

Outcome of Energy Rebate Scheme

Introduction

This document provides a brief report on the outcomes of the Energy Rebate Scheme (ERS).

Background

The Energy Rebate Scheme was a joint DWP/DECC initiative, delivered in partnership with the six main energy suppliers, to help tackle Fuel Poverty amongst some of the older, poorer pensioners.

Its objective was to test whether DWP data could be securely shared with energy suppliers so that they might better target their social assistance on this vulnerable group. The Scheme delivered an £80 rebate in 2010 on electricity bills to people aged 70 or over, who receive the guarantee credit element of Pension Credit (not the savings credit). They also needed to be responsible for paying the electricity bill where they lived and not already on a social or discounted tariff from their electricity supplier.

Framework

The Pensions Act 2008 provided the power to make regulations allowing the data to be shared. DWP consulted on these regulations in October 2009.

<http://www.dwp.gov.uk/docs/consultation-energy-costs-scheme.pdf>

Datamatching approach

The names and addresses of around 342,000¹ Pension Credit (Guarantee Credit only) customers were put forward for datamatching by DWP. Names and addresses of domestic electricity account holders were put forward by each of the energy suppliers. To ensure that the datashare remained proportionate, a data filter based on postcodes was applied to reduce the amount of data shared by energy suppliers. Suppliers only forwarded on records for customers in postcode areas where a relevant Pension Credit record was held. The Department's contracted IT provider, Hewlett Packard Enterprise Services, carried out the datamatch. Where the DWP's name and address information matched with that of an energy supplier, that supplier was notified that their customer was entitled to receive the rebate. All data was transferred electronically by PGP encrypted email in line with Government's data security protocols.

Datamatching Outcomes

A total of 182,415² customers were identified as having DWP and Energy Supplier records that matched. This represents a 53% match rate³. All these customers received a letter from DWP telling them that they were eligible for help and that their supplier would award them a rebate, which they would see on their next bill.

Customers whose records did not match

There were a number of customers who satisfied the age and benefits criteria, but whose name and address did not match with an energy supplier record. This may have been because the customer was not an electricity account holder; was already on a social tariff; or simply because their name and address was held differently on the Pension Credit record and on their electricity account.

To provide these customers with an opportunity to benefit from the rebate, DWP wrote to them advising that they may be eligible for a rebate and should telephone the Energy Rebate Scheme call centre. 161,221⁴ such letters were sent out and 38,046⁵ of these customers contacted the call centre. This represents a 24% response rate to the mailing. A DWP mailing campaign to a similar group of people had a response rate of just under 10%⁶. Although not comparable statistically as the variables of mailing campaigns differ considerably, we regard the mailing exercise for the Energy Rebate Scheme as successful.

Where the customer appeared eligible for the rebate, the call centre collected their electricity account number and, with the customer's consent, forwarded their details to their electricity supplier.

Of the 38,046 customers who called the call centre 9,171⁷ were advised that they were not eligible because they were already receiving a discounted tariff from their energy supplier or were not the electricity bill payer. The remaining 28,875⁸ had their details forwarded to their energy supplier. Some of these customers were subsequently found by their energy supplier to be ineligible (because they were on a discounted tariff or were not the account holder) with the result that 23,057⁹ were credited with a rebate.

Data transfers

All data was transferred between relevant parts in line with DWP security protocols and the contracts agreed between Government and suppliers. There were no security incidents.

Social Research

DWP is carrying out a qualitative evaluation of the Energy Rebate Scheme, seeking the views of customers who received ERS letters. We expect to publish the results in the New Year.

Cost

The energy suppliers met the cost of paying the rebates, most of the delivery costs , including dealing with customers who did not match automatically, and their organisation's internal costs too. The delivery costs of the datamatching and dealing with customers who did not match automatically amounted to just over £700k¹⁰.

Summary

Over 205,000¹¹ pensioner households were credited with the rebate, worth a total of around £16 million. The Energy Rebate Scheme demonstrated that securely sharing limited DWP data with energy suppliers is a viable and effective way of targeting social assistance to a vulnerable group. The Department for Energy and Climate Change is considering the outcome of the Energy Rebate Scheme in developing its plans for datasharing as part of the Warm Home Discount Scheme, which was announced on 3 December 2010.

¹ Source : DWP Information Directorate figures – extract of relevant Pension Credit Guarantee Credit cases March 2010

² Source: DWP Information Directorate figures

³ Energy suppliers did not put forward records of their customers who were already receiving a social or discounted tariff, so these customer records were not available to “match” with Pension Credit customers. We estimate that around 4% of the Pension Credit target group were already in receipt of a social or discounted tariff.

^{4, 10 and 11} Source: ERS Project

^{5, 7 and 8} Source: DWP ERS Call Centre

⁶ DWP mailed 250,000 Pension Credit customers in 2008 to encourage them to take up Warm Front.

⁹ Source: Energy Supplier reports to ERS Project