

Energy Consumers Commission Project Plan 2021-2022 Consultation

Scottish Government

March 2021

1. Do the Energy Consumers Commission's themes remain relevant in 2021/2022?

Yes, Age Scotland agrees that the themes identified by the Energy Consumers Commission are important and remain relevant.

2. Are these the correct areas of focus for project work to improve outcomes for consumers in Scotland?

Yes, it is important that certain aspects within these themes are also taken into consideration.

Fuel debt:

For the work on fuel debt, the crossover between consumers in vulnerable circumstances and energy debt should be explored. It is common that older people will avoid going into energy debt through self-disconnection, where they choose not to use the heating they need in order to prevent energy bills getting too high. These older people are still living in fuel poverty but are putting their health at risk to avoid taking on debt.

It will be important to include consumers who are off-grid within this work on fuel debt. Age Scotland's research into the housing needs of older people in Orkney, which is off the main gas grid, highlighted that 45% of respondents used oil and 25% used solid fuel to heat their homes.ⁱ The cost of these heating methods will come at a premium. 12% of respondents either "always struggle to pay" or "sometimes struggle to pay" their home energy bills.ⁱⁱ

Vulnerable consumers:

The work on understanding the relatively low uptake of the Priority Services Register (PSR) among vulnerable consumers will certainly be worthwhile. While Age Scotland has not engaged in research with older people on their opinion of PSRs, it does seem probable that awareness about PSRs are generally not very high. It is likely that direct advertising about the PSR from energy companies to consumers would be necessary to raise awareness of this service, and that non-digital means of self-referral should also be advertised. This is necessary as there are around 500,000 people over the age of 60 in Scotland who do not use the internet.ⁱⁱⁱ

Restricted and DTS meters:

In its work on restricted meters, Age Scotland would hope that prepayment meters and the difficulties that older people have faced in being able to top up their credit would be explored. It is essential that consumers are not placed in the same precarious situation where they have no way of physically topping up their prepayment meter, as was seen during the first lockdown in the pandemic. While Ofgem did get energy companies to agree to measures to help consumers in this situation, it is important to find out from older

consumers themselves how this worked for them and whether further measures are required from energy companies to protect these consumers.

3. Are these projects relevant to the ECC's continuing themes of energy debt, engagement with decarbonisation, supplier best practice and support for consumers in vulnerable circumstances?

Yes, these projects are relevant to the themes that the ECC is working within.

Other issues to consider that are related to the themes and the projects:

The Energy Consumers Commission should undertake research into older people's engagement with their energy provider and whether there are barriers that are making this difficult for some.

While this is likely to vary with regard to age and levels of engagement with digital technology, Age Scotland research would suggest that many older people appear to be quite disengaged from managing their energy costs through interactions with their energy provider or through switching energy provider. Age Scotland will shortly publish a qualitative research study using focus groups of older people to ask about their housing and home energy experiences during the pandemic. While some of the respondents had used switching services in the past to get better deals on their energy bills, almost all expressed dismay at the need to switch energy provider in order to get better prices. They felt that loyalty should be recognised by energy companies. Of those who had switched before, they did not feel like the reduction in prices amounted to much and that in general it was not worth the effort. This response implied that older people who had made the effort to switch in the past may not feel it is worth doing so again, which could leave them on higher standard variable tariffs.^{iv}

It is also likely that there is low awareness among older people of services that could help them by providing advice or support around their energy costs. Age Scotland's National Housing Survey Report found that over half (55%) of respondents had not heard of any of the Scottish Government schemes to help with home energy efficiency measures. Home Energy Scotland was the most recognised, with 28% of respondents having heard of it.^v

We think it is important for the Energy Consumers Commission to consider the customer journey of many older people and why they appear to feel so disengaged from managing their energy costs through actions such as switching energy provider. An important element of this will be how easy it is to contact energy providers and whether their service directs people to contact them online. Age Scotland consistently raises the challenges faced by older people when services and information becomes digital by default. This is important because there are around 500,000 people over 60 in Scotland who do not use the internet.^{vi} In addition to those who do not use the internet at all, there are many older people who generally prefer not to use it for money related issues.

One of the effects of the coronavirus pandemic on consumers has been the difficulty faced in being able to speak to a representative, as many companies could not cope with the volume of phone calls being made and so directed customers to contact them online, often exclusively.

Avoiding 'digital by default' or digital only means of communication is an important area of concern that should form part of the ECC's awareness during all projects.

4. Do you have any further comments?

No.

ⁱ <https://www.ageuk.org.uk/scotland/our-impact/policy-and-research/political-briefings/orkney-housing-survey/>

ⁱⁱ Same as above.

ⁱⁱⁱ <https://www.gov.scot/publications/scotlands-people-annual-report-results-2018-scottish-household-survey/pages/7/>

^{iv} This research will be available from this landing page: <https://www.ageuk.org.uk/scotland/our-impact/policy-and-research/political-briefings/>

^v <https://www.ageuk.org.uk/scotland/our-impact/policy-and-research/political-briefings/national-housing-survey/>

^{vi} <https://www.gov.scot/publications/scotlands-people-annual-report-results-2018-scottish-household-survey/pages/7/>