

	<h1>Energy Rebate Scheme Policy Document</h1>
	<p>This document is to be read in conjunction with The State Pension Credit (Disclosure of Information) (Electricity Suppliers) Regulations 2010 (SI 2010 No. 227)</p>

Energy Rebate Scheme Policy Document

Introduction

1. The Energy Rebate Scheme uses data matching to identify a group of pensioners who are likely to be vulnerable to fuel poverty so that their electricity supplier can award a one-off automatic rebate to their electricity bill. This Scheme will last for one year only. It will be used to inform decision making on whether data matching could form part of any future fuel poverty programme.
2. The pensioners concerned are people who (or whose partner), on 26 March 2010 were:
 - aged 70 or over
 - receiving the guarantee credit element of Pension Credit but not the savings credit element¹
3. In addition, on 28 March 2010, a person (or their partner) must have been responsible for paying the electricity bill at the place they live and not be receiving a discounted tariff from their electricity supplier.
4. This document sets out how the Scheme will work. It includes details of:
 - the data that was shared and what it may be used for
 - how the match was conducted
 - the amount of the rebate; when and how it will be paid
 - how people will be informed
 - how people can get more information about the Scheme
 - arrangements for people who wished to opt out
 - data protection and security issues
 - what happens next
5. This document should be read in conjunction with: The State Pension Credit (Disclosure of Information)(Electricity Suppliers) Regulations 2010 (SI 2010 No. 227) which are available at http://www.opsi.gov.uk/si/si2010/uksi_20100227_en_1
6. A draft version of this document was published on 2 December 2009.

¹ The guarantee credit works by topping up the income of people aged 60 and over to their guarantee level (the standard minimum guarantee in 2010 is £132.60 a week for single people and £202.40 for couples). It can be more for people with a severe disability, caring responsibilities or certain housing costs. The savings credit is designed specifically to reward pensioners aged 65 and over who have low or modest second pensions or savings. The savings credit is worth up to a maximum of £20.52 a week for a single person and £27.09 for couples. People can receive any combination of the elements of Pension Credit. The group receiving only guarantee credit represents the poorest pensioners on Pension Credit.

The data that was shared and what it may be used for

7. DWP extracted from its computer systems the details of people who, on 26 March 2010, potentially met the conditions for receiving a rebate; that is, that they or their partner were aged 70 or over and receiving the guarantee credit element of Pension Credit (but not the savings credit); and they lived at home. DWP passed the names and addresses of these individuals, their partners, and the name of any person appointed to act on their behalf to HP Enterprise Services, DWP's recognised and authorised IT provider. HP Enterprise Services conducted the data-matching exercise on behalf of DWP.

8. DWP did not put forward details of people who live permanently in a care home or who had been in hospital for 52 weeks. They are not treated as responsible for paying a domestic electricity bill.

9. On 28 March 2010, the big six electricity suppliers extracted from their computer systems the names and addresses of certain domestic electricity customers. All suppliers scanned their systems on the same date. They forwarded to HP Enterprise Services the names and addresses of these domestic customers, and the name of any person appointed to act on their behalf. Before that, they filtered out any customers who live in post-code areas which DWP had identified as containing no eligible residents. This was to avoid, as far as possible, passing on information about people who did not qualify for the rebate. In addition, the electricity suppliers also filtered out those of their customers who already received help with their electricity bills via a discounted tariff, recognised as social assistance by Ofgem under the voluntary agreement framework between Government and each energy supplier.

10. The draft version of this document stated our intention that people who receive a discounted tariff from their supplier should be excluded from this Scheme. This was because DWP and suppliers want to reach people who do not already receive help with their electricity bills from their electricity supplier via a discounted tariff. We said that before we made a final decision, we would conduct tests to establish the likely degree of overlap between existing discounted tariff recipients and the Pension Credit target group and, depending on the degree of overlap, would then take a decision on whether those on discounted tariff recipients would receive a rebate.

11. After the Regulations allowing data sharing came into force in February 2010, the Government and electricity suppliers conducted tests to establish the level of precision that could be expected from the match.

12. The test match also showed that less than 10% of those in the target group were on a discounted tariff. The decision was therefore taken that those already receiving a discounted tariff for their electricity supply would not be eligible for a rebate under the Scheme.

13. The data share has identified to suppliers which of their customers whose data was submitted for matching qualifies for a rebate. After electricity suppliers have delivered the rebate they may use the information they have received from DWP to contact customers to offer energy efficiency measures, for example, those available as part of their commitments under the Carbon

Emissions Reduction Target (CERT)². They may also use the data to contact customers to offer to place them on the register for priority services³. These follow-up actions are not a mandatory requirement, and suppliers will decide whether or not to take these further steps after the rebate has been awarded.

How the match was conducted

14. HP Enterprise Services compared the name and address data supplied by DWP and the electricity suppliers and where the data matched, electricity suppliers received notification of which of their customers was also a DWP customer in the eligible group – no other personal or benefit information was passed on. Each supplier was sent only information relating to their own customers. Each record supplied by an electricity supplier had a unique identifier associated with it made up of a character which specifically identifies an electricity supplier and a number which refers to that record. After the match had taken place, the data which was transferred back to the electricity supplier on a matched individual was this unique identifier only. This was to reduce the amount of personal data in transit.

The amount of the rebate; when and how it will be paid

15. The rebate is £80. This will be funded by the electricity suppliers, under their voluntary agreement with Government, made in 2008⁴. The amount of the rebate will be uniform across all suppliers.

16. Once suppliers have received the list of identifiers confirming their matched customers they will apply the rebate to relevant electricity accounts. This will appear as a rebate on the electricity bill, or credit in another form to prepayment customers. All customers who qualify will benefit from the rebate

² Energy suppliers have to achieve at least 40 percent of the emissions reduction in a priority group of low-income households on qualifying benefits and elderly customers of age 70 and over, who are more likely to be in danger of falling into fuel poverty. This will allow more help to get to those that need it most. Energy efficiency measures are an important part of the Government's environmental and social policy, offering carbon savings as well as a more sustainable means of reducing energy costs and increasing levels of thermal comfort for vulnerable households.

³ The Priority Services Register (PSR) is available to anyone who is of pensionable age, living with a disability or chronic illness, or with a visual or hearing impairment. Joining the PSR entitles people to a number of free services. It is also useful for suppliers to be aware that customers are aged 70 or over as suppliers must not disconnect a supply to domestic premises during winter – from October to March – if they know or have reason to believe that the customer is of pensionable age and lives alone, or lives with other pensioners or children under the age of 18.

⁴ The Government agreed with energy suppliers in 2008 an increase in their expenditure on social programmes. Under this agreement suppliers will increase the level of their social programmes to at least £150 million a year by 2010-11.

regardless of payment method and consumption, or whether their account is in credit or debit.

17. Rebates will be made to accounts from June 2010 with customers seeing the rebate on their next bill. While this could be up to six months for some customers if they are on a six month billing cycle, the majority will see the rebate much sooner.

18. The method for paying prepayment meter customers will vary between suppliers based on the different methods and the technology they each use. Some suppliers may make use of the use of the Post Office Payout Scheme which allows customers to have the rebate applied to their prepayment key/card directly. Suppliers may use other approaches including awarding the rebate direct to meters where this is possible. All the main approaches will be supplemented by other mechanisms where necessary to ensure that customers paying by prepayment meter do not lose out.

How people will be informed

19. Once the data matching exercise is complete, letters will be issued to matched and unmatched eligible customers informing them of the Scheme. The first batch of letters will be issued to matched customers in June 2010. Customers whose data has matched will get a letter informing them about the Scheme and that their supplier will automatically add the rebate to their account.

20. Customers who appear eligible from DWP records, but whose data has not matched with suppliers' data will get a letter asking them to contact the Helpline so that they can check whether they qualify for the rebate. They will be asked for the name of their (or their partner's) electricity supplier, account number and MPAN (meter point administration number). This information will be passed onto their supplier in order that their account may be credited.

21. Letters will also be issued to the surviving partners/executors of the estate of customers who may have been eligible for the rebate but who died before the rebate was credited to their electricity accounts. They will be informed either of the rebate being made to the late customer's account or asked to contact the Energy Rebate Scheme Helpline to check whether a rebate is due.

22. All letters will have a unique reference number for security purposes.

23. Customers living in areas with a Welsh postcode will be sent a bi-lingual letter, in accordance with our obligations under the Welsh Language Act 1993.

How people can get more information about the Scheme

24. A Helpline is in place to respond to general questions about the Scheme. From June 2010 a claims Helpline will also be available for customers.

25. Information about the Scheme is available on the Governments' website Direct Gov at www.direct.gov.uk/energyrebate

26. A fact sheet about the Scheme is also available for customer advice groups.

Arrangements for people who wished to opt out

27. There was no legal requirement for either DWP or electricity suppliers to obtain customers' consent before sharing their data for the purposes of the Scheme. Neither DWP nor the electricity suppliers sought proactively to do so and eligible customers' details were automatically put forward for the data matching exercise.

28. However, information about how to opt out of the Scheme was available on the Direct Gov site and the Energy Rebate Scheme Helpline. Had any customers contacted DWP before the data matching exercise took place, to ask that their details should not be shared, we would have endeavoured to exclude their details from the match. The cut off date for opting out of the Energy Rebate Scheme was 26 March 2010.

Data protection and security issues

29. Electricity suppliers must destroy any lists received from HP Enterprise Services which identify individuals who qualify for rebates as soon the information has been used for its purpose. This does not include the record of the rebate payment which will appear on individual customer accounts and can be retained.

30. Any follow up action to offer energy efficiency measures and to offer to place customers on a register for priority services will be carried out in accordance with established guidance and in line with best practice. There are also existing measures in place that safeguard customers. In case of a complaint customers can contact Consumer Direct, the government-funded telephone and online service offering information and advice on consumer issues. Alternatively, The Energy Ombudsman is also available to deal with complaints against any of the supply companies or network operators.

31. After the matching process, DWP will keep a record of customers who matched with energy suppliers' records in order to write to them. No personal information provided by electricity suppliers will be kept by DWP after the matching process.

32. The Government will ensure that sharing Government data under this Scheme complies with existing safeguards and follows statutory and best practice guidance. Electricity suppliers will also be required to have secure measures in place for handling and transferring data to HP Enterprise Services.

33. The Regulations make unlawful disclosure of information supplied under the Energy Rebate Scheme a criminal offence. This is aimed at strengthening security of data handled and transferred and to ensure appropriate levels of punishment apply. The penalties apply equally to DWP,

electricity suppliers and third party staff. The Regulations also set out circumstances when disclosure of information would be lawful. We have been careful to shape the Regulations so that genuine mistakes are not treated as an offence. In line with Government policy in these matters, it is our expectation that only serious breaches would be punishable by a prison sentence.

34. Contracts have been signed between DWP and electricity suppliers. They cover issues around confidentiality, data handling and sharing and the protection of personal data.

What happens next

35. This Scheme will last for one year only. After the rebates have been awarded we will carry out an evaluation of the Scheme. The lessons learnt from this Scheme may feed into the design of any future mandated scheme.