgem had concerns about the low number of pre-payment meter (PPM) customers who switched supplier under the DAP and so carried out a review of the process in 2015. As a result of this review, the energy industry has recently made changes to the operation of the DAP which include;



A copy of the Energy UK customer-facing factsheet outlining how the revised DAP process now works [can be found here](#)

Since Ofgem's review, there has been a significant increase in PPM supplier switches under the DAP protocol which is highlighted in the graph below.

The number of customers who successfully transferred to a new supplier under DAP



Source: Ofgem Domestic Suppliers Social Obligations 2015 Annual Report

Prepayment Meter Principles 2016

Energy UK has launched [ten principles](#) to provide improved safeguards for prepayment customers; updating the five principles that have been in place since 2011.



The prepayment principles will support the majority of energy consumers in the UK as small, medium and larger suppliers are signed up to them. The principles will ensure suppliers monitor prepayment accounts to identify customers who might be at risk of facing financial difficulties. Suppliers may also provide discretionary credit as well as signposting customers to debt advice and financial support where appropriate. The principles also provide assurances about existing protections Energy UK Safety Net and the energy industry Standard Licence Conditions

Suppliers signed up to the ten prepayment meter principles at the time of launch in October 2016 were: Bristol Energy, British Gas, Cooperative Energy, Ecotricity, EDF, E.ON, First Utility, Good Energy, npower, ScottishPower, SSE and Utility Warehouse. Utilita became signatories in November 2016.

NEA Update

As part of the Charity's community engagement activities, NEA is delivering a number of projects that provide FREE services to support frontline advisers and communities. For more information, contact the relevant officers highlighted below

Improving Energy Efficiency In Communities

NEA is building upon a successful partnership with EDF Energy to deliver a third year of the 'Improving Energy Efficiency In Communities' project which aims to reduce the wider impacts of fuel poverty for households across England.



As part of the project, NEA is providing FREE basic energy awareness training to frontline practitioners within voluntary and statutory organisations to equip them with the skills and knowledge to better identify and assist households who struggle to manage their energy needs and maintain a warm and healthy home.

NEA is working with local organisations to also offer FREE energy advice surgeries / awareness sessions to help their service users to better manage their energy use, access appropriate energy tariff and payment options as well as insulation and heating schemes, income maximisation, money and debt advice services. A bespoke 'Save Energy, Save Money' top tips information leaflet is also available to help with signposting individuals to available national energy efficiency and other advice services.

Whilst 'Improving Energy Efficiency In Communities' is a national project, it has a key focus in the North East, North West, London & South East, South West and Yorkshire & the Humber areas.

For enquiries about free energy advice surgeries / energy awareness sessions in these areas contact:

- North East – contact [Maureen Fildes](#) at NEA on 0191 269 2929
- North West – contact [Jimmy Pugh](#) at NEA on 0151 728 7678 or [Kathy New](#) on 0161 234 2948
- London & South East – contact [Rebecca Jones](#) at NEA on 07738 417 448 and
- South West – contact [Louise Evans](#) at NEA on 07730 760 828
- Yorkshire & the Humber – contact [Diane Bland](#) at NEA on 07855 863 312

For enquiries about availability of sessions in all other areas (and general enquiries) contact [Malcolm Dove](#) at NEA on 0191 269 2932.

For enquiries about FREE basic energy awareness training for frontline practitioners across England contact [Tracy Norris](#), Business Support Officer at NEA on 0191 269 2946.

Warm Minds - Enabling Warmer Healthier Homes



The Warm Minds project is providing limited **FREE** training, energy advice and energy awareness-raising sessions to organisations working with individuals living with mental health issues, dementia and learning disabilities and / or learning difficulties.

Warm Minds was developed in response to requests from frontline practitioners in these sectors for knowledge development and guidance on how to better support and enable individuals (and households) to better manage their day-to-day energy needs, deal with energy bills and be more energy efficient at home. Ultimately, the project seeks to raise awareness and to promote the availability of energy efficiency improvements, schemes and services that will help households to achieve warmer, healthier homes that are more affordable to heat.

Warm Minds is developmental in scope and NEA hopes to work with organisations to better understand the range of energy / energy-efficiency issues faced by individuals and respond better to their energy advice and information needs and inform current and future developments.

Warm Minds is seeking to:

1. **Provide **FREE** training to frontline practitioners and advocates** to help them to provide basic energy advice to individuals they support to enable them to manage their energy and bills, access available energy efficiency, energy advice and other related utility services. This 3-hour training course is CPD certified and is complemented by a **FREE** energy advice guide for each trainee. **FREE** e-bulletins will provide scheme and service updates for trainees throughout the project;
2. **Work with organisations to develop **FREE** energy awareness sessions and / or energy advice sessions for service user groups (or carers).** NEA will work with organisations to:
 - Develop basic energy awareness sessions – i.e. short presentations on one or more energy-related topics to groups of individuals (tailored to needs and abilities); or
 - Develop interactive sessions (tailored to needs and abilities) to variously include fuel bill management surgeries and/or practical sessions on for example: how to access better fuel tariffs or payment options; how to use heating and hot water controls; how to prepare for colder weather; top tips to save energy and money; how to access fuel discounts, utility services and other services such as income maximisation, money and debt advice etc.

NEA will make a generic Top Tips guide available to service users / carers and will also be working with organisations to tailor this information to meet the needs and abilities of groups where needed.

For further information about Warm Minds training and awareness / advice sessions, in the first instance, please contact [Malcolm Dove](#) at NEA on 0191 269 2932.

Warm Homes Campaign - 29th Nov 2016 to 17th Feb 2017

NEA's vision is that 'no one is living in fuel poverty', but on 29th November 2016 we launched our Warm Homes Campaign warning that at the current level of delivery and funding this won't happen in the average lifetime of a baby born today.



Without action she could suffer a number of significant health problems as she grows up.

Our campaign highlights that around four million UK households are still unable to access equal life chances because they live in a cold, damp home. A baby born today and living in cold housing is more than twice as likely to suffer from breathing problems including asthma and bronchitis, and three times as likely to suffer from wheezing and respiratory illness. Her chances of suffering from mental health problems are higher, and – in later life – she will have greater risk of accidents, injuries and falls in the home.

The Warm Homes Campaign aims to raise awareness of the importance of being able to live in a warm, comfortable home and illustrate how to improve access to equal life chances. This year, NEA is teaming up with 'I, Daniel Blake' star Dave Johns who is backing the campaign.

“It is a complete scandal that people die because they can’t afford to heat their homes. ‘I, Daniel Blake’ shows the tragic circumstances and daily dilemma of ‘heating or eating’ faced by many thousands of people in Britain today. I’m backing NEA’s Warm Homes Campaign to highlight what help is available to cope with rising energy bills as winter takes hold, and demand more support from Government.” *Dave Johns (lead actor, I, Daniel Blake)*

We will also be highlighting some of the excellent work undertaken by our members and partners to tackle fuel poverty at a local level.

[Read our full press release](#)

[Read our briefing and key asks](#)

[Follow the campaign](#)

For updates on the campaign follow our twitter feed – @NEA_UKCharity / #WarmHomesCampaign

[Support us](#)

You can support the campaign on social media, as well as publicise your own efforts to tackle fuel poverty using

#WarmHomesCampaign. For more information download our [social media guidance](#).

Get advice

Free downloadable resources are available for practitioners working to help households in fuel poverty.

Visit www.nea.org.uk/advice

This Fuel Debt Advice Bulletin was produced in December 2016 by National Energy Action (NEA).

If you do not wish to receive future editions of the Fuel Debt Advice Bulletin, please let us know by emailing jimmy.pugh@nea.org.uk

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Company limited by guarantee.

Registered in England no. 1853927.

Registered office: 6th Floor (Elswick), West One, Forth Banks, Newcastle upon Tyne, NE1 3PA

Tel: 0191 261 5677

Fax: 0191 261 6496

Email: info@nea.org.uk

Web: <http://www.nea.org.uk>