

# 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:* 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. The Commitment is regularly updated to ensure that it is current and relevant. At the end of 2022 and 2023, for example, changes were made to the Commitment to ensure it was up to date with the latest developments considering changing market conditions and new regulations.

## Principles and Commitments

### Communications and Accessibility

Signatories will work to continuously improve their ability to identify and understand the needs of customers in vulnerable circumstances, including by making it as easy as possible for customers in to disclose relevant information and access the most suitable additional support, by:

- Ensuring that an understanding of customer vulnerability is embedded throughout all relevant levels of the company and ensuring any external agencies operating on the company's behalf have robust vulnerability policies.
- 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 when a vulnerable customer contacts, front-line staff are trained and equipped to provide the customer with all additional support that is available.
- Gathering feedback from front-line staff through various channels to highlight suggestions or issues that could help the company 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.
- Signatories will continuously work to ensure that customers in vulnerable circumstances remain on supply.
- Having robust processes in place to identify consumers in vulnerable circumstances before they are escalated through the dunning process, and put on an appropriate, alternative process.

Abiding by these accessibility principles includes specific commitments to:

1. Provide a customer service phone line 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. Review the accessibility of digital platforms for vulnerable customers and implement improvement measures based on these findings as necessary.
4. Develop processes to actively promote digital inclusion for vulnerable customers, including helping customers overcome barriers to digital engagement and providing non-digital alternatives for those who need it.
5. Ensure that customers have paper versions of all billing communications made available where this is appropriate for their needs.
6. Gather feedback from customers on the ease of understanding of billing communication and implement improvement measures based on these findings as necessary.
7. Only use High Court Enforcement Officers to recover debts where appropriate for a vulnerable customer, taking into consideration of any wider vulnerabilities that may be exacerbated by Court enforcement action. The policies for the use of High Court enforcement and County Court Judgements (CCJs) for debt will be signed off at board level or equivalent.
8. 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 Moratorium) or where for reasons of age, health, disability, or severe financial insecurity, that customer is unable to safeguard their welfare or the personal welfare of other members of the household.
9. 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.
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 customers, other energy suppliers and experts 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.
- Sharing learning and best practices about 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.
- Proactively engaging in cross-industry discussions which aim to improve the outcomes for all vulnerable customers.
- Working to improve customer trust and encourage disclosure of additional service needs. This may include having clear processes advertising the support for vulnerable customers and working with third parties.
- Demonstrating commitment and curiosity to better understand customer experience and how processes impact outcomes for vulnerable customers.

- Working with all credible debt or consumer body organisations, to consider all the information available when setting up payment plans for customers.

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.
13. Consider information (including budgets, affordable payment offers and prepared Standard Financial Statements) and third-party authority forms from a customer's chosen credible debt or consumer body organisations.
14. Consider how your strategy and processes will aim to show an increasing trend in the number of third-party organisations being worked with over time.

#### 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 license 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.
- Taking innovative steps to improve the ability to target and offer support measures to help vulnerable customers achieve lower bills effectively through working with a range of local authorities, charities, and other partners.

Abiding by these principles of innovation includes specific commitments to:

15. Assign a dedicated Vulnerability Champion at the Senior Leadership Team level or equivalent, who can demonstrate how the issue of vulnerability is escalated to Board level.
16. 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.