

# Warm Homes for Older People

**A resource for Age Action Alliance members**



AGE

ACTION

ALLIANCE

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# Introduction

The increasing cost of energy is a matter of great concern for millions of UK households. In an era of high gas and electricity prices, and with little reason to believe that this situation is likely to improve, it has never been more important to ensure that we do all in our power to make these costs more affordable.

Whilst unaffordable energy costs are not exclusive to older households the effect of high fuel bills and cold homes does disproportionately affect older people. Not only are they more susceptible to adverse health impacts from cold conditions they are also unlikely to be able to improve their financial circumstances and are frequently permanently dependent on a low, fixed income.

There are a number of ways in which gas and electricity costs can be made more manageable including:

- Making sure that the home has high heating and insulation standards
- Seeking out the best deal in the competitive energy market
- Ensuring that the most advantageous payment method is used
- Claiming full benefit entitlement where appropriate including the Winter Fuel Payment and the Cold Weather Payment
- Understanding what energy suppliers can provide in discounts on energy bills

The individual sections of this document will go through the range of measures and benefits available to help older people stay warm in their homes and ensure that their health and welfare are not compromised by living in cold damp housing.

The sections on reducing energy costs are supplemented by further information on sources of assistance for any energy-related problems ranging from consumer problems with the energy supplier to how to make sure that the dwelling affords adequate protection against the threat of cold-related health conditions.

The stated vision of the Alliance is to ensure that:

***The Age Action Alliance is informed and driven by older people themselves. We share the vision of improving older people's lives; creating neighbourhoods where all older people are secure, valued and able to make a contribution to their local communities and wider society.***

## About the Age Action Alliance

The Age Action Alliance is a practical development of a concept initially devised by the Department for Work and Pensions and Age UK. The purpose of The Alliance is to engage a wide range of partners from civil society, and from the private and public sectors in collaborative working to improve the lives of older people and, in particular, to address deprivation and disadvantage among vulnerable older households.

The Alliance intends to achieve these objectives by bringing together a wide range of skills, expertise and practical experience in order to make a meaningful difference to the lives and well-being of older people. Where feasible, older people will be encouraged and assisted to act independently; but where this is not feasible the necessary support infrastructure will be provided.

The Alliance has identified a number of priority areas where the needs of older households can be met and their circumstances improved. These priorities include:

- Ensuring that what matters to older people is communicated, understood and acted on
- Providing information, guidance and support so that older people are sufficiently knowledgeable to make informed choices relating to their health and well-being
- Making sure that all properties occupied by older people offer a warm and secure living environment
- Developing social cohesion by promoting a strong supportive network in the community
- Maximising access to the full range of information sources and services including web-based information

## About NEA

NEA is a national charity with the primary objective of ensuring that all households have access to sufficient warmth to ensure a healthy and comfortable living environment at an affordable cost. In promoting this objective, NEA seeks to make informed representations to Government and other key decision-makers on the need for effective policies and programmes that address the problem of unaffordable energy costs.

In addition to campaigning and policy work, NEA also undertakes a wide range of practical programmes ranging from fuel debt and energy advice to pilot schemes to test the efficacy of new heating and insulation technologies. NEA also provides a number of training courses intended to ensure high standards of advice, customer care and technical competence in the provision of energy-related services in the domestic sector.

*NEA Chairs the Safe, Warm Homes Working Group of the Age Action Alliance.*

# Identifying the problems and solutions

Millions of households are living in 'fuel poverty' meaning they are unable to afford sufficient fuel for health and comfort at home. Fuel poverty is a widely recognised and frequently discussed issue within Government and the wider political arena; charities and other voluntary organisations; energy suppliers and the energy regulator; consumer protection agencies; and the media. However there is minimal likelihood that people, no matter how vulnerable and financially disadvantaged they may be or however poor their housing standards are, will ever describe themselves as living in 'fuel poverty'.

The inability to afford sufficient fuel to ensure a warm and healthy living environment generally results from one or more of the following factors:

- Inadequate heating and insulation standards
- Low household income
- High energy costs

Consequently, fuel-poor households are more likely to comment on their circumstances and describe any problems in terms related to these factors, such as:

## Problems

- I can't pay my energy bill
- I am in debt to my gas/electricity supplier
- I can't afford to keep my home warm
- My home is cold and damp
- My health is suffering as a result
- I worry about how I will manage winter fuel bills
- I have to go without other essentials in order to manage my energy costs

## Solutions

Check availability of financial support to improve heating and insulation standards.

Check that the household is claiming full benefit entitlement.

Ensure householder is on the best payment option.

Discuss potential for saving money by switching supplier(s).

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Warmer Homes

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Maximising Income and support for fuel-related costs

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Payment Options

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Switching Suppliers

Whilst it will not always be possible to provide a comprehensive solution to these types of problems there are numerous policies and programmes in place to assist financially disadvantaged and vulnerable energy consumers. The purpose of this guide is to provide advice and direction on what support is available and how it can be accessed.

# Warmer Homes

## Heating and insulation improvements

The most sensible and cost-effective first stage in reducing energy costs is to ensure that the home is efficiently and economically heated. Some basic energy-saving measures are comparatively low cost and will repay the investment over a few years; more complex measures are generally much more expensive and it may be that the cost is never fully recovered through lower fuel bills. Nevertheless, all energy efficiency improvements will contribute towards a more healthy and comfortable living environment. The tables below provide an indication of the level of typical financial savings that result from insulation improvements to a home.

Cost and annual savings from insulation improvements <sup>1</sup>		
Measure	Cost	Annual savings
Loft insulation (0mm to 270mm)	£350	Up to £175
Loft insulation (100mm to 270mm)	£350	£25
Cavity wall insulation	£350	Up to £135
Internal wall insulation	£5,500-£8,500	£445
External wall insulation	£9,400-£13,000	£475
Double-glazing	£3,300-£6,500	£165

Considerable savings can also be made through upgrading the heating system. The following table shows annual savings where an older inefficient boiler is replaced with a modern efficient system. Costs can vary significantly and it is advisable to obtain a number of quotes for this work.

## Annual financial savings from heating improvements<sup>2</sup>

Existing boiler	G-rated boiler	£300
Existing boiler	F-rated boiler	£200
Existing boiler	E-rated boiler	£150
Existing boiler	D-rated boiler	£105

## Financial support for energy efficiency improvements

A number of existing schemes can subsidise or fully fund heating and insulation improvements; some are funded by the devolved administrations of Scotland, Wales and Northern Ireland whilst others are financed and delivered through energy suppliers.

**Energy Efficiency Advice**  
**0300 123 1234 (England, Wales and NI,**  
**local rates apply)**  
**or 0800 512 012 (Scotland)**  
The Energy Saving Advice Service provides impartial advice and information on energy efficiency programmes and financial support across the United Kingdom.

<sup>1</sup> Costs and savings are based on a three-bedroom semi-detached property heated by gas. Actual costs and savings will vary depending on the size and type of dwelling and heating source. Energy suppliers may offer discounts on basic insulation measures and in some circumstances the work can be done at no cost.

<sup>2</sup> Estimated savings assume that the existing boiler is replaced with an A-rated appliance.





### **Home Improvement Agencies**

Home Improvement Agencies are locally based organisations that assist vulnerable homeowners and private sector tenants to repair, improve, maintain or adapt their homes. Clients of Home Improvement Agencies include older households, families where a member is living with a disability and financially disadvantaged households. They operate on a not-for-profit basis with some 210 agencies covering most areas of England.

### **How Home Improvement Agencies can help**

Every home improvement agency provides a range of services depending on the needs of the local community. Their services can include some or all of the following:

- Providing a list of reliable local builders and contractors
- Home visits to give advice about any problems with the condition of the home
- Setting out housing options and helping clients decide which is best for them
- Helping access other local support services
- Checking whether clients are entitled to any financial help (for example, disability benefits, or money to help repair or adapt your home)
- Helping with any work clients decide to have carried out in their home. For example, drawing up plans, getting estimates and liaising with others involved in the work, such as grant providers and occupational therapists
- Additional services such as a handyman services, to carry out small jobs around your home, help with gardening, or coming home from hospital
- Helping to make the home more energy-efficient.

The Home Improvement Agency network is

supported by Foundations, an organisation that provides training, advice and promotional services to the sector and represents it in discussions with the Government. Contact details for local Home Improvement Agencies can be obtained by ringing Foundations on: 0845 8645210 or by using the search facility on the Foundations website:

<http://wwwFOUNDATIONS.uk.com/hiasearch>



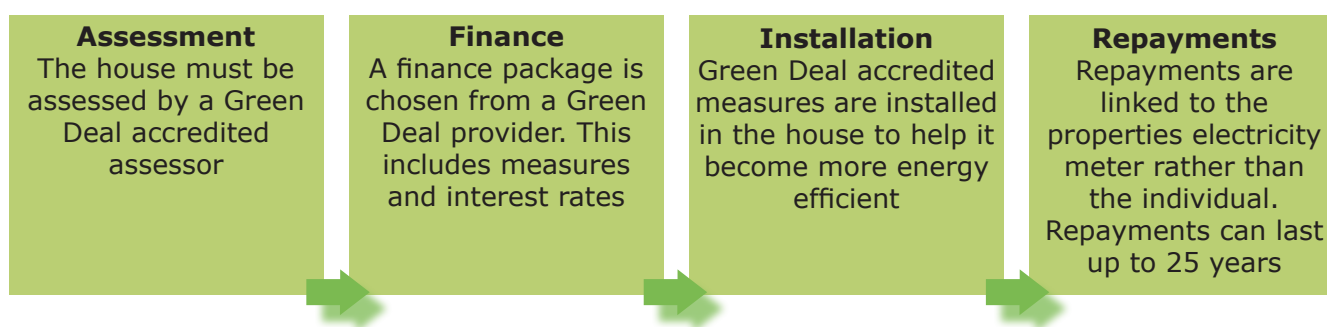
# The Green Deal and Energy Company Obligation (ECO)

## The Green Deal

Green Deal went live to the public in January 2013. It is intended that it will create a framework through which the generally poor energy efficiency standards of British housing can be transformed.

The Green Deal will offer finance arrangements enabling a household to implement significant energy-saving measures at no up-front cost to the householder with repayments being made over a set period of time through the property's electricity bill. The aim is that the cost of the work will be covered by the savings that are made as a result of having the measures installed – though this is not guaranteed.

### Green Deal Steps



### Green Deal measures

Provided they satisfy the energy-saving criteria for Green Deal-accredited measures a wide range of heating and insulation measures can be installed under the scheme. Eligible measures will include both conventional and renewable heating technologies and a comprehensive range of thermal insulation systems.

Eligible measures include:

- High efficiency gas-fired condensing boilers
- Fan-assisted storage heaters
- Oil-fired condensing boilers
- Air-source heat pumps
- Biomass boilers
- Photovoltaic solar panels to generate electricity
- Solar water heating
- Micro-wind generation
- Cavity wall insulation
- Internal or external wall insulation
- Energy efficient glazing

The maximum amount of any financial arrangement is not fixed but is expected to be in the region of £10,000.

In recognition that not all of the measures listed above will pay for themselves over time through reduced energy costs, the Government proposes to offer a subsidy for some of the less cost-effective or more expensive measures.

For example both forms of solid wall insulation (internal and external) will benefit from a subsidy that reduces the cost to the householder.

### Repayment of the Green Deal Finance Arrangement

Green Deal Finance differs from a conventional loan in a number of ways. There will be interest to pay on the arrangement, as well as a yearly admin charge, but responsibility for payment will rest with the current occupant of the property; where a property changes occupancy following a sale or the introduction of a new tenant the new occupant becomes liable for repayment of the finance arrangement. One further major innovation is that the repayment will be made automatically through the



electricity bill. Of course, the incoming tenant or purchaser of the property must be advised in advance of the existence of any Green Deal finance arrangement.

### **Consumer protection in the Green Deal**

The Government is anxious to ensure the effectiveness and credibility of the Green Deal and, as such, is introducing a comprehensive consumer protection infrastructure comprising:

- Impartial advice and information
- Safeguards governing the sales process
- An objective and expert assessment of recommended measures
- Ensuring that installers carry out work to a

high standard

- Clear confirmation procedures before the Green Deal charge can start to be collected
- Collection of the charge through the electricity bill, which is regulated by Ofgem
- Clear processes to follow when a property changes hands, to ensure people know about the Green Deal before they move in
- Making it clear before a customer enters into a Green Deal plan, situations when a customer may be required to pay the Plan off early

## **The Energy Company Obligation (ECO)**

The Energy Company Obligation (ECO) is a new programme designed to reduce Britain's energy consumption by funding home improvements worth around £1.3 billion every year.

ECO will place obligations on certain larger domestic energy suppliers. These obligations must be achieved through the promotion of energy efficiency measures to domestic energy users in Great Britain.

The three ECO obligations:

### **Carbon Emissions Reduction Obligation (CERO)**

The Carbon Emissions Reduction Obligation (approx. £950 million per annum) promotes the installation of solid wall and hard-to-treat cavity wall insulation alongside packages of measures.

### **Carbon Saving Communities Obligation (CSCO)**

The Carbon Saving Communities Obligation (£190 million per annum/20 per cent of the overall obligation) is designed to focus on the needs of those households in areas of multiple deprivation. All tenures are eligible. Measures will include loft insulation, cavity wall insulation and solid wall insulation; high performance external doors; replacement or secondary glazing etc and connections to district heating systems in areas of low income and rural areas.

75 percent of this funding will be focused on urban areas and 15 per cent on rural areas facing high levels of deprivation.

### **Home Heating Cost Reduction Obligation (HHCRO) (often referred to as Affordable Warmth)**

The Government has recognised that, for a number of reasons, the Green Deal is not a suitable mechanism to assist vulnerable and financially disadvantaged households and that consequently, the Home Heating Cost Reduction Obligation will be the primary source of support.

It promotes the installation of measures, including the repair and replacement of boilers, to homes in receipt of certain benefits, to reduce the overall cost of space heating.

The Home Heating Cost Reduction Obligation will be available to all private-sector households in receipt of certain benefits including:

## Energy Company Obligation (ECO) Eligibility

- Pension Credit
- Child Tax Credit with a household income less than £15,860
- Working Tax Credit with a household income of less than £15,860
- Income-based Jobseekers Allowance
- Income Support

All benefit criteria have various qualifying components so taking advice on eligibility will be essential.

The Government has indicated that any measure that improves the thermal performance of a dwelling should be eligible

under this obligation. The effectiveness of the measure will be the extent to which it reduces the expected cost of providing space and/or water heating in the home. As such a range of heating measures, loft, cavity wall, internal and external wall insulation measures are presently included.

The Energy Saving Advice Service (provided by the Energy Saving Trust) is a gateway into Green Deal and ECO services. Call for advice and to check on eligibility on:

**Telephone: 0300 123 1234**  
(local rates apply)

### The Energy Company Obligation (ECO) What's available and to whom?

The Energy Company Obligation will focus on providing energy efficiency measures to low income and vulnerable consumers and those living in 'hard to treat' properties, such as period homes. Eligibility for ECO is set out in the chart below.

Energy Company Obligation eligibility and measures	People on certain income related benefits			
	Living in a private property	Living in social housing within a rural community	People living in a low income community	People living in older properties
<b>Many householders in older properties and those on benefits or low incomes may qualify for extra financial assistance. Call the Energy Saving Advice Service (England, Scotland and Wales) on 0300 123 1234 or visit <a href="http://www.gov.uk/greendeal">www.gov.uk/greendeal</a> to see if you're eligible.</b>				
<b>Cavity wall insulation</b> Some homes have walls with a hollow space in the middle. Putting insulation in this space is quick and makes no mess because the work can be done from outside the home.	✓	✓	✓	✓
<b>External or internal solid wall insulation</b> Older homes usually have solid walls. Installing insulation on the inside or outside of the wall can dramatically reduce the heat that escapes your home.	✓	✓	✓	✓
<b>Loft insulation</b> Heat rises and it might be leaking into your loft. Insulating your loft, or topping up your existing insulation, will keep heat inside your living spaces for longer.	✓	✓	✓	X
<b>Heating improvements</b> Improvements, like replacing your boiler with a high-efficiency boiler or updating your heating controls, can help you reduce the amount of energy used to keep your home warm.	✓	X	X	X

# Maximising Income and Support for Fuel-related Costs

Low income is one of the main causes of fuel poverty. However it has long been recognised that older households often miss out on additional income either because they are unaware of their entitlements or are reluctant to claim certain benefits. It is important to overcome any perceived stigma associated with claiming benefit entitlements to ensure that older households are as financially secure as possible.

The Department for Work and Pensions estimates that one-in-three older households do not take up entitlement to Pension Credit alone. Latest figures from the Department<sup>3</sup> indicate that between 62% and 68% of entitled older households actually claimed their entitlement and that the annual value of this unclaimed benefit was between £1.94 billion and £2.8 billion.

## Benefit entitlement checks

A number of statutory and voluntary agencies can provide advice and support in assessing whether a household is claiming its full entitlement. These services may be provided by central Government in the form of the Pension Service, by local authority welfare benefits advice units or by voluntary organisations including money advice agencies and Citizens Advice.

It should be emphasised that receipt of benefit can bring greater advantage than simply increasing household income. Policies to assist with fuel costs whether through discounts on energy bills, financial assistance with energy efficiency or cold weather-related payments are increasingly linked to receipt of means-tested benefits and failure to claim these benefits may exclude eligible households from access to these wider entitlements.

## Pension Credit Application

**To apply for Pension Credit contact the Pension Service on  
Freephone: 0800 99 1234**

## Benefit Enquiry Line

**Helpline providing benefits advice for people with disabilities and their carers. Freephone 0800 88 2200**

## Support with fuel-related costs

The social security system provides some limited assistance for fuel costs or with fuel-related problems. Generally this help is provided through the Social Fund system of grants, loans and selective payments. The Social Fund consists of two elements – the Regulated Social Fund and the Discretionary Social Fund. The first part governs statutory entitlement to assistance including the Winter Fuel Payment and the Cold Weather Payment; the second element provides generally discretionary support in special circumstances. From April 2013 the Discretionary Social Fund will be abolished and replaced with a system of loans and grants administered by local authorities.

(See the section on sources of advice, information and guidance for key contact numbers.)



<sup>3</sup> Income-related Benefits: Estimates of Take-up in 2009-2010, DWP, February 2012.

## Winter Fuel Payments and Cold Weather Payments

### Winter Fuel Payment

Winter Fuel Payments are made to everyone provided they have reached the official retirement age for women. Since the relevant age is increasing over time to synchronise male and female retirement criteria, the qualifying age for entitlement to the Winter Fuel Payment will also rise.

Winter Fuel Payment – Qualifying date for all households	
Year	Qualifying date of birth
2012-2013	July 5 1951
2013-2014	January 5 1952
2014-2015	July 5 1952
2015-2016	January 5 1953
2016-2017	July 5 1953
2017-2018	January 5 1954
2018-2019	July 5 1954

### Claiming the Winter Fuel Payment

Many people will receive the payment automatically on reaching the qualifying age whilst others will have to submit a claim. Generally, people receiving state retirement pension or one of a range of means-tested or disability-related benefits will not have to claim. However, those reaching the qualifying age will need to claim if they do not receive a means-tested benefit (Housing Benefit and Council Tax Benefit do not count) or where their circumstance have changed, for example they have stopped claiming a means-tested or disability-related benefit.

Contact the Winter Fuel Payment Helpline on 08459 151 515

### How much is the Winter Fuel Payment?

The Winter Fuel Payment is generally paid at either a higher or lower rate depending on the age of the claimant(s). Up to the age of 79 the payment is at the lower rate of £200; for eligible households aged 80 or over the payment is £300, although this is not always the case and there can be circumstances where the payment is split into different values. There are also special circumstances where no payment will be made regardless of eligibility, for example recipients of a means-tested benefit who are in residential care.

### The Cold Weather Payment

Cold Weather Payments are made to eligible households in an area where a period of 'exceptionally cold weather' has occurred or been forecast to occur. The amount of the payment is £25.00 for any qualifying week.

A period of cold weather is defined as seven consecutive days during which the average of mean daily temperatures is 0°C or lower.

Eligible households are those:

1. In receipt of Pension Credit
2. In receipt of Income Support, Income-Based Jobseeker's Allowance, and who:
  - Receive a disability premium in that benefit
  - Have a disabled child
  - Receive Child Tax Credit that includes a disability or severe disability element
  - Have a child under 5 as part of the household
3. In receipt of Income-related Employment and Support Allowance and who:
  - Receive a support or work-related component
  - Receive a severe or enhanced disability premium within that benefit
  - Receive a pensioner premium within that benefit
  - Have a disabled child
  - Receive Child Tax Credit that includes a disability or severe disability element
  - Have a child under 5 as part of the household

*There is no need to claim since payment will be made automatically.*

## The Warm Home Discount

The Warm Home Discount scheme is a four-year programme that runs from April 2011 to March 2015 and which will offer support with energy costs to low-income vulnerable households. All of the main energy suppliers are required to participate in the scheme by providing discounts on electricity bills for eligible households.

There are two main elements of the Warm Home Discount – a mandatory discount for specific households (the Core Group) and a discretionary discount for other low-income vulnerable households. Members of both groups are entitled to the same level of assistance but, while members of the Core Group receive the discount automatically, other households will generally have to contact their supplier for access to the Broader Group discount.

Eligibility criteria for the Broader Group element of the Warm Home Discount have been set out by the energy regulator, Ofgem. As with the Core Group, priority is given to households who are both vulnerable (older households, families with young children and people living with a disability) and on a low income.

Core Group (Mandatory element)		
Year	Eligibility	Discount on bill
2013-2014	Pension Credit Guarantee only and those aged 75 or over and in receipt of Pension Credit Guarantee and Savings Credit	£135
2014-2015	Pension Credit Guarantee only and all in receipt of Pension Credit Guarantee and Savings Credit	£140

## Warm Home Discount – energy supplier contacts

British Gas	0800 072 8625
E.ON	0800 051 1480
EDF Energy	0800 096 9000
Scottish and Southern	0800 300 111
ScottishPower	0800 027 2700
npower	0800 980 5525

## The Home Heat Helpline

The big six energy suppliers support a comprehensive advice service aimed primarily at vulnerable householders and others who are facing difficulty in managing their energy costs. The Home Heat Helpline provides an independent expert source of assistance with a wide range of energy-related problems including:

- Help to save money on your gas and electricity bills
- Access to home insulation and heating schemes
- The Priority Service Register — a special service for elderly or disabled people and those living with long-term health conditions that includes bills in easy-to-read larger text or in Braille, as well as security passwords and a free annual gas safety check
- Flexible payment options for customers in fuel debt
- Benefits entitlement checks to see if you are missing out
- Trust funds that some suppliers run for vulnerable customers

The Home Heat Helpline can provide direct advice to energy consumers or to, friends, relatives or agencies acting on their behalf.

## Home Heat Helpline

**Tel: 0800 336699**

**Website: [www.homeheathelpline.org.uk](http://www.homeheathelpline.org.uk)**



## Energy Supplier Trust Funds

The big six energy suppliers provide additional support for some of their most vulnerable customers. The type of support and contact details for further information are set out below.

Energy Supplier Trust Funds		
Company	Scheme	Contact
British Gas	<p><b>British Gas Energy Trust</b> Applications can be made by customers of any supplier who are facing hardship, particularly in relation to fuel debt.</p> <p>Also funds agencies providing debt and money advice.</p>	Tel: 01733 421060 Email: bget@charisgrants.com
EDF Energy	<p><b>EDF Energy Trust</b> Any customer of EDF can apply for a grant to clear energy debt and to meet other essential household costs. Can also fund third party advice agencies</p>	Tel: 01733 421060 Email: edfet@charisgrants.com
E.ON	<p><b>Caring Energy Fund</b> Assists low-income households with heating and insulation measures and energy efficient appliances.</p>	Tel: 0800 051 1480 Email: eonenergy.com/caringenergy
npower	<p>1. <b>First Step Fund</b> 2. <b>Health Through Warmth</b> 3. <b>MacMillan Fuel Management Programme Energy Fund</b></p> <p>A range of schemes to assist families and individuals at risk of cold-related illness or where a household member is living with cancer. Assistance can take the form of energy efficiency improvements or grant assistance to pay bills.</p> <p>The Health Through Warmth scheme is not restricted to npower customers.</p>	Tel: 01733 421060 Email: www.npowerenergytrust.org.uk
ScottishPower	<p><b>ScottishPower Energy People Trust</b> Funding to support voluntary organisations providing advice and support to financially disadvantaged households with priority given to work involving children and young people.</p>	Tel: 0141 5683492 Email: SPEnergyPeopleTrust@ScottishPower.com
SSE	<p><b>Sustainable Community Interest Company</b> Energy efficient appliances for fuel-poor households.</p>	Tel: 0800 096 6192



## **Social Fund loans and grants**

### **Budgeting Loans**

These are interest-free loans intended to help households where a period of dependence on means-tested benefits including Income Support, Income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Pension Credit has made budgeting for intermittent expenses difficult.

A Budgeting Loan is not available for gas or electricity charges or for standing charges although priority is given to meter installation, reconnection charges and the cost of non-mains fuel such as oil, bottled gas, paraffin and coal. The minimum loan is £100 and the maximum £1,500. Any Budgeting Loan will be reduced where the applicant has personal savings over £1,000 (£2,000 if the applicant or partner is aged 60 or over).

**Claims are made in writing to the local Jobcentre Plus office, generally on a specific application form (SF 500). Claim forms are available through the Pensions Service and Jobcentre Plus or can be downloaded at: [www.dwp.gov.uk](http://www.dwp.gov.uk)**

**Crisis Loans and Community Care Grants are no longer available, however, if you have taken one out you will still need to repay it.**

Local council's have now taken responsibility for issuing emergency loans and grants to vulnerable householders. Each council will have its own criteria as to who can apply and as to what the funding can be spent on. Contact your local council for more details on what is available.

**To find your local council visit**

**<http://local.direct.gov.uk/LDGRedirect/Start.do?mode=1>**

For further information or advice, call the Citizens Advice consumer helpline on **08454 04 05 06.**

You can talk to a Welsh-speaking adviser on **08454 04 05 05.**

**The helplines are open Monday to Friday 9.00am to 5.00pm.**



# Getting the Best Deal from Energy Suppliers

The competitive energy market does offer the opportunity for consumers to benefit financially through exercising choice in which company supplies their gas and/or electricity and also in selecting the most advantageous method of paying for fuel.

## **Paying for fuel**

In response to increasing unhappiness with the confusing and complex range of tariffs offered by energy suppliers the energy regulator, Ofgem, will require companies to simplify and standardise energy charges to domestic consumers. In future suppliers will be restricted to two broad categories of consumer offers:

- The Standard Tariff
- The Non-Standard Tariff

The Standard Tariff would be offered within fairly narrow constraints whilst the Non-Standard Tariff would allow for a greater degree of flexibility.

Ofgem will require that:

- Suppliers will offer only one standard tariff per payment method
- Energy suppliers will compete on a single unit rate for each standard tariff
- Non-standard tariffs will frequently be of fixed duration at the end of which period there will be no automatic contract roll-overs
- All non-standard tariffs would feature switching 'windows' with no exit fee and would continue to benefit from existing charges until the point of switching
- Prices, terms and conditions relating to non-standard tariffs would be guaranteed for the duration of the contract

## **Standard tariffs**

Where a customer opts for a standard tariff, suppliers will compete on the basis of their unit (kWh) charges with the only variable relating to payment method. Ofgem will set a standing charge intended to cover the fixed costs associated with providing gas and electricity services in different parts of the country. Currently, consumers pay different amounts for their fuel depending on their choice of payment method and this will continue under any new system. Differentials in energy costs are supposed to reflect real differences in the cost of providing a range of payment methods. That is, the charges are 'cost-reflective' and based on the fact that, for example, a customer paying for energy through online direct debit is cheaper to supply than a customer paying quarterly in arrears by cheque on receipt of the bill.

However, in addition to financial savings (or extra costs) associated with the different payment methods, a number of other factors should be considered in deciding which is the most appropriate payment method for an individual household – some of the considerations are set out on the next page:

## Different ways to pay for your energy

Payment Type	Advantages	Disadvantages	Who it would suit
<b>Weekly/ Fortnightly/ Monthly budget payments</b>	<ul style="list-style-type: none"> <li>Small payments on a regular basis (usually made using a payment card)</li> </ul>	<ul style="list-style-type: none"> <li>Possible inconvenience and travelling costs to reach payment agents</li> <li>Some Post Offices and banks may charge for use of this facility to make payments</li> </ul>	<ul style="list-style-type: none"> <li>Households without bank accounts</li> <li>Households repaying debts</li> </ul>
<b>Card meter/Token meter/ Key meter</b>	<ul style="list-style-type: none"> <li>Pay for energy as it is used and so avoid large bills</li> <li>Can budget according to means</li> </ul>	<ul style="list-style-type: none"> <li>Limited number of payment agents</li> <li>Possible inconvenience and travelling costs to reach payment agents</li> <li>Customers need to understand how standing charges and debts are taken through the meter so that they know their available credit</li> <li>If credit runs out there is limited emergency credit before supply is disconnected</li> </ul>	<ul style="list-style-type: none"> <li>Those who don't find access to payment agents a problem</li> <li>Customers who want to avoid getting into debt or who want to manage an existing debt</li> </ul>
<b>Fuel Direct</b> <b>Energy suppliers are required to offer this payment option to customers.</b>	<ul style="list-style-type: none"> <li>Payment for current use of energy and debt taken directly out of benefits</li> <li>Energy expenditure and debt repayment evenly spread</li> </ul>	<ul style="list-style-type: none"> <li>If current consumption is more than the amount deducted from benefit, debt will increase and so will future deductions</li> <li>No flexibility in budgeting</li> </ul>	<ul style="list-style-type: none"> <li>Only for those on specific means-tested benefits who are, or have been, in energy debt</li> <li>Particularly suitable for those who have difficulty managing their finances.</li> </ul>
<b>Monthly or Quarterly Direct Debit/Standing Order</b>	<ul style="list-style-type: none"> <li>Payment is the same time and amount every month, which may help with budgeting</li> <li>With direct debit, once the arrangement has been established there is no need for further action on the customer's part</li> <li>The direct debit payment method is the easiest for companies to administer, so discounts can be given (highest discount is for on-line direct debit)</li> <li>Payment amounts can easily be revised to cover changes in consumption levels</li> <li>With a Standing Order the customer has more control over payments made</li> </ul>	<ul style="list-style-type: none"> <li>May be paying too much or too little if bills have been estimated</li> <li>If payments have not been adjusted to cover changes in consumption a debt may have accrued which need to be repaid</li> <li>Bank charges may be incurred if payments cannot be claimed due to insufficient funds</li> <li>When payment amounts need amending on a Standing Order the customer has to contact the bank/building society</li> </ul>	<ul style="list-style-type: none"> <li>Households with regular income</li> <li>Households with a bank/building society account</li> <li>Those who want to spread energy costs over the year and avoid high winter fuel charges.</li> </ul>





## Switching supplier(s)

In the 15 years or so since domestic electricity and gas consumers have been able to switch energy supplier there has been increasing awareness that significant savings can be made by customers actively seeking a better deal. However despite the fact that switching can reduce energy costs there is still reluctance on the part of many households to engage with the competitive energy market and this is particularly true of older consumers.

Despite evidence of the financial benefits of switching supplier, 60% of households aged 65 or over have never switched gas supplier and 62% have never switched electricity supplier. Overwhelmingly, older households explain their reluctance to change energy suppliers in terms of loyalty, they wrongly perceive switching to be difficult, and the belief that there is little point in switching:

- I'm happy with my current supplier (84%)
- Switching is a hassle (21%)
- I don't think there is much difference (22%)

Yet it has been suggested that the difference between worst case energy bills (high charges and expensive payment method) and the best deal in the market could be up to £300 per year (equivalent to almost 25% of the average domestic energy bill).

## How to switch energy supplier

There are a number of price comparison websites that enable consumers to enter data about their energy consumption and preferred payment methods in order to identify potential savings on fuel bills. Using a site displaying Ofgem's Confidence Code certification mark means that the process should be easier and more reliable.

## Accredited price comparison services are:

UKPower.co.uk  
uSwitch.com  
SimplySwitch  
TheEnergyShop.com  
MoneySupermarket.com  
Unravelit  
Energylinx  
Which? Switch  
energyhelpline.com  
switchelectricandgas.com  
myutilitygenius.co.uk

Accredited switching sites have the advantage of being constantly updated and so the information should always be reliable and current. In addition Consumer Focus publishes price factsheets that enable straightforward price comparisons. These are accessible through the Consumer Focus website at: <http://energyapps.consumerfocus.org.uk/price/>

However many older households do not have internet access, in which case paper copies of the factsheets can be obtained by calling Citizens Advice on: **08454 040506**.





## The process of switching

Once a new supplier has been chosen the procedure is as follows:

### 1. Agree a contract

A contract with the new supplier must be agreed before arrangements to supply gas or electricity can be made. The contract can be agreed either at home or over the telephone or the transaction can be completed through the internet. The Government proposes to require the switching process to take no longer than three weeks after the cooling-off period although delays may occur where any problems develop. The new supplier will keep the customer informed of progress.



### 2. Cooling-off period

When any contract is signed to switch supplier there is normally, by law, a seven-day cooling-off period. The new supplier will contact the customer to confirm that they are happy with the new contractual arrangements.



### 3. The existing supplier

There may be circumstances where the existing supplier can prevent switching to a new supplier – this normally occurs where there is an existing fuel debt and the current supplier insists that this debt be recovered before a transfer will be allowed.



### 4. Pay any outstanding bills

Any outstanding bills with the existing supplier should be paid otherwise the supplier may block the transfer. Any Direct Debits or Standing Orders set up to pay your existing supplier should be cancelled.



### 5. Take a meter reading

The new supplier will ask the customer for a meter reading around the time of the switch. The old supplier will use the meter reading to work out the final bill and the new supplier will use it to start the new account. A note should be kept of the reading in case of any future dispute.

# Services for Vulnerable Energy Consumers

## The Priority Services Register

Householders who meet any of the criteria set out below can apply for inclusion on their energy supplier's Priority Services Register:

- Pensionable age
- Disabled
- Chronically sick
- Visual or hearing impairment

## Services available through the Priority Services Register

### *Relocation of meter for improved access*

If it is difficult to read or access the electricity or gas meter, energy companies will consider moving the meter, free of charge, to a more convenient position.

### *Password protection scheme*

Energy companies and customers can agree a personal password for use by company staff when they visit the home. In this way, customers will be protected from bogus callers pretending to be representatives of the gas/electricity company.

### *Quarterly meter readings*

Some companies do this as standard, but if customers have difficulty in reading their meter or are worried about inaccurate bills, their supplier can arrange for someone to call every quarter to read the meter.

### *Bill nominee scheme*

On request, bills can be sent to the address of a friend, relative or carer so that they can help to arrange payment.

### *Advance notice if electricity supply is to be interrupted*

Companies should recognise the possible increased dependence on energy services by vulnerable consumers e.g. those reliant on electricity to operate medical equipment, and make special efforts to provide these

consumers with advance warning of supply interruptions.

### *Services for customers with impaired hearing or vision*

Companies can provide Braille and talking bills and must also have available suitable facilities to handle complaints and enquiries from customers who are visually or hearing impaired.

## Energy supplier Priority Services Register contact details

EDF Energy	Energy PSR	0800 169 9970 0800 269 450
E.ON	Energy PSR	0800 051 1480
British Gas	Home Energy Care	0800 072 7100
Scottish-Power	Carefree	0845 2700 700
SSE	Careline	0800 622 838
npower	Warm Response Team	0808 172 6999

## Gas safety check

Gas suppliers offer free gas safety checks to certain categories of household. Households eligible for the annual safety check include:

- A person of pensionable age and living alone
- A person of pensionable age, disabled or chronically sick and living with other household members all of whom are of pensionable age, disabled, chronically sick or aged under 18.
- A household in receipt of means-tested benefits and with a child aged under 5.

Tenants are not eligible for this service since their landlord is legally obliged to provide an annual gas safety check carried out by a qualified Gas Safe Register engineer.

# Consumer Protection and Advice

## Complaints and enquiries

In the event of a complaint about electricity or gas issues, including problems with switching supplier, the first contact should be with the company that currently supplies the gas or electricity – the address and telephone number will be on the bill. The company will have a formal complaints procedure which should be followed in the first instance; most problems should be capable of quick and simple resolution.

## The Energy Ombudsman

If the company's response is not to the satisfaction of the customer and the dispute cannot be resolved in a satisfactory manner the energy supplier will issue a 'deadlock' letter. Once this letter has been issued the customer can approach the Energy Ombudsman to ask for their involvement in examining the complaint. The customer has six months from issue of the 'deadlock' letter to contact the Energy Ombudsman.

The role of the Energy Ombudsman is to act as an independent broker in disputes between energy suppliers and customers including:

- Problems with billing
- Complaints about the switching process
- Complaints about sales activities

## Energy Ombudsman

PO Box 966  
Warrington  
WA4 9DF  
Tel: 0845 055 0760

Email: [enquiries@energy-ombudsman.org.uk](mailto:enquiries@energy-ombudsman.org.uk)  
web: <http://www.ombudsman-services.org/energy.html>

## Consumer Focus and Citizens Advice

Consumer Focus is the official consumer protection agency operating across England, Scotland and Wales. Consumer Focus can deal with complaints that have a wider relevance and concern to consumers but does not generally deal with individual enquiries. This role of providing individual support and guidance to individual consumers is now undertaken by Citizens Advice. Consumer Focus has a duty to deal with some cases involving vulnerable consumers through its 'Extra Help Unit'.

- The Consumer Focus Extra Help Unit can investigate complaints from energy consumers relating to a disconnection or a threat of disconnection and also has powers to investigate energy and complaints made by, or on behalf of, vulnerable consumers.
- Citizens Advice will deliver front line advice to gas and electricity consumers and can refer on to the Consumer Focus Extra Help Unit.

## Consumer Focus

Fleetbank House  
Salisbury Square  
London  
EC4Y 8JX

Tel: 020 77997900

Email: [contact@consumerfocus.org.uk](mailto:contact@consumerfocus.org.uk)

## Citizens Advice Complaints

Tel: 08454 040506

# Health and Safety

The main direct health and safety hazard related to domestic fuel use concerns ventilation and the possible danger of carbon monoxide poisoning. Carbon monoxide (CO) can be given off by appliances that burn gas, oil, coal or wood. This can happen if the appliance is faulty, the room is not properly ventilated or the chimney/flue is blocked.

## **Danger signs are:**

- Gas flames burning orange or yellow instead of the normal blue
- Soot stains on or above the appliance
- Coal or wood fires that burn slowly or go out.

## **Actions to take:**

- Appliances should be checked for safety every year by a competent person. Gas appliances should only be checked by Gas Safe registered engineers
- The property must be properly ventilated – vents should never be blocked
- Chimneys and flues should be regularly swept and cleaned
- Carbon monoxide detectors can be purchased (they should conform to British Standard BS 7860).

## **Gas leaks**

National Grid is responsible for dealing with gas leaks and emergencies. If there is a smell of gas, the free 24-hour national emergency number should be contacted on **0800 111 999**

In the event of a suspected gas leak:

- Doors and windows should be opened to get rid of any gas
- Checks should be made to ensure that the gas supply to an appliance has not been left on unlit or that a pilot light has not gone out
- The supply should be turned off at the mains
- Matches or naked flames should never be used

- No electrical switches should be turned on or off (including doorbells).

## **Annual Gas Safety Check**

Some householders qualify for a free annual safety check on gas appliances and other gas fittings (see page 20 for details).

If you rent your home, your landlord must ensure that gas fittings and flues are maintained in good order and that gas appliances and flues are checked for safety once in a period of twelve months.

## **The Housing Health and Safety Rating System**

Anyone renting their home, whether in the private sector or social sector, is entitled to a warm and healthy living environment. However, in some cases there may be problems if a landlord will not take the necessary measures to provide affordable warmth; this problem is particularly prevalent in some parts of the private rented sector.

The Housing Health and Safety Rating System (HHSRS) acts as an objective measure to assess housing hazards. The HHSRS places considerable emphasis on the need for a warm and healthy living environment and, consequently, reasonable standards of heating and insulation.

Local authorities are empowered to require remedial action where the condition of a property may pose a threat to the health and wellbeing of the occupant(s). Initiating remedial action will involve contacting the local authority Environmental Health Department who can assess the property to determine whether it complies with the Housing Health and Safety Rating and does not pose any threat to the health of the occupants.

Landlords may be compelled to improve standards by the local authority.

## Mandatory minimum energy efficiency standards

From April 2016 landlords may not refuse 'reasonable' requests for consent from their tenants to improve the energy efficiency of their properties, where there is financial support available under the Green Deal.

Furthermore from April 2018 there will be a minimum energy efficiency standard likely to be set at EPC band 'E' for all privately-rented

properties. It will be illegal to rent out a property unless it is 'E' or the landlord has carried out the maximum package of measures under the Green Deal or ECO (even if this doesn't get them above EPC Band 'F').

## Electricity

In the event of an emergency associated with electricity supply the relevant local distribution company should be contacted on the appropriate telephone number below.

**Independent distribution network operators**  
gtn...leading utility networks

**Scottish and Southern Energy**  
Power Distribution  
0800 300 999

**SP ENERGY NETWORKS**  
0800 195 4141

**Northern Ireland Electricity**  
08457 643 643

**Electricity north west**  
0800 195 4141

**SP ENERGY NETWORKS**  
0845 27 27 999

**NORTHERN POWERGRID**  
Northeast:  
0800 66 88 77  
0330 123 0877  
Yorkshire:  
0800 375 675  
0330 123 0675

**WESTERN POWER DISTRIBUTION**  
Serving the Midlands, South West and Wales  
East Midlands  
0800 056 8090  
West Midlands  
0800 328 1111  
South Wales  
0800 052 0400  
South West  
0800 365 900

**UK Power Networks**  
London  
0800 028 0247  
01243 50 0247  
East of England  
0800 783 8838  
01243 50 8838  
South East  
0800 783 8866  
01243 50 8866

**Scottish and Southern Energy**  
Power Distribution  
0800 072 7282

# Electricity distribution

Map courtesy of Energy Networks Association

<http://www.energynetworks.org/info/faqs/electricity-distribution-map.html>





*Campaigning for Warm Homes*



The information in this publication is available in large print

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