

Draft CVS2025: Anonymised summary of engagement activity

How we have engaged

We started our strategy development with a phase of extensive stakeholder engagement. During October and November 2018, we held a series of telephone interviews with a range of consumer experts and academics, followed by four workshops across London, Glasgow and Cardiff. Below is an anonymised summary of the discussions from the workshops only.

A wide variety of stakeholders attended the workshops, including industry, charities, consumer groups, advice bodies, third party intermediaries (such as price comparison websites) and devolved government representatives.

During our stakeholder engagement, we explored:

- 1) The issues and trends affecting consumers in vulnerable situations in the next 5-6 years
- 2) What role Ofgem can play to address those issues
- 3) How we can best measure success of the strategy.

How we used the feedback

The feedback from stakeholders is one of many sources of information that together have enabled us initially to come up with five themes to focus on to make improvements for consumers in vulnerable situations.¹ We used your feedback to develop these themes in our draft Consumer Vulnerability Strategy 2025 and to decide where we should focus our efforts.

We would like to thank all stakeholders who have made time to engage with us so far and who have therefore helped us draft the strategy. However, we welcome any further feedback on the draft strategy.

Below we have summarised the responses to the three key questions.

Disclaimer

The workshops we held in Cardiff, Glasgow and London helped us identify initial themes. We also evaluated a range of other information from a variety of sources such as targeted engagement with certain consumer bodies, data we hold, research by other regulators, government departments, charities and so on.

We publicised our events via social media, we emailed those we had previous contact with in regards to vulnerability related issues and our contacts in industry. We did not speak to everyone, but we are confident our approach has captured a broad audience and form a solid basis to consult on the draft strategy. The people who attended were of differing levels of seniority with differing levels of expertise. We have tried to capture all the ideas discussed in the workshops and invite those who attended to get in touch with us if they feel something was not captured.

The below anonymised note summarises the views expressed in the workshops by attendees and does not necessarily represent Ofgem's views.

¹ Ofgem (2018) [Updating the Consumer Vulnerability Strategy – CVS 2025](#)

Question 1: What issues will affect outcomes for consumers in vulnerable situations in the next 5-6 years?

Feedback to this question helped us consider what the key potential issues consumers in vulnerable situations may face in the energy market in the future. It also helped us identify where we could have the largest impact, eg to the broadest group suffering detriment or those in particular situations with the highest risk of harm.

Societal issues

Stakeholders highlighted changes in the population and socio-economic factors including, increasing amount of people suffering from dementia, age-related conditions, more people experiencing mental health problems. People who experience these circumstances may be faced with a variety of challenges. Ofgem should consider this when looking at options.

Identifying consumers in vulnerable situations

Identifying vulnerable customers remains a challenge, particularly when people do not self-identify. Stakeholders, particularly energy companies, found that consumer did not trust energy companies enough to share this type of information. The third sector broadly concurred that a lack of trust in the energy market as an issue, but it was not a major concern. The bigger concern for the third sector; was lack of training, empathy and understanding of agents when people did disclose various conditions.

The third sector also highlighted that suppliers are not proactive enough – reacting when someone would mention a possible vulnerability (eg a hospital stay), rather than proactively ask questions or suggest what may be available in terms of support. Some stakeholders said that companies requested too much proof of a vulnerability. They said when this happens; this deters people from disclosing their circumstances, as they do not want to have to share their sensitive information frequently.

Stakeholders told us that some suppliers use the Priority Services Register (PSR) characteristics as a definition for vulnerability, rather than as a tool to identify consumers with priority needs, as it was designed. This indicates companies are not correctly identifying or recording vulnerability data, including more transient vulnerable characteristics or circumstances.

Generally, stakeholders said that the priority services provision and consistency across suppliers is particularly low. They identified multiple issues:

- companies were not upfront on what is available for whom,
- inconsistencies of eligibility across companies,
- what companies require as proof of eligibility varies,
- there is not enough publicity on the existence of priority services, and
- some companies would provide a service and another would not.

Stakeholders said that new and small suppliers in particular showed a lack of understanding of their obligations.

Many stakeholders believe that the PSR needs to be amended and for the data to be shared across providers. Stakeholders are still concerned that transient vulnerability is not always picked up for priority services. A number of consumer groups noted that a scepticism of being on a 'list' puts off some consumers.

Stakeholders in Scotland raised concerns that the number of customers on supplier PSR's remained the lowest in the country, which they thought was contradictory in relation to other indicators, such as fuel poverty. They thought this indicates suppliers are not doing enough in Scotland to identify consumers in vulnerable situations.

Industry stakeholders were concerned about having too many customers on PSR and as a result not delivering priority services to those who need it most. They fed back challenges in particular with transient vulnerabilities – identification, keeping information up to date and frequency of interaction. Industry reported they find it particularly difficult to build rapport with customers as they are seen as a company who wants their money.

Industry stakeholders highlighted that many issues were wider than the energy industry (eg affordability) and they were not sure industry were best placed to address them (eg how much support should the industry provide and should the support come from, for example, a local authority?).

Stakeholders also raised that with smart meters, there will be fewer field agents visiting properties as there will be no need for meter reads, losing the opportunity to identify vulnerability and feed this back to the supplier.

Affordability and debt

Many stakeholders raised wider societal issues affecting people, such as changes to welfare and increasing income volatility.

Stakeholders consistently raised concerns about what will happen once the price protections are removed. There were also general concerns over those people who are simply unable to afford the cost of energy due to their circumstances. In the discussions, there was acknowledgement that affordability issues cut across sectors. However, some people, for example those with a disability, may not have a choice in how much or when they need energy.

Stakeholders in Scotland raised issues with particularly poor housing stock, welfare changes, options available in terms of energy sources and companies and more severe weather than in the rest of the country resulting in an increase in energy use and higher bills. Scottish stakeholders also questioned higher networks costs and whether or not consumers with restricted meters are getting a good deal.

Stakeholders in Wales questioned the differences in regional network costs, being particularly high in Wales, and highlighted that there is a very high number of people who are 'the working poor'. Some also raised concerns that rural communities pay more if they are off-gas as costs are higher and people need more funds upfront as they have to, for example, place a minimum order.

Some stakeholders suggested that energy efficiency advice is usually limited to either a website or advice that is insufficient. They saw energy efficiency advice as important in helping people understand and improve their consumption, if possible.

Customer services

Stakeholders report that customer services are inconsistent across supply companies. The third sector in particular raised a number of issues regarding poor customer services on access and quality measures:

- the way a customer is treated very much depends on what advisor they get at the end of the line,
- a lack of training, not only in understanding how different conditions may manifest into different needs, but also soft skills, such as empathy and listening,
- it is difficult for customers to repeat themselves multiple times and/or in detail to five or six staff where companies do not have specialised teams or phone lines,
- some suppliers charge for their telephone lines and they thought this was putting additional unnecessary costs,
- call waiting times were very long.

Stakeholders reported that suppliers who had specialist teams or phone lines delivered better service than those who passed the customer from one team to another.

Stakeholders in Wales raised concerns that Welsh speakers are struggling to engage with their bills and other types of communications. They said suppliers are not making enough effort and they were concerned on the impact on Welsh speakers in vulnerable situations.

One of the key issues that industry and consumer groups identified is the threat of digital exclusion. Particularly as the market gradually shifts towards online only, stakeholders felt that it is essential for those in vulnerable situations to have multiple access routes to enable them to engage with the market in a way they are comfortable with. Some consumer groups told us that some of the most up to date advice and information can only be found online. Some stakeholders said that this is more prevalent with newer suppliers. Industry stakeholders raised concerns over how much additional communication channel cost.

Something that all workshops discussed was the view that supplier communications are key to enabling customers to engage, and that the right balance needs to be struck here. This includes making sure consumer who want to complain can do so in a way that suits their needs.

Stakeholders were also concerned about the increasing role of unregulated third party intermediaries. They worry about exploiting those in vulnerable situations by not putting them on good deals, being mis-sold other products and lack of resolution available if this happens.

Innovation

When it came to energy system changes and innovation, stakeholders mentioned the need for decarbonisation to be fair, and that system changes should not unduly disadvantage consumers in vulnerable situations who may be less flexible.

Some expressed their concerns that some customers will not be able to take advantage of more competitive tariffs, such as Time of Use Tariffs, due to their condition or vulnerable situation; they would not be able to alter their energy usage to different times of day. There were also concerns about the complexity of such tariffs and how suppliers would be able to communicate what these tariffs are and how they might benefit different groups who may be able to utilise them (eg, the elderly). An issue linked to this was the questions about the affordability of innovation. For example, there is an increase in the number of innovative

products linked to electric vehicles but the high upfront cost of electrical vehicles might mean that those on low incomes may not benefit.

Stakeholders raised concerns about spreading the costs of innovation, including batteries for electricity storage. Scottish stakeholders were concerned that this will increase distributional costs that are already high in North Scotland. There were concerns that the network fortifications required for electric vehicles will increase costs and that this will hit vulnerable consumers the hardest. Linked to this, there were also concerns around people who are able to go 'off the grid' (due to self-generation and storage) and avoid having to pay network costs. The concern is that this would result in those least able to afford it paying for the network, as more wealthy consumers move off the grid.

Other concerns included some companies attempting to 'cherry pick' their customers. We discussed this as part of different business models. Stakeholders also raised concerns about the negative impacts of bundled products on vulnerable consumers. Stakeholders said this can often be confusing and trying to work out how much everything costs and where better deals are might take up too much mental capacity or require one to have a high level of financial capability.

Overall, stakeholders thought the market was becoming increasingly complicated – multiple suppliers, different business models, complex tariffs, bundled products and their concerns were how accessible this information was to everyone, especially who was responsible for making it easier to understand for consumers in vulnerable situations.

Ofgem working with others

Government's energy efficiency and social programmes

Stakeholders said that inconsistencies in eligibility between WHD and ECO and different timings of applications caused confusion amongst consumers and advice agencies within the third sector. Whereas stakeholders acknowledged the design rests with BEIS, they wanted Ofgem to highlight this and work together with BEIS to improve consumer outcomes.

Other

Prepayment meters

Stakeholders in Wales raised multiple issues with PPMs. Concerns raised included the rented sector where tenants frequently are paying off someone else's debt, new tenants not having an assessment whether a PPM is safe and reasonably practicable, not knowing who their supplier is or where to go for support and self-disconnection. Some raised concerns over PPMs having higher tariffs as in their experience, people in certain vulnerable situations preferred PPMs to standard meters to allow for budgeting.

Data sharing

Stakeholders raised ideas and issues relating to data sharing. Stakeholders discussed the many opportunities with sharing data, but also the challenges the industry and consumers might face. Some viewed that better data sharing will enable easier and more consistent identification of customers, however some said that there remains considerable confusion about what data can be shared, whilst complying with data protection legislation such as General Data Protection Regulation (GDPR). There was no consensus about data sharing issues – some highlighted the benefits for consumers to not have to repeat themselves, whilst others suggested people do not want every company having access to their data. Concerns were also raised about the communication of the reasons why, who would own the data and

what assurances there would be for keeping it secure. Stakeholders also raised concerns over keeping data up to date, especially regarding transient or fluctuating vulnerabilities.

Industry saw data sharing as an opportunity, especially with local authorities, such as social services. They shared concerns over safe data handling and difficulties communicating the right messages.

Question 2: What role can Ofgem play to address those issues?

There were a number of ideas that came through from stakeholders on how to address specific issues. Again, we have collated the ones that we consider to be key solutions to addressing issues. In general, some suggestions included call for collaboration across various organisations, including governments, industry participants, third sector, DWP, and NHS.

Identifying consumers in vulnerable situations

Some stakeholders and industry suggested a central PSR may benefit vulnerable consumers. However, all acknowledged the difficulties surrounding this – eg who would own the data, how would it be held securely? Stakeholders agreed that more research is necessary to determine whether a central PSR is the optimal solution or if there are alternatives to improving the PSR and data sharing of the information. Some industry participants questioned whether suppliers were best placed to identify and determine who is vulnerable.

In response to the discussions on data sharing vulnerability data, there were suggestions of increased levels of transparency and collaboration between suppliers and Distribution Network Operators (DNO), regulatory bodies and between government and Department for Work and Pensions (DWP). Industry participants highlighted challenges around GDPR and fear of sharing the wrong data.

The DWP database was seen as a useful tool to enable wide data sharing across the industry.

A select few called for Ofgem to review supplier strategies and publish guidance how to put in place engagement for vulnerable consumers.

There was optimism around the benefits that smart meter data can bring when identifying consumers in vulnerable situations. This should enable suppliers to better monitor customers in a variety of ways such as vending and usage and provide more accurate, real-time information for swift responses. There were calls for Ofgem to provide leadership on how to best take advantage of this data.

Third sector stakeholders said there could be some facilitation for DCC users to have access to PCWs. For example, charities could get access to smart meter data and then help consumers with switching.

There was some discussion about using open banking data in the energy sector as a helpful tool to identify vulnerability, with examples of some pilots happening for those in debt.

Affordability and debt

Third sector stakeholders called for Ofgem to review charging prices, network prices and standing charges. There was some discussion in Wales why there should be differences in regional network costs and a call for Ofgem to review this.

Some stakeholders recommended looking into PPM social tariffs, especially for high energy users. Others suggested publishing guidelines on when a supplier should contact a customer who has not topped up for a certain amount of time. Stakeholders acknowledged challenges in regards to this, such as variance in consumption, seasonal differences.

Third sector stakeholders discussed possible options for those who cannot afford energy. There were questions around enduring price protection and possibilities similar to the water sector 'water sure' tariff. Suggestions included automated switching to the best tariff. When probed, stakeholders agreed there needs to be more research in this, in particular as affordability cuts across different regulated sectors. There was no specific recommendation for a way forward, only a recommendation for Ofgem to investigate.

For those whose incomes fluctuate, third sector suggested there should be flexibility in payments, for example if someone cannot pay their direct debit one month, they should be able to pay another way and benefit from the direct debit discount.

Other solutions for affordability issues included:

- backbilling rules to be changed to 6 months as stakeholders said backbills can impact on affordability,
- relaxing supply licence conditions to supply a single area with locally produced energy that could be cheaper,
- there are too many tariffs and these should be limited to simplify the market to make it easier for consumers to find the best deal,
- Ofgem should also support collective switches and collective purchases of locally produced energy,
- Third sector stakeholders suggested reviewing and updating current Ability to Pay Principles to ensure they were fit for purpose and implement these in the supply standard licence conditions.

Stakeholders recommended to do a campaign on restricted meters and the options consumers have and what savings people could make by switching to a single rate tariff. Also, Ofgem should review the scope of the issue and update research on electric heating. Ofgem should conduct an audit what advice consumers on restricted meters are being given by their supplier. This issue was particularly raised in Scotland.

Third sector stakeholders called for regulation of heat networks. They also suggested there should be more support for consumers to be connected to the gas grid.

Customer services

Third sector stakeholders wanted Ofgem to challenge small suppliers more, either through compliance or enforcement in regards to delivery of priority services. They wanted to see more links with providing energy efficiency advice, home visits, signposting to other support services and links to community organisations. Third sector stakeholders wanted suppliers to get better at identifying customers who need priority services at key engagement points (eg when acquiring a new customer) and improve consistency in what services are provided.

Stakeholders wanted suppliers to make vulnerability a strategic objective for companies and for Ofgem to mandate suppliers to provide support organisations with a dedicated warm referral telephone line.

The industry acknowledged that customer services provided need to be good for all consumers and suppliers should refer customers to relevant advice services when needed. They agreed that learning from each other in different types of forums would generate ideas and deliver positive outcomes. Industry suggested Ofgem may be best placed to run such forums or more focus for this should be given in existing forums, such as the joint Ofgem/BEIS independent supplier forum.

Solutions proposed to improve new entrants' customer services were similar across workshops. Stakeholders also suggested suppliers should evidence to Ofgem that their service is designed with vulnerable consumers in mind, their plans on how suppliers will implement Ofgem's principles and how they will deal with customers who face sudden difficult situations where they might lose capacity (such as bereavement). There was some discussion of including a requirement to self-audit within licence conditions.

In general, there was a lot of discussion regarding using tools such as scorecards or leader boards on accessibility and other agreed vulnerability metrics as an effective way to portray data, show performance and build trust in the marketplace. Industry stakeholders were also supportive of a scorecard, but raised some concerns. They said, for it to be relevant, it would have to be balanced between regions, market share and customer base. Industry raised concerns if the scorecard would create generic conditions and whether this would stifle business model development.

Other suggestions included:

- Industry recommended tracking call waiting times and call handling of vulnerable consumer calls,
- Some stakeholders suggested holding consumer and/or expert challenge panels with suppliers to help drive performance,
- There was some discussion about setting minimum standards for PSR,
- Some stakeholders, including industry, suggested suppliers should be incentivised or rewarded for good practices, referring to the networks pricing model,
- Some of industry suggested there should be starter packs providing information on energy saving products and switching,
- Third sector stakeholders suggested suppliers should offer face-to-face engagement, free phone lines for advice and support, a set level of engagement and link with charity partners for additional support,
- Third sector proposed establishing minimum standards for customer services, but wanted to ensure there are actions in place to go above and beyond meeting these, and
- There was a call for Ofgem to conduct more compliance and enforcement activity, specifically how staff treat consumers in vulnerable situations, resulting in bigger fines and compensations for affected consumers.

Stakeholders thought the Citizens Advice energy supplier star rating was helpful, but some suggested it could include more vulnerability indicators and/or be mandated to be published on bills. Third sector stakeholders recommended publishing indicators on quality of services to show how suppliers rank.

Innovation

There were no concrete solutions offered or discussed in regards to innovation. Industry called for innovation not to be stifled by regulation, but without further details.

Across sectors

There were some suggestions that called for Ofgem to work together with other parties:

- Industry suggested working collaboratively with Ofgem and government to increase trust in the energy market and the industry, by eg publicising more good practice examples,
- Scottish stakeholders said there should be more data sharing projects as the one in North East England,² with a focus on Scotland, and
- A number of consumer groups suggested Ofgem should do further work on establishing a joint regulator response on improving vulnerable consumer outcomes, which cut across several different essential services.

Other

Industry suggested campaigns encouraging trust in the industry, including trying to change the perception of switching to encourage a positive experience. However, there were no suggestions as to who would be responsible for this or where the funding would come from.

The third sector focused on the need for greater information provision and further education on how to navigate the complex energy market – including areas such as standing charges.

A variety of stakeholders suggested that supplier engagement in local communities could be improved to benefit of consumers in vulnerable circumstances. Face-to-face engagement was seen by some as an efficient tool for increasing awareness, education and identification.

There were productive discussions on how industry can communicate best practices between parties. Many stakeholders saw this as an opportunity to publish minimum standards for suppliers to adhere to when supporting consumers in vulnerable situation.

Under the Supplier Licensing Review, some stakeholders wanted new entrants to be subject to greater stress tests before entering the market. It was discussed that this could improve trust and reduce worry for people, but also increase the likelihood of people being comfortable to switch providers.

Other discussions of what else Ofgem should consider included:

- Industry recommended Ofgem should provide WHD data matching. References for data sharing were also made in relation to GPs, local authorities and/ or parishes.
- Industry suggested separating network PSRs and financial (or other) vulnerabilities, based on what priority services the customer needs.
- Suppliers in particular called for NICE guidelines and flow charts to be updated. They said every health and wellbeing board should set up referrals to those living in energy inefficiency to sources of support –e.g. from networks, suppliers.
- Industry participants expressed challenges with establishing relationships with third parties. There was some discussion on Ofgem facilitating these kinds of interactions. Some also thought this would encourage raising the bar for best practice.
- A few stakeholders that Ofgem had a role in ensuring that vulnerable consumers were able to participate in ongoing switching and engagement trials.
- There was widespread support for publications such as Ofgem’s Complaints Handling Survey to be published more frequently.

² PSR data sharing between an electricity network operator and a water company.

- Some stakeholders called on Ofgem to review the Confidence Code and how it considers vulnerability. Ofgem should ensure PCWs who are accredited under Ofgem have standardised actions to take for vulnerable consumers.
- A consistent theme from discussions included the role that TPIs will play in the future and a call for these to be better regulated.
- Industry participants sought further clarification on responsibilities and the overarching scope of the strategy to ensure that they achieve what is expected from them.

Question 3: How and what should we successfully measure to see if our interventions have had the desired effect?

The final question was seen as the most challenging to stakeholders, and it was difficult to articulate specific success measures. The discussions centred more around what Ofgem could monitor and/or how to improve existing indicators.

There were a number of research proposals to help gain a better understanding and benchmarking performance, including how customers in debt are treated, how ability to pay principles are adhered to, what the switching engagement rates are for vulnerable customers, supplier accessibility, PSR satisfaction, vulnerable consumer complaints handling and customer satisfaction. Stakeholders suggested tracking these indicators over time and publicising performance, requiring suppliers to show continuous improvement.

Other suggestions included:

- Continue to monitor SOR indicators and take action swiftly when the data shows undesirable trends,
- Recommend suppliers take account of consumer opinions before changing policies. There were calls for suppliers to set up internal advisory and steering groups to ensure their own vulnerability strategies continues to evolve,
- Stakeholders suggested using RIIO incentives or indicators to identify and measure vulnerable consumer indicators on the supplier side.
- Some stakeholders suggested Ofgem should conduct research into how suppliers are performing on vulnerability indicators, for example adopting similar models from other regulators, such as Ofcom who report on quarterly monitoring or FCA monitoring (eg mortgage indicators) which are comparable and reward good practice.
- Industry suggested not to penalise those parties who have voluntarily signed up to self-regulation (by adhering to good practice principles by taking compliance or enforcement action against these suppliers.
- In order to measure the success of the interventions, a number of stakeholders suggested that challenge panels were formed. These could include consumer panels, liaison groups, affordability and vulnerability challenge panels.