

The Vulnerability Commitment

Vision

The Vulnerability Commitment is a voluntary agreement open to energy suppliers of all different sizes to continuously improve the support provided to vulnerable households. Its signatories are resolved to adopt a collaborative, proactive and transparent approach that will improve both the quality of support provided by energy suppliers and customer awareness that this support exists. In an economic climate where household incomes are under enormous pressure, the Commitment's signatories are determined to lead the sector by demonstrating the role that energy companies can play.

Context

Energy is a tightly regulated sector with a wide-ranging set of licence requirements for the protection of vulnerable households. It is right that core customer protections are contained in the licence and apply to all energy suppliers, not just some. Ofgem has been clear that it will regulate where core minimum requirements are necessary. The role of the Vulnerability Commitment is therefore to establish a new approach to complement the licence, rather than adding new rules. This approach will be:

- *Proactive:* Helping suppliers to evaluate their performance and make improvements at an early stage before issues become sufficiently serious to result in significant customer harm and a regulatory investigation.
- *Collaborative:* Providing a forum for sharing good practice and developing a quality benchmark of performance. The sharing of innovative approaches will benefit all consumers, regardless of who supplies their energy.
- *Transparent:* With around 60 suppliers in the energy market, it is challenging for consumer groups and the regulator to regularly scrutinise the performance of every supplier. The Commitment will provide increased visibility, promotion and transparency of its signatories' support for vulnerable households.

The Commitment has been developed through an open, collaborative approach and reflects the input of a broad range of stakeholders. Membership of the Commitment is open to all energy suppliers, including non-members of Energy UK.

Timeframe

Suppliers will be invited to apply to become a signatory to the Commitment ahead of it being launched in July 2020. During its first year of operation, signatories may need to make system or process changes in order to ensure their compliance with its principles and commitments. For that reason, in the first year alone, signatories will be asked to commit when signing up for the July launch that they will be compliant by 1 January 2021. The review by the independent expert panel will take place no earlier than 1 January 2021 in the Commitment's first year.

Principles and Commitments

Accessibility

Signatories will make it as easy as possible for customers in vulnerable circumstances to disclose relevant information, and to access the most suitable additional support, by:

- Equipping front line staff and all those in relevant roles with effective training - whether internally or externally delivered - in identifying and supporting customers who might be in vulnerable circumstances;
- Ensuring that an understanding of customer vulnerability is embedded throughout all relevant levels of the company and ensure any external agencies operating on the company's behalf have robust vulnerability policies;
- Gathering feedback from frontline staff through various channels to highlight suggestions or issues that could help the company to improve support for customers in vulnerable circumstances;
- Taking all reasonable steps to design relevant customer communications and processes in a manner that supports customers to feel comfortable in disclosing vulnerabilities;
- Providing a range of channels of communication that are appropriate and suitable for customers' needs.

Abiding by these accessibility principles includes specific commitments to:

1. Provide a customer service phoneline that all customers can call without incurring a premium rate charge, and ensure a free phone number can be given to customers in financial hardship where appropriate.
2. Provide at least one alternative form of communication in addition to phone contact.
3. Ensure that customers have paper versions of all billing communications made available where this is appropriate for their needs.
4. Gather feedback from customers on the ease of understanding of billing communication and implement improvement measures based on these findings as necessary.
5. Only use High Court Enforcement Officers to recover debts where appropriate for a vulnerable customer, taking consideration of any wider vulnerabilities that may be exacerbated by Court enforcement action.
6. Never knowingly disconnect a vulnerable customer at any time of year, where the household has children under the age of 6 (or under the age of 16 during the Winter Moratorium¹) or where for reasons of age, health, disability or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household.
7. Never knowingly disconnect the non-domestic supply for reasons outside the domestic household's control, if it is determined that a member of a domestic household, which takes its energy through a non-domestic supply, is vulnerable.
8. Provide customers who have a new PPM installed (or have their meter switched to PPM mode remotely) for debt reasons with a package of support including PPM tariff advice (including signposting wider financial assistance where applicable) and energy efficiency information (including entitlement to energy efficiency measures).
9. Ensure that the customer is able to continue to access their energy supply immediately after a PPM installation or change of mode on a Smart Meter to pre-payment, for example through provision of the tools required (e.g. a gas card) to apply credit to the meter or through preloaded credit being applied to the meter.
10. Take reasonable steps to alert prepayment customers of the risk of standing charge build-up during the summer, and encourage them to keep their meters topped-up during this time.

Collaboration

Signatories will work in partnership with consumer groups, their own customers, other energy suppliers and experts in order to improve outcomes for all customers in vulnerable circumstances by:

- Having a strategy and effective arrangements in place for signposting and referring customers to relevant third-party support, including debt advice agencies;

¹ The Winter Moratorium runs from 1 October to 31 March (inclusive).

- Sharing learning and best practice with regard to supporting vulnerable households, including identifying smart meter self-disconnection and engaging customers with the PSR, as appropriate within the boundaries of customer confidentiality and Competition Law, to support customers;
- Having processes in place to signpost or assist customers to maximise their income, for example through partnerships with third parties to deliver benefit checks where appropriate;
- Contributing to increasing customer awareness of the support that energy suppliers can provide to vulnerable households, including raising awareness of the Vulnerability Commitment.

Abiding by these principles of collaboration includes specific commitments to:

11. Contribute to the funding of some of the charities and third parties that provide support to energy customers.
12. Support the development of a best practice guide, through engagement with this Commitment, of the most effective approaches to utilizing smart technology to identify self-disconnection.

Innovation

Signatories will demonstrate their commitment to innovation and continuous improvement in the support of customers in vulnerable circumstances by:

- Striving to not only meet the minimum requirements set out in licence but also to demonstrate continuous improvement in the provision of support to vulnerable households;
- Investing as appropriate in features and tools that improve the support available for customers in vulnerable circumstances;
- Demonstrating how relevant innovations and services are informed by an effective understanding of the characteristics of their vulnerable customer base.

Abiding by these principles of innovation includes specific commitments to:

13. Assign a dedicated vulnerability champion, at board level or equivalent², who will be responsible for overseeing the delivery of commitments to improve service to vulnerable households.
14. Commit to supporting or undertaking regular customer research (either individually, in partnership with third sector organisations, or collectively through the auspices of the Commitment) to ensure their approach to supporting vulnerable households is based on an informed and up-to-date understanding.

² The Vulnerability Champion must be a member of either: a) the company's Board, if this is based in the UK; or b) the most senior governance forum responsible for the company's retail operations in the GB market, should the Board be based outside the UK.