

energyhelpline

Submission to Ofgem: Draft Consumer Vulnerability Strategy 2025

About energyhelpline

- energyhelpline is a price comparison service that specialises in helping consumers, particularly some of the most vulnerable, find a better energy deal. Over the last twelve months the service has processed over 1.3 million energy switches.
- We share Ofgem's commitment to protecting gas and electricity consumers in vulnerable situations. Having worked closely with Ofgem to implement the CMA's disengaged customer database remedy we have helped test a series of trials to encourage consumers, particularly the most vulnerable, to engage with the market and save money on their energy bills.

Question 1: Do you agree with the five priority themes and the outcomes we will aim for (as set out in chapter 3-7 and annex 2)?

We support Ofgem's five areas to drive strong improvements for consumers in vulnerable situations, particularly the prioritisation that has been given to supporting those struggling with their bills.

- energyhelpline wholeheartedly supports this priority theme, as it is a fundamental part of delivering a fair and fully functioning energy retail market. We have considerable experience of working with Ofgem on the disengaged customer database; this helped consumers, particularly those struggling with their bills, save money.
- In 2016, the Competition and Markets Authority asked Ofgem to find new and more effective ways to help consumers get better energy deals across the market. As part of this, Ofgem developed a database of 8 million 'disengaged customers' – those who have been on a standard variable tariff with the same supplier for over three years.
- The regulator has been trialling a series of different approaches to contacting consumers and last year energyhelpline ran the most successful of these trials to date.
- We have worked closely with Ofgem to deliver three consumer engagement trials, the first of which ran between February and April of last year and involved 50,000 Scottish Power customers. In total 8,227 consumers switched through energyhelpline's platform, saving on average £300 a year. We believe the size of this saving played a significant role in helping consumers decide whether they should switch their energy provider.
- These trials have been particularly successful in helping some of the most vulnerable consumers save money on their energy bills by switching supplier:
 - Switching rates for customers registered on the Priority Services Register (PSR) were consistent with the overall switching rate.
 - 40% of customers that switched could be considered 'vulnerable' (over 75 years old, signed up to the PSR, or unemployed).
 - 24% of switches made through energyhelpline were by customers over 75 years old.
 - 87% of those over 75 year olds that switched did so via energyhelpline's call centre.
 - If the findings from the first trial were replicated to the remainder of the 8 million customers on the disengaged database, 300,000 of the most vulnerable consumers would save a total of £97 million.

- We believe that our initial findings provide compelling evidence of the success of these trials in supporting those struggling with their bills. As Ofgem considers remedies to help those most in need we would encourage the regulator to build on our encouraging findings by holding further consumer engagement with larger volumes to develop further learnings and improve this engagement rate further. This will allow Ofgem to continue to support these consumers and help smooth out any wrinkles ahead of the roll out of the 8 million disengaged customer database.

Question 3: What more could be done through energy regulation to assist consumers in vulnerable situations in the longer term? How should any such further measures be funded?

- It is important for Ofgem to have a variety of solutions in place to help consumers in vulnerable situations. As part of this, the removal of the energy price cap on default and standard variable tariffs could assist consumers in vulnerable situations in the long term. The goal of the cap is to reduce consumer bills and encourage engagement in the energy retail market. We believe that our work with Ofgem has demonstrated that the 8 million disengaged customer database remedy has the potential to achieve both, which could both negate the need for the cap and assist consumers in vulnerable situations.
- A possible negative outcome of the cap is continued disengagement from vulnerable consumers that don't understand the market, or feel protected by the cap and have become complacent. The database remedy has sought to address this; during our first consumer engagement trial with Ofgem 41 percent (20,000) of consumers that were contacted engaged with the service to compare prices. We would encourage Ofgem to hold further trials.
- The consumer engagement trials and our recent re-switching programme have helped consumers, including some of the UK's most vulnerable, achieve substantial savings. To build on these results, we have also engaged with several consumer groups to identify ways that vulnerable consumers could be supported better, in the event that further consumer engagement trials are held.
- The energy price cap was introduced because the energy retail market was not working for consumers, particularly the most vulnerable. Our work with Ofgem has shown that the 8 million disengaged customer database remedy is a vital way of reducing bills and engaging consumers. We believe Ofgem and the government should give serious consideration to whether the full implementation of this remedy could help remove the price cap and drive engagement for vulnerable consumers. From our initial findings, we believe that the implementation of the remedy will deliver long term engagement in the energy retail market, which will ultimately help the market work for all consumers.