



Department for
Business, Energy
& Industrial Strategy

EVALUATION OF THE WARM HOME DISCOUNT SCHEME

Analytical Paper 1: Qualitative Research
into the Delivery and Customer Journey of
the Warm Home Discount



March 2018

This document is available in large print, audio and braille on request. Please email enquiries@beis.gov.uk with the version you require.

EVALUATION OF THE WARM HOME DISCOUNT SCHEME

Analytical Paper 1: Qualitative Research into the Delivery and Customer Journey of the Warm Home Discount

Acknowledgements

This independent research report was produced by James Leather and Andrew Jarvis from ICF, and Ian Hamilton, Paulo Agnolucci and Chris Grainger from UCL.

We are grateful to all interview participants for their time and assistance with this research and for the insights and guidance of our (formerly DECC) research managers, Jonathan Smetherham, Sam Jenkins, and Charlotte Dann.

© Crown copyright 2018

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Any enquiries regarding this publication should be sent to us at enquiries@beis.gov.uk

This publication is available for download at www.gov.uk/government/publications

Contents

| | |
|--|----|
| Executive summary | 1 |
| Background to the evaluation | 1 |
| Qualitative research objectives | 1 |
| Qualitative research methodology | 2 |
| Results of the qualitative research with the Core Group | 3 |
| Results of the qualitative research with the Broader Group | 5 |
| Background and methodology | 7 |
| Introduction | 7 |
| The Warm Home Discount scheme | 7 |
| Qualitative research objectives | 11 |
| Qualitative research methodology | 11 |
| Sample design and interviewee recruitment | 12 |
| Fieldwork and data analysis | 13 |
| Limitations of the research | 16 |
| Report structure | 16 |
| The Core Group | 17 |
| The Core Group eligibility criteria | 18 |
| The Core Group customer journey | 19 |
| Customers' introduction to the WHD scheme | 19 |
| The DWP data match | 19 |
| Customers' introduction to the WHD scheme: the DWP letter | 20 |
| The sweep-up process for unmatched individuals | 21 |
| Receiving the rebate | 23 |
| Using the rebate | 26 |
| Effects of the rebate on energy consumption | 28 |

| | |
|---|----|
| Impacts of the rebate_____ | 31 |
| Impacts on customers' health and wellbeing _____ | 31 |
| Impacts on switching behaviour _____ | 32 |
| Customers' and suppliers' conclusions on the Core Group _____ | 33 |
| The Broader Group _____ | 34 |
| Broader Group eligibility criteria _____ | 35 |
| The Broader Group customer journey_____ | 37 |
| Customers' introduction to the WHD scheme _____ | 37 |
| Applying for the rebate _____ | 40 |
| Verification of Broader Group applicants _____ | 42 |
| Receiving the rebate _____ | 44 |
| Using the rebate _____ | 48 |
| Effects of the rebate on energy consumption _____ | 49 |
| Impacts of the rebate _____ | 52 |
| Impacts on customers' health and wellbeing _____ | 52 |
| Impacts on switching behaviour _____ | 53 |
| Customers' and suppliers' conclusions on the Broader Group_____ | 55 |
| Annex 1: Detailed research methodology _____ | 58 |
| Core Group research methodology_____ | 58 |
| Broader Group research methodology _____ | 63 |
| Scheme administrator research methodology _____ | 68 |
| Energy supplier research methodology_____ | 69 |

Executive summary

Background to the evaluation

In March 2015, ICF, in association with UCL Consultants (UCL), was commissioned by the Department of Energy and Climate Change (DECC) to undertake a combined process and impact evaluation of the Warm Home Discount (WHD) scheme. This report (Analytical Paper 1) presents the results of qualitative research into the WHD customer journey. It is one of three complementary reports that present the results of the evaluation. The companion reports provide: (i) the results of a quantitative analysis of WHD impacts; and (ii) an overall synthesis and set of answers to the evaluation questions¹.

The WHD was an energy supplier-funded scheme which ran from 2011 to 2016. It provided an annual rebate via a single annual transfer of £120-£140 to recipients' electricity accounts². There were two groups of customers (beneficiaries): i) a 'Core Group' that consisted of low income pensioners; and ii) a 'Broader Group' that consisted of other vulnerable or low income individuals. The eligibility criteria for the Core Group were set by DECC and were the same across all energy suppliers, whereas the eligibility criteria for the Broader Group were defined by individual energy suppliers and applied to their respective customer bases (albeit using similar benefits-based parameters).

The Core Group was identified by DWP in a process that matched official data on the recipients of eligible components of the Pension Credit with energy suppliers' customer records. This meant that most Core Group individuals did not have to apply for their rebate. Individuals who were not automatically matched had to telephone a contact centre (a process referred to as the 'sweep-up') to determine whether they were eligible for the rebate. There was no equivalent data matching process under the Broader Group schemes – individuals had to apply to their own electricity supplier to access the WHD rebate.

Qualitative research objectives

The objectives of the qualitative research into the WHD customer journey were to:

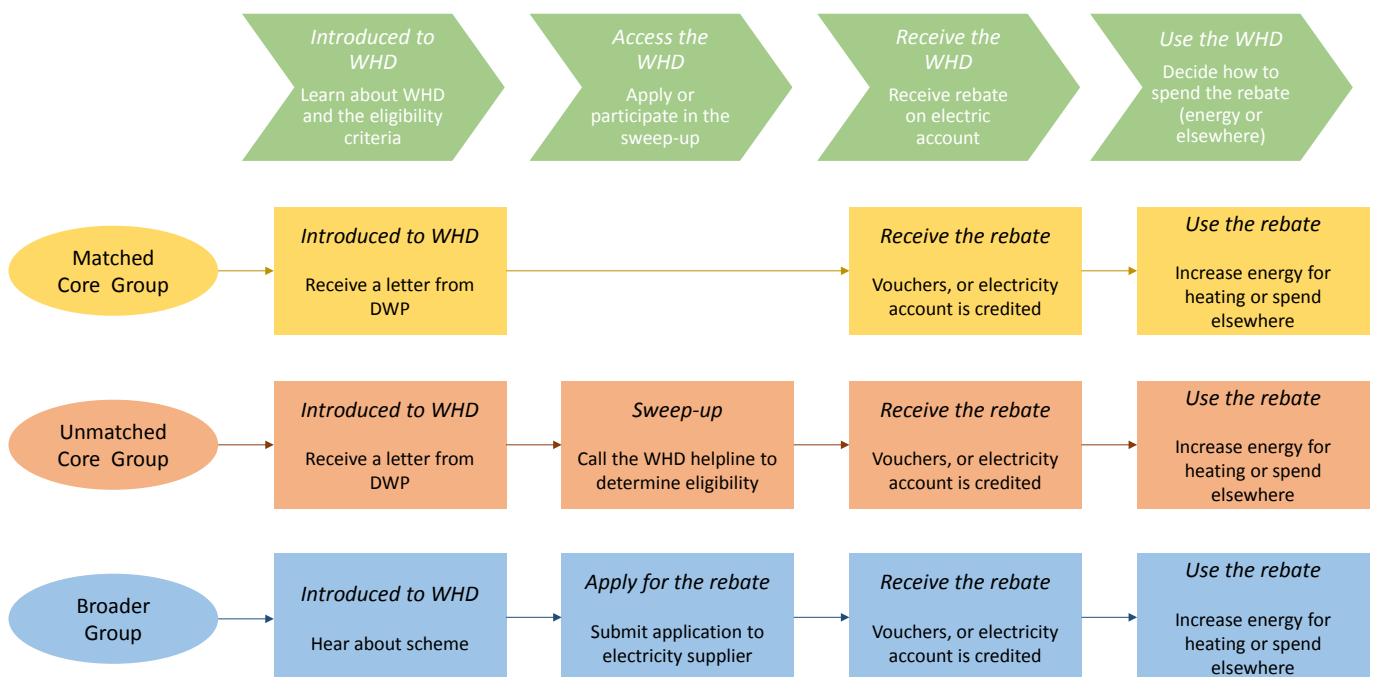
¹ These papers are titled 'Evaluation of the Warm Home Discount Scheme – Analytical Paper 2: Quantitative Research into the impact of the WHD on energy expenditure and the indoor environment' and 'Evaluation of the Warm Home Discount Scheme – Synthesis Evaluation Report' respectively. Both are available at: <https://www.gov.uk/government/publications/warm-home-discount-evaluation-2010-to-2015>

² The WHD scheme also involved 'industry initiatives' (which consisted of a range of measures implemented by energy suppliers to support customers in fuel poverty or at risk of fuel poverty), and 'legacy spend' (which consisted of a continuation of the discounted / social tariffs that suppliers had offered to certain customers as part of a voluntary agreement that preceded the WHD scheme. Neither the industry initiatives nor the legacy spend fell within the scope of this evaluation.

- Determine the effectiveness of the data matching process used to identify Core Group customers;
- Assess the operation customer journey, from customers' introduction to the WHD, through accessing the rebate, to receiving and using the rebate;
- Gather information on customer perceptions of the WHD scheme, with specific reference to their awareness of the scheme and interaction with suppliers;
- Gather evidence on the scheme's impacts on energy bills, household comfort and household behaviours; and
- Determine the perceptions of energy suppliers on the administrative requirements, customer identification and WHD delivery mechanisms.

Figure ES1 summarises the main stages in the WHD customer journey; the results presented below have been framed using this model.

Figure ES1: Schematic of the key stages in the Core and Broader Group customer journeys



Qualitative research methodology

The qualitative research activity covered by this report consisted of in-depth semi-structured interviews with representatives from the organisations responsible for the design and delivery of the WHD scheme, and with customers who received the rebate. Between April 2015 and September 2015, ICF interviewed:

- The four scheme administrators responsible for designing, overseeing and delivering the WHD scheme (DECC, DWP, Ofgem and Capita, the contact centre operator);

- Eight of the nine energy suppliers that delivered rebates to customers during year four of the WHD scheme;
- Seventeen Core Group customers who received the rebate in 2014, and three individuals who received a letter from DWP inviting them to participate in the sweep-up (but who were deemed ineligible for the rebate);
- Thirty-five Broader Group customers who received the rebate in 2014 (three who accessed the rebate having received assistance from a Children's Centre and 32 who accessed it via a single energy supplier's Broader Group scheme³).

Results of the qualitative research with the Core Group

The data match and customers' introduction to the WHD scheme

The Core Group data match process worked well and improved over the lifetime of the WHD scheme as issues were identified and resolved. Scheme administrators and energy suppliers saw the data match as a cost effective way to identify rebate recipients.

The letter that DWP sent out to the Core Group each year was an effective way of introducing the WHD scheme to customers. However, the wording of the DWP letter seems to have caused, or at least contributed to, a perception amongst many Core Group interviewees that the purpose of the WHD scheme was to help them meet the cost of their *electricity* bills (as opposed to *energy* bills more broadly, or to help them heat their home).

Accessing the rebate

The sweep-up process for unmatched customers worked well. The duration (September through to March in a typical scheme year) meant that the process was somewhat drawn out, and resulted in energy suppliers receiving numerous data files over a period of several months. Inasmuch as they could recall the details, Core Group interviewees were satisfied with their experience of the sweep-up.

Receiving the rebate

Core Group interviewees who paid by direct debit or on receipt of a bill were often not aware of whether or when they had received their rebate. Some individuals did not know whether they had received their rebate (when records indicated that they had). Other interviewees reported that they found out about the payment in March or April. Since this was after the main winter heating season, the impacts on their home heating behaviour are likely to be limited or delayed.

Customers with prepayment meters were more likely to be aware that they had received their WHD rebate than those using direct debit or paying on receipt of a bill. This probably reflects the way that the rebate was paid to prepayment meter customers: they were typically sent

³ Difficulties in assembling a sampling frame consisting of Broader Group customers meant that it was only possible to contact the customers of a single energy supplier

vouchers in the mail that they had to redeem. Energy suppliers noted that the voucher redemption rate in year four of the WHD scheme – Core and Broader Group combined – was 91%-99%, which meant that a small proportion of eligible customers failed to access the rebate.

Using the rebate

Amongst the Core Group, the most common use for the rebate was as credit for future electricity use. For dual fuel customers – who typically saw no distinction between their gas and electric accounts – the rebate was used to pay for future gas or electricity use. Some interviewees (but not those with dual fuel accounts) indicated that they would have preferred to be able to choose whether the rebate was paid to their gas account or their electricity account (or the ability to split it between the two). This was because their gas bill was typically larger than their electricity account, and – for some – because they wanted to use the rebate to increase their use of heating in a context where gas was their primary heating fuel.

Some Core Group interviewees reported that they increased their use of energy for heating after receiving their WHD rebate. This included customers who were able to spend the rebate directly on heating (dual fuel customers or individuals who used electric storage heaters), and customers who, whilst they spent the rebate on their electricity account, felt able to increase their gas use because they were not having to set aside money to pay for electricity use. Other uses of the rebate included: other bills; food and other household expenses; and one-off purchases such as furniture. In one case the money was invested.

The decision on whether or not to increase use of energy for heating after receiving the rebate was largely down to personal preference. It was influenced by factors that included: how warm the interviewees' home was; whether they were willing to use more energy for heating (some individuals preferred to 'make do'); and the timing of the rebate (whether they received payment during or after the main winter heating season). Two Core Group interviewees believed that, because the rebate had been paid onto their electricity account, the money could only be spent on electricity use.

Impacts of the rebate

Of the Core Group interviewees who had used more energy for heating after receiving the rebate, some reported that they were more comfortable in their homes. A few interviewees believed that a warmer home was important to the prevention of poor health, for instance because they suffered from respiratory problems such as asthma.

There was little evidence that the WHD scheme had influenced the decisions that Core Group customers made about switching energy suppliers⁴. Many Core Group interviewees had never switched suppliers and had no intention of doing so in the future, and so the WHD was not a factor for them. For Core Group customers who were 'switchers', the rebate was typically not as important a factor as price or customer service standards.

⁴ Since Core Group schemes are the same across all participating suppliers this would not be expected unless individuals were unaware that there was no difference, though expectations of WHD payment could potentially affect timing of switching decisions.

Results of the qualitative research with the Broader Group

Customers' introduction to the WHD scheme

Broader Group interviewees were typically introduced to the WHD scheme by friends or family, or via communication from their energy supplier. Most interviewees believed that the purpose of the WHD rebate was to provide support towards energy bills (as opposed to just electricity bills), and/or to contribute towards ensuring a warm home over winter. In this respect, Broader Group interviewees had a 'wider' perspective on WHD than Core Group interviewees (who tended to describe the scheme as help with electricity use, and rarely used terms such as 'warmer'). This may result from differences in the language used to describe the scheme to the two groups, since the DWP letter that was sent to the Core Group described WHD as providing assistance with electricity bills. These are qualitative findings based on small samples, and so results cannot be generalised.

Applying for the rebate

Broader Group interviewees found the rebate application process straightforward, though sampling challenges meant that almost all interviewees were customers of a single energy supplier. Interviewees were typically clear about the rebate eligibility criteria, though a few were unsure of exactly which benefits they received, and thus had made a 'best guess' as part of the application process.

Receiving the rebate

Broader Group interviewees were all aware that the WHD rebate had been paid to them. This could be a consequence of sample design, since interviewees had to indicate when they received their rebate when they opted in to this research. Interviewees with prepayment meters received their WHD rebate in the form of vouchers which they had to redeem. Energy suppliers noted that the voucher redemption rate in year four of the WHD scheme – Core and Broader Group combined – was 91%-99%, which meant that a small proportion of eligible customers failed to claim their rebate. Some direct debit or pay-on-bill customers only found out they had received their WHD rebate in March or April when they received a bill or statement. This was after the main winter heating season, which for some had affected how they chose to use the rebate (see below).

Using the rebate

The rebate was typically used by Broader Group interviewees to pay for future electricity use. For dual fuel customers – who typically saw no distinction between their gas and electric accounts – the rebate was used to pay for future gas or electricity use. Prepayment meter customers typically reported that the rebate had kept their electric meter topped up for between three and five months. Several prepayment meter customers indicated that they would have preferred to have used the rebate to top up their gas meter, since this was usually the larger of the two energy bills, and was typically the fuel used for heating.

Not having to set aside money to pay for future electricity use freed up cash for Broader Group customers to spend elsewhere. Most prepayment meter interviewees reported that this money had been used to top up their gas meter. Other uses of the cash freed up by the WHD rebate

included food and other types of day-to-day household expenditure, and special purchases, such as a contribution towards a holiday or Christmas presents.

Several Broader Group interviewees reported that they had used more energy for heating as a result of receiving the WHD rebate (e.g. by having the heating on for longer). Whether or not customers chose to use more energy for heating seems to have been largely based on personal preference, though the decision was influenced by factors including: how warm their home was; whether they had young children in the home; whether they had a disability or long-term illness that meant they were typically at home in the day; and the timing of the rebate (whether they received payment during or after the main winter heating season).

Impacts of the rebate

Some Broader Group interviewees who had increased their use of energy for heating noted that they (or family members) had experienced health benefits as a result of living a warmer home, for instance if they had respiratory conditions such as asthma. Broader Group interviewees also noted that receiving the rebate had a positive impact on their wellbeing, with some noting that it had provided 'peace of mind' in relation to the challenge of keeping up with bills and other household expenses.

There were mixed views amongst Broader Group interviewees about whether the WHD rebate would influence their decision-making as regards switching energy suppliers. For some interviewees the rebate was significant enough that they would only choose a supplier that offered the WHD, whilst for others it was one of a number of considerations (alongside price and quality of customer service).

Background and methodology

Introduction

In March 2015, ICF, in association with UCL Consultants (UCL), was commissioned by the Department of Energy and Climate Change (DECC) to undertake a combined process and impact evaluation of the Warm Home Discount (WHD) scheme. The aim of the evaluation was to determine the extent to which the WHD scheme was responsible for removing households from fuel poverty, to establish the impact on customers, and to review the process by which the scheme was delivered.

This report (*Analytical Paper 1*) presents the results of qualitative research into the WHD customer journey. It should be read in conjunction with two other reports that present the results of the evaluation:

- *Analytical Paper 2*: Presents the results of quantitative research into the labelling and health impacts of the WHD scheme; and
- *Evaluation Synthesis Report*: Draws together the results of the three analytical papers to provide answers to the overarching process and impact evaluation questions.

The Warm Home Discount scheme

The WHD was an energy supplier-funded scheme that operated in England, Wales and Scotland. It came into operation on 1 April 2011 and was originally envisaged to be a four year programme ending on 31 March 2015, but was extended through to 31 March 2016.

The WHD was developed at a time when energy bills were relatively high and were expected to increase still further, thus putting greater numbers of households into fuel poverty. The WHD scheme had two objectives⁵:

- "To remove a significant number of households from fuel poverty and improve the thermal comfort and health of assisted households by providing direct support with energy bills; and
- To help to mitigate the burden of rising energy prices on low-income households, who will be worse affected than higher income households".

The WHD scheme was thus expected to contribute towards the UK Government's target for reducing fuel poverty. It was intended to complement other Government initiatives, including the

⁵ DECC (2011) The Warm Home Discount Scheme: Final Stage Impact Assessment

Affordable Warmth target within the Energy Companies Obligation – ECO⁶ – and the Winter Fuel Payment and Cold Weather Payment. The WHD would directly mitigate the impacts of rising energy prices by providing a rebate on energy bills, whereas ECO would improve the thermal efficiency of homes, and the Winter Fuel Payment would improve general household income.

DECC identified five broad principles that guided the design of the WHD scheme⁷:

- "Delivers a fair and clear benefit for consumers: consumers should have certainty on the absolute level of support that they will receive, allowing them to plan and budget for their energy costs;
- Provides focused support for vulnerable households: support should be targeted at households vulnerable to fuel poverty;
- Delivers good value for money: support should be a cost-effective tool for tackling fuel poverty, without undue administrative costs;
- Is consistent with competitive energy markets: has a minimal impact on the incentives of consumers and suppliers to engage with the domestic energy market; and
- Ensures a smooth transition from the current arrangements⁸ for consumers and suppliers".

The WHD scheme provided a £120-£140 one-off annual rebate on the electricity bills⁹ of eligible individuals¹⁰. To be eligible for the rebate, individuals had to fall within one of two groups:

- A 'Core Group', consisting of low income pensioners. To be eligible for the rebate, pensioners had to be in receipt of the Guarantee Credit part of Pension Credit¹¹, and had

⁶ The Energy Companies Obligation, ECO, was launched in 2013 and replaced two previous schemes: the Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP)

⁷ DECC (2011) The Warm Home Discount Scheme: Final Stage Impact Assessment

⁸ The WHD scheme replaced a 'voluntary agreement' between the UK Government and the largest six energy suppliers to provide support with energy bills to vulnerable households. The voluntary agreement ran from 2008 to 2011, and largely consisted of social tariffs (extra low tariffs offered to certain types of consumer) and, from 2010, a rebate on electricity bills that was offered to certain pensioners (the latter in effect formed a pilot for what became the WHD scheme).

⁹ Gas accounts could not be used as the rebate delivery mechanism because a significant proportion of the UK population (7% of urban households and 34% of rural households in 2007) was off the gas grid. Source: DECC (2011) The Warm Home Discount Scheme: Final Stage Impact Assessment

¹⁰ The WHD scheme also involved 'industry initiatives' (which consisted of a range of measures implemented by energy suppliers to support customers in fuel poverty or at risk of fuel poverty), and 'legacy spend' (which funded a continuation / wind-down of the activities previously delivered via the voluntary agreement). Neither the industry initiatives nor the legacy spend fell within the scope of this evaluation.

¹¹ The eligibility criteria changed over the scheme years: in year one, the rebate was available for recipients of the Guarantee Credit only, and from year two onwards this was extended to individuals in receipt of both the Guarantee Credit and Savings Credit (who were aged 80+ in year two, 75+ in year three, and 65+ in years four and five)

to be named on an electricity account with one of the participating energy suppliers¹². The Core Group eligibility criteria were defined by the Government, and were the same across all energy suppliers.

- A 'Broader Group', consisting of other vulnerable or low income individuals. In years one to four of the WHD scheme, Broader Group eligibility criteria were defined by participating energy suppliers (subject to approval by Ofgem). In year five of the scheme, the Government introduced a set of mandatory criteria that suppliers had to include in their schemes, though they were still able to apply additional criteria (again, subject to approval by Ofgem). For the most part, the Broader Group eligibility criteria were based on receipt of means-tested benefits (Income Support, Employment and Support Allowance, Job Seekers Allowance, Universal Credit). Individuals also had to have an active electricity account with an energy supplier to be eligible for the rebate.

An innovative design feature of the WHD scheme was the use of a data matching process to identify those eligible to receive support through the Core Group. A different approach was used for the Broader Group. Recipients were identified as follows:

- *The Core Group*: each year, DWP data on recipients of the eligible components of the Pension Credit were 'matched' with energy suppliers' customer records to identify who should receive the WHD rebate. Each August, the matched records were sent to participating energy suppliers who then paid out rebates. The data match process was not able to identify all eligible individuals and so each year DWP sent a letter to all 'unmatched' individuals (recipients of eligible components of Pension Credit that were not located in energy company records) asking them to call a contact centre to determine whether or not they were eligible for the rebate. Energy suppliers were provided with files containing the identities of all unmatched Core Group individuals on a rolling basis through to the end of the scheme year (31 March), so that they could pay out the rebates.
- *The Broader Group*: each energy supplier was responsible for the design and delivery of its own annual Broader Group scheme. In practice, their approaches were similar. Each supplier had a 'window' during which the scheme were open to applications from the company's customers. The rebate was paid to successful applicants at some point before the end of the WHD scheme year (31 March). Each year suppliers were obliged to verify that a minimum of 5% of their applicants were indeed eligible for the rebate (e.g. by proving that they received an eligible benefit)¹³.

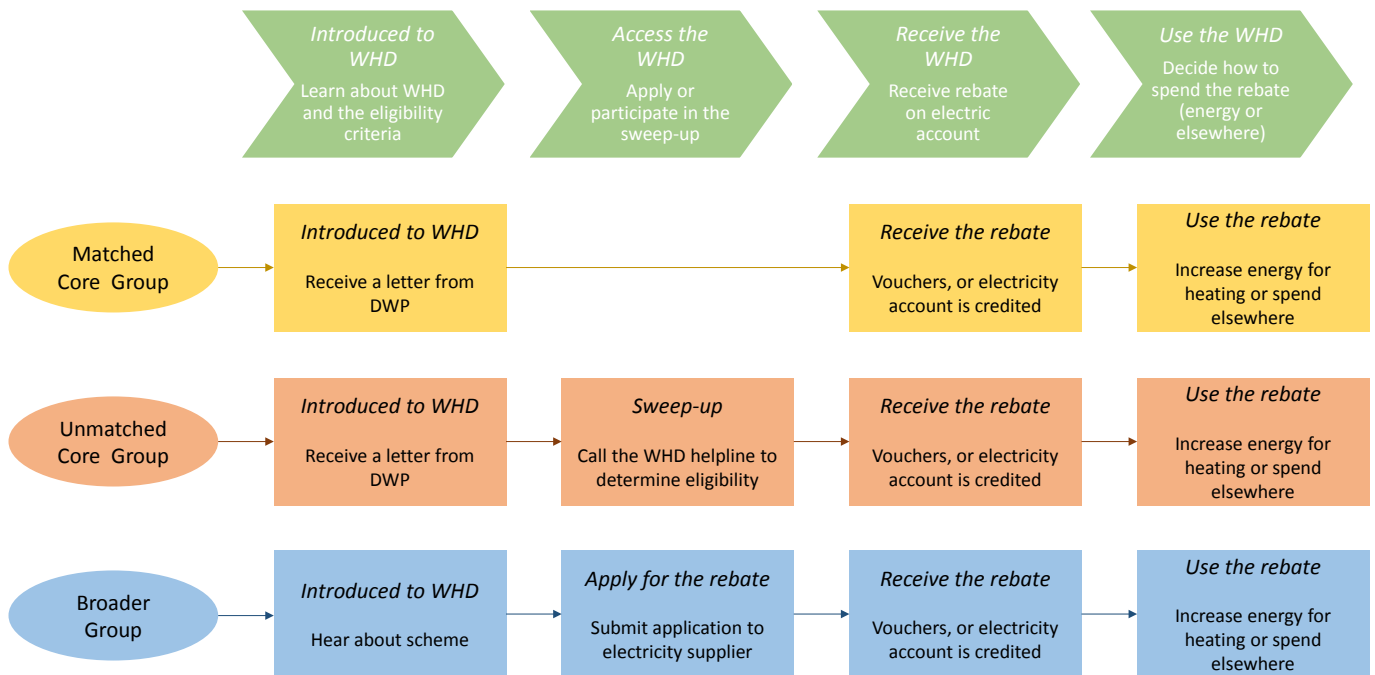
Figure 1 summarises the 'customer journey' for the WHD scheme. As this demonstrates, the early stages of customer journey for the matched Core Group customer journey was largely

¹² In years one and two of the WHD scheme this consisted of the 'big six' suppliers (British Gas, EDF Energy, E.ON, Npower, SSE and Scottish Power), but expanded to include First Utility and Utility Warehouse in year three, and Co-operative Energy in year four

¹³ Suppliers were free to verify as many applications as they wished, providing that at least 5% of applicants 'passed' the process. The selection of a sample of applications for verification had to be carried out at random

'automatic' from the perspective of rebate recipients, whereas the unmatched Core Group and Broader Group recipients had to be much more active. Beyond the introduction and access stages of the customer journey, however, the process was the same regardless of whether customers were within the Core or Broader Groups.

Figure 1: Overview of the WHD customer journey



Qualitative research objectives

The objectives of the qualitative research into the WHD customer journey were to:

- Determine the effectiveness of the data matching process used to identify Core Group customers;
- Assess the operation customer journey, from customers' introduction to the WHD, through accessing the rebate, to receiving and using the rebate;
- Gather information on customer perceptions of the WHD scheme, with specific reference to their awareness of the scheme and interaction with suppliers;
- Gather evidence on the scheme's impacts on energy bills, household comfort and household behaviours; and
- Determine the perceptions of energy suppliers on the administrative requirements, customer identification and WHD delivery mechanisms.

Qualitative research methodology

The qualitative research involved in-depth semi-structured interviews with representatives from the organisations responsible for the design and delivery of the WHD scheme, and with customers who received the rebate. Four 'categories' of interviewee were included in the fieldwork:

- *Scheme administrators*, the organisations that designed, oversaw and delivered the WHD scheme (see below);
- *Energy suppliers* that delivered rebates during year four of the WHD scheme (see below);
- *Core Group customers* who received the rebate in 2014 (a mix of matched and unmatched customers) and some individuals who received the DWP letter but who were deemed to be ineligible for the rebate;
- *Broader Group customers* who received the rebate in 2014.

The remainder of this sub-section provides a summary of the methodology for the qualitative research; a more detailed description of the approach is available in Annex 1.

Sample design and interviewee recruitment

Core and Broader Group samples

For both the Core and Broader Groups there was no central contact database for customers that had received the rebate, and so sampling frames had to be constructed by asking individuals to opt-in to the research, as follows:

- *Core Group*: prior to the commencement of the study, DECC used two channels of communication with the Core Group to invite individuals to participate (a December 2014 mailshot and, during January 2015, callers to the designated contact centre were asked if they wished to opt in). A total of 1,770 individuals opted-in via these two routes, of which 1,360 individuals provided a valid¹⁴ telephone number.
- *Broader Group*: two routes were used to access Broader Group customers; in both cases a £40 high street voucher was offered as an incentive to participate. DECC secured agreement from:
 - A Children's Centre that its staff would contact individuals that used the centre who had accessed the Broader Group rebate¹⁵. A total of seven individuals were recruited to the study via this route;
 - An energy supplier that it would circulate an email to its Broader Group customers. The email was sent to 3,500 individuals, of whom 426 opted-in to the research and provided a valid telephone number.

Leaving aside those sourced from the Children's Centre (all of whom were contacted), purposive sampling was used to select individuals with a range of background characteristics

¹⁴ Based on a simple count of the number of digits in the telephone number; note that when individuals were contacted, it transpired that there were further invalid telephone numbers

¹⁵ The Children's Centre provided information and advice to users of the facility in relation to energy use, including raising awareness and providing support to encourage individuals to apply to the WHD scheme

for both the Core and Broader Group samples. These characteristics were, where possible, selected to ensure coverage in terms of the factors that were thought might affect the customer journey and if and how individuals might use their WHD rebate¹⁶. Tables A2 and A4 in Annex 1 provide a summary of the sampling variables that were employed, and the interview quotas that were set to ensure sufficient coverage across these variables.

Recruitment to the Core Group sample took place in May 2015. Recruitment to the Broader Group sample commenced in August 2015 and ran through to September 2015 (the Children's Centre sourced contacts were recruited and interviewed in June 2015). Individuals in both samples were contacted by telephone up to three times, on different days and at varying times of the day (morning, lunchtime and early evening), before being labelled as non-respondents and replaced by a substitute. The process was repeated until target numbers of interviews were achieved. Tables A1 and A3 in Annex 1 summarise the results of the Core and Broader Group interviewee recruitment process¹⁷.

Scheme administrator and energy supplier samples

Contact details for the four scheme administrators¹⁸ and the nine energy suppliers that delivered under year four of the WHD scheme¹⁹ were provided to ICF by DECC. All were contacted by email and asked if they were willing to participate in the research; only one organisation (an energy supplier) declined to do so.

Fieldwork and data analysis

All interviews were carried out by a member of the ICF research team using semi-structured topic guides that were agreed in advance with DECC. Table 1 provides an overview of the interviews that were completed.

Table 1: Overview of completed qualitative interviews

| Interviewee category | Completed interviews (#) | Interview mode | Fieldwork period | Notes |
|-----------------------|--------------------------|----------------------------|------------------|--|
| Scheme administrators | 4 | Face-to-face and telephone | April 2015 | All scheme administrators were interviewed |

¹⁶ Within the Core Group sampling frame, little was known about the individuals who had opted-in, and so the sample was stratified on the basis of what information was available (the number of times customers had received a rebate, and their devolved administration of residence). For the Broader Group, when individuals opted-in they were asked to complete a short online form which provided data on a range of characteristics; the sample was then stratified using what were thought to be the most significant variables (method of bill payment; month that the rebate was received; and the number of times customers had received a rebate)

¹⁷ Recruitment was more challenging within the Core Group sample, where the 'response rate' was 11% (compared to 46% amongst the energy supplier Broader Group sample).

¹⁸ DECC, DWP, Ofgem and Capita (Capita was contracted to operate the call centre that supported the WHD).

¹⁹ British Gas, EDF Energy, E.ON, Npower, SSE; Scottish Power; First Utility; Utility Warehouse; and Co-operative Energy

| Interviewee category | Completed interviews (#) | Interview mode | Fieldwork period | Notes |
|-------------------------|--------------------------|---|--|---|
| Energy suppliers | 8 | Telephone; duration 35-71 minutes (mean 55 minutes) | July 2015 | One supplier involved with the WHD scheme declined to participate |
| Core Group customers | 20 | Telephone; duration 13-26 minutes (mean 16 minutes) | May 2015 | 10 matched, 7 unmatched (received rebate), 3 unmatched (did not receive the rebate) |
| Broader Group customers | 35 | Telephone; duration 12-33 minutes (mean 20 minutes) | June 2015 (Children's centre); August / September 2015 (energy supplier) | 3 from the Children's Centre sample and 32 from the energy supplier sample |

Table 2 provides a more detailed breakdown of the achieved samples of Core and Broader Group customers, showing the characteristics of the interviewees, such as demographics, house type and energy use profile. Key points of note are:

- Across the Core and Broader Group samples, gas central heating was the most common way that interviewees heated their homes. Several interviewees used electric storage heaters, which is noteworthy as the rebate was thus directly paid to the account (electric) that they use to heat their home;
- As a result of sample design, the Broader Group sample included individuals who had received the rebate before (September or earlier), during (October to January) or towards the end (February onwards) of the winter heating season. The Core Group sample was not purposively selected in this way, and interviews were only carried out with individuals who received their rebate during or towards the end of the winter heating season (some could not remember exactly when they received their rebate).
- Both the Core and Broader Group samples included a high proportion of social housing tenants;
- Interviewees' economic status (as recorded at the time of the interview) reflected the eligibility criteria of the schemes. The Core Group sample included a large number of retired individuals. The Broader Group sample was more mixed, but many people were not at work due to a disability and/or long-term illness. Annual household income amongst the Broader Group sample was almost always under £16,000.

Table 2: Detailed profile of the achieved samples of Core and Broader Group customers

| Category | Sub-categories | Completed interviews (#) | |
|----------|----------------|---------------------------|------------------------------|
| | | Core Group sample (of 20) | Broader Group sample (of 35) |

| Category | Sub-categories | Completed interviews (#) | |
|------------------------------------|-------------------------------------|---------------------------|------------------------------|
| | | Core Group sample (of 20) | Broader Group sample (of 35) |
| Method of paying electricity bill | Direct debit | 10 | 9 |
| | Pay-on-bill | 5 | 8 |
| | Prepayment meter | 5 | 18 |
| Method of heating home | Gas central heating | 14 | 33 |
| | Electric storage heater(s) | 5 | 2 |
| | Fuel oil | 1 | 0 |
| Type of energy account | Dual fuel | 9 | 11 |
| | Separate gas and electric | 5 | 21 |
| | Electric only | 6 | 3 |
| Month they received the WHD rebate | September or earlier | 0 | 9 |
| | October to January | 6 | 15 |
| | February or later | 7 | 11 |
| | Can't remember the month | 4 | 0 |
| | Ineligible for rebate | 3 | 0 |
| Tenure type | Owner occupier | 3 | 6 |
| | Private tenant | 6 | 2 |
| | Social tenant | 11 | 27 |
| Children aged <5 in the home? | Yes | n/a | 13 |
| | No | n/a | 22 |
| Economic status | Working; full-time student | 1 | 9 |
| | Unemployed | 1 | 2 |
| | Retired | 18 | 4 |
| | Long-term illness / disabled; carer | 0 | 12 |
| | Looking after home / family | 0 | 8 |
| Annual household income* | <£16,000 | n/a | 30 |
| | >=£16,000 | n/a | 1 |
| | Don't know | n/a | 4 |

Note: * Core Group interviewees were not asked their household income; all information was correct at the time of interview, not at the time of application to the WHD scheme

A framework approach was used to undertake thematic analysis of qualitative data. This consisted of between-case analysis (e.g. analysis of all interviewees' responses when asked about a specific topic, such as the health impacts of the rebate), and within-case analysis (e.g. a single individual's experience across the customer journey). The results of the within-case

analyses have been presented throughout the report as short case studies to illustrate the customer journey.

Limitations of the research

The ICF study team took every effort to ensure that the research methodology was as robust as was feasible. The principal residual limitations with the method relate to:

- *Challenges with sample design:* sampling frames for Core and Broader Group customers had to be developed by asking customers to opt in to the research, and for the Broader Group it was only possible to contact customers from a single energy supplier's scheme. Whilst this was a qualitative research exercise (and thus not expected to generate statistically representative results), access to a more diverse cross-section of the WHD customer base would have been preferable.
- *Recall problems amongst rebate recipients:* fieldwork with Core and Broader Group customers took place several months after they had engaged with the WHD and received their rebate. This meant that interviewees were often unable to recall the details of their customer journey experience, especially the initial stages (e.g. receipt of the DWP letter amongst the Core Group). This issue was exacerbated by the nature of the WHD customer base, which included many elderly individuals who had difficulty in remembering the specifics of their experience and decision-making process.

Report structure

The remainder of this report is presented in two parts:

- Chapter 2 presents the results of research into design and delivery of the Core Group customer journey (matched and unmatched customers), drawing on the interviews with scheme administrators, energy suppliers, and Core Group customers;
- Chapter 3 focusses on the Broader Group customer journey, drawing on the interviews carried out with scheme administrators, energy suppliers, and Broader Group customers.

The Core Group

This chapter presents the results of qualitative research on the Core Group customer journey. It reports the views of scheme administrators, energy suppliers and customers, and discusses the impacts of the rebate on recipients.

Key messages:

- The Core Group data match process worked well and improved over the lifetime of the WHD scheme as issues were identified and resolved.
- The letter that DWP sent out to the Core Group was an effective way of introducing the WHD to customers, though the wording seems to have caused, or at least contributed to, a perception amongst many interviewees that the WHD scheme was intended to help towards the cost of their electricity bills (as opposed to their overall energy expenditure, or to help them heat their home).
- The sweep-up process for unmatched customers worked well, though energy suppliers received a number of data files over a period of several months (with some files containing the details of only a few customers). Inasmuch as they could recall the details, Core Group interviewees were satisfied with their experience of the sweep-up.
- Interviewees who paid for their energy by direct debit or on receipt of a bill exhibited a low level of awareness of whether they had received their rebate. Many did not know that they had received it while others had found out in March / April, after the winter heating season.
- Interviewees with prepayment meters were all aware that they had received their WHD rebate. This probably reflected the way that the rebate was paid (normally as vouchers sent through the post). However, suppliers reported that the voucher redemption rate (Core and Broader Group combined) ranged from 91%-99% in year four of the WHD scheme, which meant that a small proportion of eligible customers failed to access the rebate.
- The rebate was most often used as credit for future electricity use, or for gas and electricity interchangeably if customers had dual fuel accounts. Some interviewees with standalone gas and electricity accounts indicated that they would have preferred to have had their rebate paid to their gas account, because it was typically the larger bill, and because gas was their primary heating fuel.
- Some interviewees reportedly increased their use of energy for heating after receiving the rebate, whether directly (dual fuel customers or those who used electric storage heaters), or indirectly (because they had more money in the pocket, which they could then spend on their gas account). Some customers used the rebate money to pay for other goods, services and investments.
- The decision on whether or not to increase use of energy for heating after receiving the rebate was largely down to personal preference. It was influenced by factors that included: how warm interviewees' home was; whether they were willing to use more energy for heating (some preferred to economise and 'make do' when it came to heating their home); and the timing of the rebate (whether they received payment during or after the main winter

heating season). Two interviewees thought the money could only be spent on electricity because the rebate had been paid into their electricity account.

- Some Core Group interviewees reported that they were more comfortable in their homes due to the higher temperatures. A few interviewees believed that a warmer home was important in preventing poor health, for instance because they had respiratory conditions such as asthma.
- There was little evidence that the WHD scheme had influenced the decisions that Core Group customers' made about switching energy suppliers. Many Core Group interviewees had never switched suppliers and had no intention of doing so. Even amongst Core Group customers who were 'switchers', the rebate was typically less important than price or customer service standards.

The Core Group eligibility criteria

Eligibility for a WHD rebate via the Core Group route was restricted to those who were both: i) recipients of particular categories of Pension Credit²⁰; and ii) named on an electricity account with an energy supplier that was participating in the WHD scheme.

Energy suppliers' views on the Core Group eligibility criteria

Energy suppliers noted that there was a strong rationale for targeting WHD support at pensioners. From a practical perspective, pensioners are a relatively 'stable' target group (i.e. individuals tend not to move in and out of eligibility). Suppliers noted that pensioners were less likely than other groups to come forward and request assistance if they were struggling to keep up with energy bills. An 'automatic' enrolment scheme such as WHD, therefore, was an effective way to overcome this barrier.

"Elderly customers are less likely to come forward and ask you for help or tell you that they're struggling. They're more likely to pay their bills and go without...they are the ones who are more likely to turn off [their heating] and go cold"

Energy supplier

Some energy suppliers questioned the fit of the Core Group to fuel poverty. It was noted that the Core Group eligibility criteria select low income pensioners rather than pensioners in fuel poverty, and that people living in well-insulated housing are less in need of support with fuel bills than other groups.

"The whole point of the Core [Group] is about elderly and low incomes. So elderly customers on low incomes, as opposed to fuel poor...It often also depends just what sort of home they live in. Because you can get some relatively low income elderly people living in new homes that are extremely energy efficient and therefore are

²⁰ The Core Group eligibility criteria changed over the scheme years: in year one, the rebate was available for recipients of the Guarantee Credit only, and from year two onwards this was extended to individuals in receipt of both the Guarantee Credit and Savings Credit (who were aged 80+ in year two, 75+ in year three, and 65+ in years four and five)

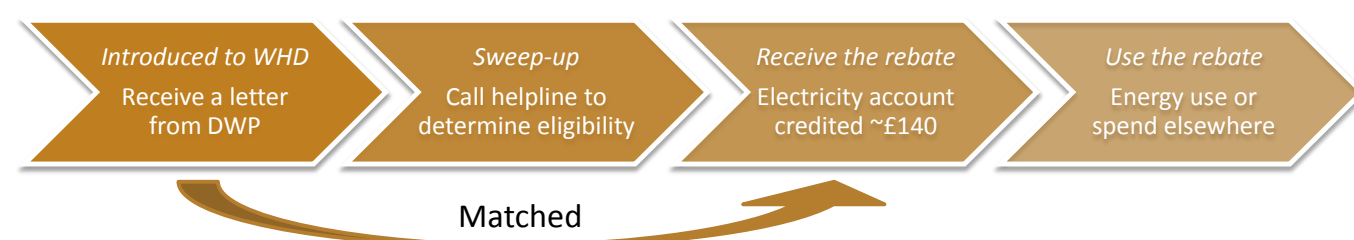
turning the heating down because it's so hot. Then you've got someone down the road who's losing heat out of their home left, right, and centre"

Energy supplier

The Core Group customer journey

Figure 2 presents a schematic of the key stages in the Core Group customer journey, including the sweep-up stage for unmatched individuals. This chapter analyses each of the stages within the customer journey, and then reviews customers' views on the impacts of receiving the rebate.

Figure 2: Overview of the Core Group customer journey



Customers' introduction to the WHD scheme



The DWP data match

Core Group eligibility was defined by receipt of elements of Pension Credit (see above). Data on beneficiaries are held by DWP. The Pensions Act 2008 allows for these data to be shared without the prior consent of recipients. This provision enabled the development of an approach whereby each year DWP analysed energy suppliers' customer records to identify who was eligible for support under the Core Group. Energy suppliers were then told who within their customer base had been 'matched', and should therefore be paid the rebate.

Scheme administrators' and energy suppliers' views on the data match process

Energy suppliers were satisfied with the data match process. It was seen to have worked well, and to have improved over time to the point where no major further adjustments were needed. There was a consensus amongst interviewees that the data match was a very efficient way in which to identify scheme beneficiaries, and that it minimised the work required by energy suppliers.

“The matching side of things is very good. It is a complicated process in terms of obtaining all of that information from our billing system, and then I’m sure it’s a complicated process on the DWP side of things but yeah, it works very well”

Energy supplier

Scheme administrators also thought the data match process had worked very well, and was an extremely cost effective way by which to identify WHD customers. It was noted that the ‘match rate’ (i.e. the proportion of individuals in receipt of the eligible components of Pension Credit who were matched with suppliers’ customer records) had increased steadily over the lifetime of the WHD scheme²¹. This trend was attributed by scheme administrators to improvements in the alignment between DWP data and energy suppliers’ customer databases.

Customers’ introduction to the WHD scheme: the DWP letter

Starting in September of each scheme year, those eligible for a rebate via the Core Group were sent a letter by DWP that introduced the WHD scheme and explained the next steps:

- For matched customers (i.e. where DWP had been able to match Pension Credit data with suppliers’ customer records), the DWP letter stated that customers did not have to do anything, and that the rebate would be applied automatically to their electricity account;
- For unmatched customers (i.e. those who received the relevant benefit, but had not been matched with suppliers’ customer records), the DWP letter invited the recipient to contact a helpline to ascertain whether they were eligible (i.e. the sweep-up – see below). The letter stated that if they were deemed to be eligible, the rebate would then automatically be applied to their electricity account.

Customers’ views on the DWP letter

Most interviewees could remember having received and read the DWP letter and all of these thought the letter was clear and straightforward to understand. One interviewee reported that, after receipt of the letter, she had contacted her electricity supplier because she was in the process of switching to a new supplier, and so had wanted clarification as to how the rebate would be paid (since she felt that this was not clear from the DWP letter). Her energy supplier was able to explain how the process worked.

Whilst most interviewees could remember receiving the DWP letter, few could recall specific features of the letter, and thus could not comment on how clear they found the various elements (e.g. the Q&A section). Fieldwork took place approximately 6-7 months after the letters were sent out, which will have affected interviewees’ recall.

²¹ From 67% in year one of the WHD scheme to 80% in year four (source: DECC)

Customers' perceptions of the purpose of the WHD scheme

Interviews with Core Group customers included discussion of what they thought the purpose of the WHD scheme was, and why they personally were eligible. This is an important issue in the sense that it concerns the presence – if any – of a 'labelling effect' associated with the WHD scheme; that is, whether the messaging of the DWP letter affects how the Core Group perceive the purpose of the rebate to be and understand how they might use it.

When asked about what they believed was the purpose of the WHD rebate, many Core Group interviewees indicated that they believed that it was to help to pay for their *electricity* usage, particularly over the winter. It is likely that the source of this understanding is a combination of the DWP letter – which describes the rebate as “help with the cost of your electricity bill” – plus the actual payment mechanism (i.e. on the electricity account). There was no notable difference in opinion as to the purpose of the WHD scheme between matched and unmatched Core Group customers. This suggests that contact with the telephone helpline did not have a significant bearing on perceptions of the purpose of the WHD rebate.

“I thought it was to help me with my electricity bill”

Unmatched Core Group customer, pay-on-bill, electric storage heaters [8]

Some interviewees, unprompted, reported that they believed that the WHD rebate was intended to help them with energy bills, and to enable them to use more energy for heating than they would otherwise have done. Interviewees also sometimes made a link between receipt of the rebate and having a low income.

“Well the intention of it is to help me pay my bills because I'm on a pension and I'm not very well off. And it allows me to keep warm, keep heaters on that I wouldn't normally”

Matched Core Group customer, direct debit, electric storage heaters [19]

The way(s) in which Core Group customers elected to use their rebate is discussed in detail later in this chapter. This includes consideration of the effects (if any) that their understanding of the purpose of the scheme had on their decision-making. The key conclusion is that the way in which customers were introduced to the WHD scheme appears to have led many of them to believe that it was intended to help with their electricity accounts, rather than with their energy consumption.

The sweep-up process for unmatched individuals



Individuals who were in receipt of the eligible component of Pension Credit but could not be matched to an energy supplier's customer database were included in the sweep-up exercise. DWP sent them a letter that explained the WHD scheme and invited them to call a telephone helpline to determine whether they were eligible for the rebate. Customers who called the helpline were asked to provide details (e.g. the MPAN number of their electricity account) that enabled the contact centre operator (Capita) to determine their eligibility (whether they were named on an active electricity account with a participating energy supplier). The details of those deemed eligible were then passed to their energy supplier (such files were typically sent to suppliers twice a week). If the information was correct, the rebate was then paid to customers. The sweep-up process started in September of each scheme year and typically continued to the end of March.

Scheme administrators' and energy suppliers' views on the sweep-up process

Energy suppliers were largely satisfied with the functioning of the sweep-up process, reporting that it had, for the most part, worked well over the lifetime of the WHD scheme. It was noted, however, that:

- The sweep-up data files typically contained more 'errors' than the matched data file (e.g. individuals who they could not identify within their customer database, even with an MPAN number) and these increased the amount of time needed to process the files.
- The sweep-up process typically ran from September to March, during which time they received large numbers of data files (which for smaller suppliers might only have contained a handful of customer records). Each file required time to process, and suppliers expressed a preference for the process to be managed with fewer files.

Scheme administrators also reported that the sweep-up process had largely worked well. It was noted that calls to the contact centre tended to 'spike' at the beginning and end of the sweep-up process (i.e. in September and in March) and that it might make sense to shorten the period of time over which the sweep-up took place. This would help to reduce the burden on suppliers since they would have to process fewer data files.

Customers' views on the sweep-up process

Several interviewees could not remember calling the telephone helpline, and so were unable to express an opinion on the process. Interviewees who could remember contacting the telephone helpline all reported that they were satisfied with the service that they received.

"It [the telephone helpline] was very good, no problems at all, very straightforward"

Unmatched Core Group customer, pay-on-bill, fuel oil [16]

Where it was determined that they were ineligible for the WHD, interviewees reported that they were given a clear explanation as to why this was the case. None of the ineligible customers recalled being told about any alternative types of energy support that might be available to them, or being referred to any other sources of information (e.g. the Energy Saving Advice Service – ESAS).

Case study: male, unmatched and ineligible for a rebate; private tenant living in a park home; has a dual fuel account and pays by direct debit [9]

Mr B received a letter from DWP informing him that he might be eligible to receive a WHD rebate. Mr B lives in a rented park home, and his landlord is named on the energy account (Mr B pays his landlord for his energy in addition to the rent). Mr B called the WHD helpline to establish whether he was eligible for the rebate, but was told that this was not the case as he was not named on the energy account. Whilst he was disappointed not to be eligible, Mr B was satisfied with the service he received from the helpline, and was clear about why he could not get a rebate.

Mr B reported that he does not find it easy to keep up with his energy bills, and when interviewed he said that payment of his latest electricity bill was overdue. He preferred to use electricity to heat his park home, and so tended to run up large bills, especially over the winter. When asked about the consequences of not receiving the rebate, Mr B indicated that *“we just have to be a bit frugal with other things”*. If he had received the rebate, it would have been spent paying off the overdue electricity bill, and he would not have increased his energy use.

Receiving the rebate



Figure 3 shows the payment periods for matched and unmatched Core Group customers for eight of the nine energy suppliers²² that delivered rebates in year four of the WHD scheme. As this shows, most suppliers carried out their matched Core Group payments between (late) August and October. Suppliers made most of their matched payments in September. Unmatched payments typically started in October, and carried on through till March (since suppliers received data files containing unmatched customer records right up until the end of the scheme year).

Most energy suppliers indicated that they preferred to start making their WHD payments to the Core Group as soon as possible after receiving data file(s) from DWP (matched) and Capita (unmatched). This was in part because any delay in payment led to increased numbers of enquiries from customers, and also because suppliers typically believed that the rebate was more useful to customers if it was paid prior to Christmas and the start of the main heating season.

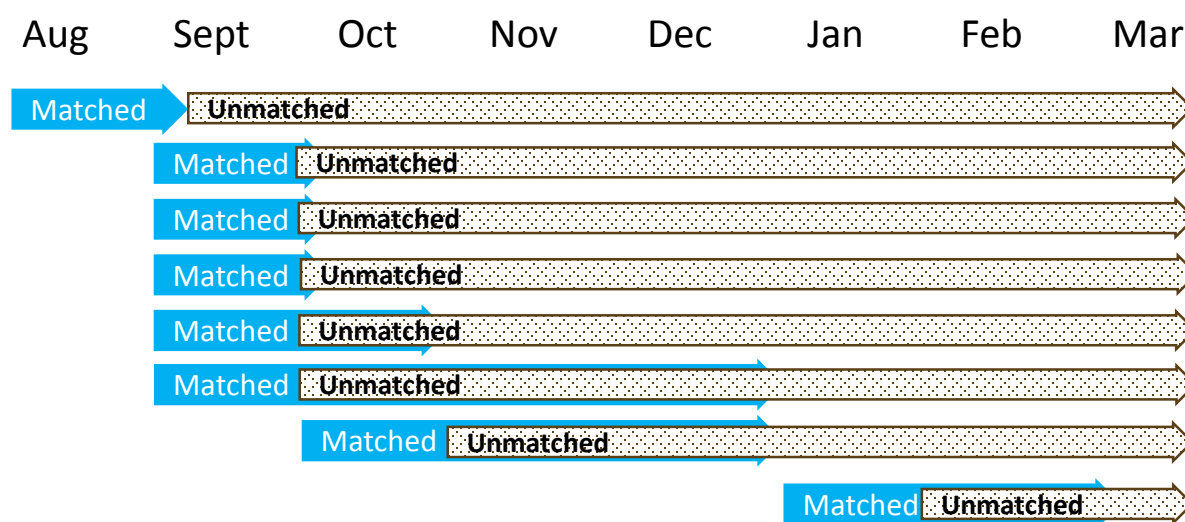
“I think the sooner somebody could get the rebate the better...from a customer perspective that would undoubtedly be preferred”

Energy supplier

²² One of the nine suppliers did not participate in the research

One energy supplier (a smaller supplier in terms of market share) did not start making Core Group payments until January / February. This was because it was simpler for it to bundle all rebates into a single payment run, which had to take place towards the end of the scheme year.

Figure 3: Payment periods for matched and unmatched Core Group customers, for eight energy suppliers



Source: ICF, based on energy supplier interviews

Delivery of the rebate to Core Group customers was the responsibility of the energy suppliers. The method depended on the nature of a customer's electricity account:

- *Customers who pay their bill by monthly direct debit, or pay on receipt of a bill:* the rebate was credited to a customer's electricity account. Energy suppliers noted that this would not automatically trigger an adjustment in the value of a customer's direct debit payments, though these might subsequently be changed following business-as-usual processes (customers could always contact their supplier to request that direct debit payments be changed). Similarly, whilst customers could contact their energy supplier to request that any credit on their electricity account be transferred to their bank account, this would not automatically happen as a result of receiving the WHD rebate.
- *Customers with prepayment meters:* energy suppliers deployed various methods to deliver the rebate to prepayment meter customers, including: sending vouchers by post, which customers had to exchange at a PayPoint facility or a Post Office; remotely crediting a customer's electricity meter; or payment by cheque (though this was largely in the early years of the WHD scheme). Some suppliers split the rebate into two or three vouchers of smaller denominations.

Scheme administrators and energy suppliers reported that, over the lifetime of the WHD scheme, it became apparent that the redemption rate for prepayment meter vouchers was not 100% (an outcome that had not been anticipated). When interviewed, some suppliers were not able to provide data on their voucher redemption rate (they were not obliged to collect these data, and indeed some suppliers did not distribute vouchers). Of those suppliers that did provide

data, voucher redemption rates for year four of the WHD scheme ranged from 91%-92% up to 99%²³. These data cover redemption of both Core and Broader Group vouchers as suppliers did not provide disaggregated data. Suppliers noted that vouchers were typically valid for up to six months, and that some customers would only have received vouchers in March 2015. Fieldwork with energy suppliers took place in July 2015, and so it is possible that the redemption rate would subsequently have increased.

Suppliers provided a number of possible explanations for why customers might not redeem their vouchers. These included: vouchers being lost or forgotten about; and meters being at their credit limit (typically £250), such that customers could not redeem their WHD voucher(s). Some suppliers reported that they sent reminders to customers to encourage them to use unredeemed WHD vouchers.

Customers' views on receiving the rebate

Customers who paid their energy bills by direct debit or on receipt of a bill might not have realised that they had received their WHD rebate until sometime after the payment had been made. The DWP letter notifying matched Core Group customers that they would receive a rebate arrived in September but, as shown in Figure 3, some suppliers did not actually pay the rebate until several months later. The same is true of unmatched Core Group customers, who could receive payment at any time up until March in a scheme year. Energy suppliers were not obliged to notify Core Group customers that their rebate had been paid, and for direct debit and pay-on-bill customers, the WHD rebate would only have shown up as a line item on their bill or statement.

Interactions with Core Group customers suggest that awareness of receipt of the rebate was an issue. Significant numbers of Core Group customers, when contacted to request an interview, could not recall having received a rebate. Even amongst those who could remember receiving the rebate, there was often confusion about exactly when they first became aware that it had been paid.

Most direct debit and pay-on-bill interviewees reported that they learned that they had received their rebate when they received a bill (typically quarterly) or an account statement (which could be annual). The March / April bill was the most common point at which they realised they had been paid a rebate. Some interviewees were 'proactive' and regularly checked the balance in their electricity account, meaning that they had noticed payment of the rebate sooner than those who waited until they received a bill.

Case study: female, unmatched Core Group customer; private tenant living in a house; dual fuel account and gas central heating [12]

Ms H received a letter from DWP informing her that she might be eligible for the WHD rebate. She called the telephone helpline in January and was told she was eligible, and that she would be paid automatically. "*Around March time*" she received her energy account statement, though only realised the rebate had been paid when she checked her bank account balance,

²³ Specifically: i) 91-92%, ii) 92%; iii) 97%; iv) 99%

“...because I was in credit [on the energy account] they put it [the value of the credit] into my bank account, which obviously I look at every week, so there it was”.

Since the value of the rebate was moved into her bank account from her energy account, Ms H was able to spend the money as she wished. She did not want to use more energy for heating because *“by the time I saw the money was in my bank account [March] it was quite warm”*. Instead, the rebate was spent on *“...food, things that I need...and I did maybe buy more food. I maybe thought ‘oh well, I quite fancy this, and you can afford it’. It just mingles in with a lot of things”*.

For customers with prepayment meters, payment of the rebate was more obvious (though as noted above, the redemption rate for WHD vouchers was not 100%). Customers typically received vouchers in the post. They had to take the vouchers to a PayPoint or similar facility to redeem them. Most prepayment meter interviewees reported that the vouchers were accompanied by a letter which made it clear that this was a WHD payment and which provided instructions as to how they should redeem the vouchers. None of the interviewees had experienced any difficulties redeeming the vouchers.

“A voucher came in the post...which I had to take to the post office with my key...it was all very easy”

Matched Core Group customer, prepayment meter, gas central heating [18]

Some interviewees reported that they would have preferred to have received their WHD rebate on their gas, rather than electricity, account. The ways in which the rebate was used are discussed in the next section, but the primary reason for a preference of gas over electricity was that gas was typically the larger expense, since it was often used for heating.

“I’d have preferred [to have received the rebate for] the gas...because, the electricity it’s not heating your house, in my case it’s the gas that’s heats my house”

Matched Core Group customer, prepayment meter, gas central heating [14]

Using the rebate



Core Group customers were asked how they had used the rebate. Responses varied according to the type of energy account that individuals held, and also the method by which they heated their homes:

- Customers with *dual fuel energy accounts* (i.e. gas and electricity), who paid by direct debit or on receipt of a bill, were typically aware that the rebate had been paid to their electricity account, but tended to see their gas and electricity accounts as a single entity.

Most of these individuals reported that they had used the rebate to pay for future energy use, or in some cases to pay an outstanding energy bill.

“How it worked was that it [was] just credited against my power bill, for the quarter, because they do a summary every three months or six months or something...it’s been absorbed into...my power account”

Matched Core Group customer, direct debit, gas central heating [2]

- Customers with *standalone gas and electricity accounts* typically reported that they had used the rebate to pay for future electricity use. Many of these individuals had prepayment meters, and the rebate had kept their electric meter topped up for several months.
- Customers with an *electricity account only* had to use the rebate to pay for future electricity use. Most of these individuals heated their home using electric storage heaters, and so tended to have very large electricity bills, especially over winter.

Many Core Group interviewees with prepayment meters reported that the money that they had saved as a result of receiving the WHD rebate had been used to top up their gas meter. Some had increased their use of energy for heating as a result (see below).

“I thought...‘say I was putting five or seven pounds a week in my electricity, I can now put that into my gas’, you know? So my gas is in credit now a lot more than it would’ve been”

Unmatched Core Group customer, prepayment meter, gas central heating [4]

Other interviewees had spent the money that they had saved on non-energy expenditure (or had asked their energy supplier to transfer credit to their bank account, thus enabling them to spend the rebate however they wished). Applications of the rebate funds included: food and other bills; investments (one interviewee had invested the money in an Individual Savings Account – ISA), and other household items (one interviewee had spent some of the rebate on new furniture).

“[The WHD] means I’ve got a little bit more money in my purse that I would otherwise have been spending on electricity [which is] just spread out amongst other bills, like gas and anything else. I am classed as disabled, I don’t get about very easily, so I have to spend more money on taxis and I have to order groceries to be delivered which costs again, and stuff like that. So there’s always something grabbing at my money all the time”

Matched Core Group customer, direct debit, gas central heating [20]

Effects of the rebate on energy consumption

One of the goals of the WHD scheme was to “*improve the thermal comfort of assisted households*”²⁴, by enabling households to increase their expenditure on energy for heating. To ascertain whether this goal had been achieved, Core Group customers were asked whether they had changed their energy use behaviour as a result of receiving their WHD rebate.

Effects of the rebate on electricity usage

Leaving aside electricity use for heating (see below), none of the Core Group interviewees reported that they had increased their electricity use as a result of receiving the rebate. Most interviewees noted that they did not need to use more electricity, and would not have made greater use of electricity-powered appliances just because they received a rebate.

“I wouldn’t think oh, my power bill’s gone down, so I’ll use more electricity, that’s not how I think, it would be, oh that’s nice I’m saving a bit of money, I’ll keep on doing what I was doing before”

Matched Core Group customer, direct debit, gas central heating [2]

Some interviewees reported that the rebate had enabled them to use electricity-intensive appliances (such as tumble dryers) without worrying about the financial consequences, but they had not consciously increased their level of electricity usage.

Effects of the rebate on the use of energy for heating

Some Core Group interviewees had increased their use of energy for heating as a result of receiving the WHD rebate. Insofar as interviewees could recall the details, this involved having the heating on for longer (around one to two extra hours a day was a typical estimate) than would otherwise have been the case, or in some cases turning the heating on in a room that would not otherwise have been heated. None of the interviewees reported that they had increased the temperature that their thermostat was set to as a result of receiving the rebate (if indeed they had a thermostat).

“I heated it a bit more than I would have done without the rebate, yeah, through the winter...I kept it on a bit longer...quite often I’d have it on, like, all day. In the morning until early evenings”

Matched Core Group customer [16]

When asked why they had elected to increase their expenditure on energy for heating, many interviewees said that they were able to because they felt better off as a result of receiving the rebate. For example, many prepayment meter customers noted that they tended to set aside a certain amount of money each week for their electric meter. Since their electric meter was in credit as a result of receiving the rebate, this ‘freed up’ money that could be spent on their gas meter (for heating) instead.

²⁴ DECC (2011) The Warm Home Discount Scheme: Final Stage Impact Assessment

"The same amount of money I put by every week or every fortnight for my gas and electric, so that all went to the gas then, so I was able to have the gas on a lot more than I normally would"

Unmatched Core Group customer, prepayment meter, gas central heating [4]

Case study: female, unmatched Core Group customer; owner occupier living in a park home; electricity account only as she heats her home using fuel oil [12]

Ms G received a letter from DWP introducing her to the WHD scheme, which she understood as a scheme to help her with her *"heating bill"*. She called the WHD helpline and was told she was eligible for the rebate. Ms G learned she had received the rebate when she received her January electricity bill, and used the rebate to pay off an outstanding bill, and to contribute towards her next bill: *"it appeared on my last electric bill, for the winter quarter, because in actual fact it left me in credit, and the rest of it is coming off this bill that I've just received"*.

Ms G did not use more electricity than she would otherwise have done as a result of receiving the rebate, because *"I'm always very careful anyway, I say, with being on a limited income"*. Instead, the money she saved in not having to pay her electricity bills was spent buying more fuel oil, which was used to heat the home more than she would otherwise have done: *"it took money off my electric bill, therefore I could afford to spend that bit more on getting the oil in...I heated it [the home] a bit more than I would have done without the rebate, yeah, through the winter"*.

Whether or not the rebate funds were allocated to heating seems to be largely down to personal preference. There were no clear patterns in terms of interviewees' backgrounds, housing type, bill payment method, heating method, or indeed whether they were usually at home during the day (and thus might need to use more heating). Factors that appear to have influenced interviewees' decision-making as regards the use of energy for heating include the following:

- *The temperature of the home*: some interviewees who chose to use the rebate to increase their heating use reported that they were not usually able to heat their home to the level that they wished (due to the cost of doing so). Conversely, some individuals who chose not to increase their use of energy for heating after receiving the WHD rebate reported that this was because their home was already heated to the desired level.

"Because I don't need it [the home] any hotter. It's fine for me"

Matched Core Group customer, direct debit, gas central heating [13]

- *Attitudes to home heating*: some of those who reported that their home was colder than they would have liked said that they did not want to increase their energy use even after receiving a rebate, but instead preferred to 'make do' by wearing additional clothing in cold weather.

"When you're a pensioner you just use electricity fairly meanly, I don't use my storage heaters, I've got a couple of little halogen heaters, they were very cheap to run and I use those...I'm not going to start using more electricity [for heating] just because I got 140 quid"

Unmatched Core Group customer, pay-on-bill, electric storage heaters [8]

- *The timing of rebate payment:* as noted above, energy suppliers paid rebates to Core Group customers from September through to March, meaning that some people received their rebate (or noticed that they had received it) after the main winter heating season. Some of the interviewees who chose not to increase their use of energy for heating reported that this was due to the timing of their rebate payment.

“Well by the time [March] I saw the money was in my bank account [sic] it was quite warm”

Unmatched Core Group customer, direct debit, gas central heating [12]

Two Core Group interviewees believed that, because the rebate had been paid onto their electricity account, the money could only be spent on electricity use. Even though they were saving money by not having to set aside money to pay for electricity use, they had not made a connection between this saving and their ability to increase their gas use for heating. Their understanding of the purpose of the WHD scheme (driven largely by the DWP letter), plus the mechanism by which the rebate was paid (on their electric account – neither had a dual fuel account), seems to have been the reason for their confusion as to what they were allowed to do with the rebate money. However, as discussed earlier, many Core Group interviewees believed that the purpose of the WHD rebate was to provide help with the electricity bill, but still realised that it did not exclusively have to be used to pay for electricity use.

“I was told I could only use it for electricity...down by the shop [where they redeemed their voucher] and in the letter. Otherwise I would have split it between gas and electric”

Matched Core Group customer, prepayment meter, gas central heating [1]

Impacts of the rebate

Impacts on customers' health and wellbeing

The WHD scheme was intended to have a positive impact on recipients' health (by enabling them to live in a warmer home) and wellbeing (by reducing the stress associated with keeping up with energy bills). To test these impacts, Core Group interviewees were asked whether receiving the rebate had any impact(s) on their health and general wellbeing. It should be noted that these results are self-reported and subjective; whilst interviewees' answers were probed, it was not possible to verify the accuracy of responses.

Core Group customers' views on health impacts of the rebate

Amongst interviewees who had used more energy for heating as a result of receiving the rebate, opinions were mixed as to whether this had led to an improvement to their health. Some had not noticed any positive health impacts from having a warmer home, and instead saw the effect mainly in terms of greater comfort.

"No I don't think it's improved my health, but it's like if I go out in the evenings I can now put the heating on before I go out so when I come back in it's not that cold house to come back to"

Unmatched Core Group customer, pay-on-bill, fuel oil [16]

Some interviewees made a link between greater comfort and a probable positive effect on their health, in particular the prevention of serious poor health. The sample included people with chronic health conditions, including some with respiratory problems (e.g. asthma) that they felt were exacerbated by being in a cold home. For these interviewees, the ability to spend more money on heating – and not to worry about the impacts on their household budget – was important.

"Well as far as my health goes, it must reflect if I can keep warm I'm going to be healthier aren't I? I do have a chronic lung condition which if I was to get severely cold, I would be in a lot of trouble. So that sort of heat helps."

Matched Core Group customer, direct debit, electric storage heaters [19]

Core Group customers' views on wellbeing impacts of the rebate

Interviewees noted that receiving the rebate had meant that they had not had to set aside money to pay for future electricity use, which for some had eased the pressure on the household budget at a time (winter) when bills were typically at their highest. This had resulted in greater 'peace of mind' in relation to their ability to keep up with household expenses and avoid falling behind with bills.

"It [WHD] definitely was a very good help, because with the winter quarter bill being so heavy anyway. It was very, very good, came in very, very handy. Well there's

always a bill there somewhere that pops up that you have to pay. So it did help, yes it did help with the household expenses"

Unmatched Core Group customer, pay-on-bill, fuel oil [16]

Impacts on switching behaviour

The likelihood that the WHD scheme would impact upon consumers' energy switching behaviour was arguably greater amongst Broader Group customers than it was amongst Core Group customers (as the next chapter discusses). The Core Group element of the WHD scheme was the same, regardless of the supplier (though suppliers with a customer base below the threshold – 250,000 electricity customers – were not obliged to participate in the WHD scheme). Nevertheless, there might be an impact on switching behaviour amongst the Core Group of individuals were unaware that all suppliers offered the same rebate. The rebate might also affect the timing of switching, since customers might delay their switch until after the rebate was received, to avoid the risk that they would lose out. One of the principles of the WHD scheme was that it should have minimal impact on functioning of a competitive energy market, and so any evidence of a significant effect on the switching behaviour of the Core Group would suggest that this design principle had not been met.

Core Group customers' views on switching impacts

Half of the Core Group customers had switched energy supplier in the past, and half had not. Switching was less common than among the Broader Group customers consulted (this finding cannot be generalised to all WHD customers). Amongst the 'non-switchers' in the Core Group sample, the 'hassle' associated with switching was a key barrier, whilst others were satisfied with the service that they received from their current energy supplier. The 'switchers' in the sample reported that they had switched suppliers because they wanted lower energy prices, or because they were dissatisfied with the customer service that they had received.

Most Core Group interviewees (regardless of whether or not they had ever switched suppliers) did not make a link between receipt of the WHD rebate and the decision on whether or not to switch energy suppliers. Several had never switched suppliers and had no intention of doing so in the future, and thus the availability of WHD was not an issue for them. In other cases, interviewees believed that all suppliers offered the WHD rebate, and thus there was no reason to consider its availability when looking at switching. Some individuals noted that other factors – price, customer service – were more important considerations than the availability (or not) of the WHD rebate.

"You switch companies if you're going to get a better price, don't you? You're not going to switch companies for the sake of having the Warm Home discount, you'd have to be going to a company with a better price wouldn't you?"

Matched Core Group customer, direct debit, electric storage heaters [7]

Some interviewees, however, reported that they would take into account the WHD rebate if they were ever to switch energy suppliers, since the value of the rebate was sufficient to ensure that it was a consideration.

“Yeah, so I would definitely look, if I was thinking of switching then I would definitely look to see if they offer it [the WHD]”

Unmatched Core Group customer, pay-on-bill, fuel oil [16]

Customers’ and suppliers’ conclusions on the Core Group

Core Group customers and energy suppliers were asked how the WHD customer journey could be improved. Interviewees identified the following areas where changes could be made:

- *The timing of rebate payment:* some Core Group customers and energy suppliers noted that the timing of rebate payment was not always optimal, with some people receiving their WHD rebate after the main winter heating season at a time when energy use – and the need for support – was decreasing. Several customers and energy suppliers suggested that it would be better to pay rebates before Christmas. Energy suppliers suggested that changing the start and end dates of WHD scheme years would be the simplest way in which to ensure that the rebate was better aligned with the heating season.
- *The rebate payment mechanism:* some Core Group interviewees with prepayment meters suggested that the rebate would be more useful if it was paid directly to the gas meter, since this was ultimately where they ended up spending the money that they had saved in not having to top up their electric meter.

The Broader Group

This chapter presents the results of qualitative research into the Broader Group customer journey. It reports the views of scheme administrators, energy suppliers and customers, and discusses the impacts of the rebate on recipients.

Key messages:

- Broader Group interviewees were typically introduced to the WHD scheme by friends or family, or via communication from their energy supplier. Most interviewees believed that the purpose of the WHD was to provide support towards energy bills (as opposed to just electricity bills), and/or to contribute towards ensuring a warm home over winter.
- Broader Group interviewees found the WHD application process straightforward. They were typically clear about the rebate eligibility criteria, though some were unsure of exactly which benefits they received and made a 'best guess' during application.
- Some direct debit and pay-on-bill interviewees only found out they had received the rebate when they received a bill / statement in March or April, after the main winter heating season.
- Interviewees with prepayment meters were all aware that they had received their WHD rebate, which probably reflected the way that the rebate was paid (typically it arrived in the post in the form of vouchers). However, suppliers reported that the voucher redemption rate (Core and Broader Group combined) ranged from 91%-99% in year four, which meant that a small proportion of eligible customers failed to access the rebate.
- Broader Group interviewees used the rebate to pay for future electricity use, or for gas and electricity if they were dual fuel customers. Prepayment meter customers reported that the rebate had typically kept their electric meter topped up for between three and five months. Several prepayment meter customers indicated that they would have preferred to be able to top up their gas meter, since this was usually the larger of the two energy bills, and gas was typically the fuel used for heating.
- Not having to set aside money to pay for future electricity use freed up cash for Broader Group customers to spend elsewhere. Most prepayment meter interviewees reported that the money had been used to top up their gas meter. Other uses of the cash freed up by the WHD rebate included food and other types of day-to-day household expenditure, and special purchases, such as a contribution towards a holiday or Christmas presents.
- Several Broader Group interviewees reported that they had increased their use of energy for heating as a result of receiving the WHD rebate, by having the heating on for longer. The choice was largely based on personal preference, though the decision was influenced by factors including: how warm their house was; whether they had young children in the home; whether they had a disability or long-term illness that

meant they were typically at home in the day; and the timing of the rebate (whether they received payment during or after the main winter heating season).

- Some Broader Group interviewees who had increased their use of energy for heating noted that they (or family members) had experienced health benefits as a result of living a warmer home, for instance because they had respiratory conditions such as asthma.
- There were mixed views amongst Broader Group interviewees about whether the WHD rebate would influence their decision-making as regards switching energy suppliers. For some the rebate was significant enough that they would only choose a supplier that offered the WHD, whilst for others it was one of a number of considerations (alongside price and quality of customer service).

Broader Group eligibility criteria

Broader Group eligibility criteria were defined by participating energy suppliers (subject to approval by Ofgem). For the most part, the eligibility criteria were based on receipt of means-tested benefits (Income Support, Employment and Support Allowance, Job Seekers Allowance, Universal Credit). Individuals also had to have an active electricity account with a participating energy supplier to be eligible for the rebate.

Energy suppliers' views on their Broader Group eligibility criteria

Energy suppliers indicated that they designed their Broader Group eligibility criteria with a number of considerations in mind. These included:

- *The WHD Regulations²⁵ and Ofgem guidance²⁶*, which were the 'starting point' for energy suppliers and typically the main consideration since they reflected Government policy on who the WHD scheme was supposed to help.
- *The ease with which customers would be able to submit proof of eligibility*, if they were asked to as part of the verification process (see below). This consideration had typically led energy suppliers to restrict eligibility criteria to the receipt of certain benefits, since customers could then submit photocopied proof (or DWP could be tasked with checking customers' benefits records).
- For some energy suppliers, *a need for the criteria to be as 'broad' (inclusive) as possible* in order to encourage applications and thus maximise their chances of achieving their annual Broader Group rebate targets. This was reported to be a particular concern during the early stages of the WHD scheme, before suppliers had

²⁵ The Warm Home Discount Regulations 2011, Chapter 2, available at www.legislation.gov.uk/ukxi/2011/1033/pdfs/ukxi_20111033_en.pdf

²⁶ Ofgem (various versions) Warm Home Discount: Guidance for Licensed Electricity Suppliers and Licensed Gas Suppliers, available at www.ofgem.gov.uk/environmental-programmes/social-programmes/warm-home-discount

built up a large 'base' of Broader Group customers that they could contact. Smaller energy suppliers (as measured by the size of their Broader Group targets) also reported that they had used a wide set of Broader Group eligibility criteria, since their customer base tended to include relatively fewer people in receipt of means-tested benefits.

Energy suppliers reported that their Broader Group eligibility criteria had changed little over the lifetime of the WHD scheme. There was some widening in the criteria in the early years of the WHD scheme as suppliers became more familiar with the benefits system and as they learned how this system mapped onto their customer base. However, since then, eligibility criteria were reported to have converged to the extent that, by year four of the WHD scheme (just prior to the introduction of mandatory criteria – see below), there were few differences between the Broader Group schemes operated by the different suppliers.

Energy suppliers reported that their eligibility criteria directed WHD rebates towards individuals who might struggle to pay their energy bills. Low incomes and other vulnerabilities (such as a long-term illness and/or disability) were, it was reported, associated with an increased likelihood that customers would struggle to keep up with their energy bills. Receipt of means-tested benefits was seen by suppliers as a practical 'proxy' for identifying such customers.

However, as with the Core Group, some energy suppliers questioned whether the Broader Group was sufficiently targeted at those in fuel poverty, as opposed to people on low incomes or with other vulnerabilities. Again, it was noted that the WHD scheme takes no account of fuel use or need (i.e. whether or not rebate recipients actually live in cold homes), though it was recognised that there are practical reasons for this given the absence of data that would enable the cost-effective identification of such individuals.

"You could argue now that it's [WHD] not actually targeting those in fuel poverty...we don't link it back to energy consumption, and if you were to do that you would make the administration of the obligation very expensive, which would undermine the effectiveness of it"

Energy supplier

Energy suppliers' views on the mandatory Broader Group eligibility criteria

In year five of the WHD scheme, the Government introduced a set of mandatory eligibility criteria that suppliers had to include in their Broader Group schemes (though they could add additional criteria). The rationale for this change was to minimise inconsistencies among suppliers' Broader Group schemes that might cause distortions in the operation of the energy market, and affect customers' switching behaviour²⁷.

²⁷ DECC (2015) The Warm Home Discount Scheme (Extension): Final Stage Impact Assessment

Energy suppliers were supportive of the introduction of mandatory criteria. ‘Harmonisation’ of schemes removed differences between suppliers that could have led to customers who switched suppliers finding that they had lost out on the rebate. However, suppliers noted that, by the time that the mandatory criteria were introduced, suppliers’ eligibility criteria had largely converged anyway, and so the impact had been minimal.

The Broader Group customer journey

Figure 4 presents a schematic of the key stages in the Broader Group customer journey. This chapter analyses each of the stages within the customer journey, and then reviews customers’ views on the impacts of receiving the rebate.

Figure 4: Overview of the stages in the Broader Group customer journey



Customers’ introduction to the WHD scheme



Energy suppliers reported using various approaches to alert people to their WHD Broader Group schemes. Methods included: communicating with customers via email or postal mail-outs; briefing their contact centre staff to raise the WHD scheme with customers; and notifying third parties (such as Citizens Advice Bureaus and fuel poverty charities) that their WHD schemes had opened.

All suppliers noted that their promotional activity was targeted and, to some extent, low-key. For example, suppliers reported that they would focus on previous WHD customers in their mail-out activities, or would target individuals who, based on their profile²⁸, might prove to be eligible for a WHD rebate. This targeted / low-key approach became more common towards the end of the WHD scheme, when suppliers were more confident that they could achieve their Broader Group targets. Suppliers reported that they did not want to generate demand that they could not meet, either because their schemes would

²⁸ For example, individuals who had a history of getting into debt with their energy bills, or customers that are on means-tested benefits (even though it may not be known exactly what benefit they receive)

become oversubscribed, or because they would receive applications from ineligible customers (who they would have to turn down, thus disappointing them). Suppliers also noted that they tended to stagger their promotional activity across the scheme year to avoid spikes in applications.

“We’ve tended not to do big PR activity around the WHD. I think the difficulty that we’ve had with that is that...it generates almost, not uncontrollable contact, but wherever we do PR activity you just get a massive spike which is then quite difficult to handle...you tend to get a lot of calls from people that aren’t eligible”.

Energy supplier

Customers’ views on their introduction to the WHD scheme

Most Broader Group interviewees reported that they had been introduced to the scheme via friends or family, or through communication from their energy supplier. Some said that they had been browsing their energy supplier’s website and followed a weblink to the WHD scheme. Others had learned of the WHD scheme when browsing the GOV.uk site looking for support offered to people with a disability, and had noticed that their energy supplier offered the rebate. Interviewees from the Children’s Centre sourced sample reported that they had been alerted to the WHD scheme via the activities of the Centre.

“It was friends had told me that, because I have a disabled son, I was entitled to a Warm Home Discount”

Broader Group customer, direct debit, gas central heating [1]

Some Broader Group interviewees believed that energy suppliers should promote the WHD more widely. These individuals had typically learned of the scheme ‘by chance’, when speaking to friends or by following weblinks when browsing online, and felt that more should be done to promote the rebate amongst people in similar circumstances. As noted above, however, energy suppliers reported that they tended to deliberately keep their Broader Group schemes low profile, to avoid being oversubscribed.

Having learned about the WHD scheme, Broader Group interviewees often contacted their energy supplier by telephone, or carried out some research online to establish what the scheme involved, and whether they were eligible. Most of the interviewees reported that, following this research, they were clear about the eligibility criteria for their supplier’s WHD scheme²⁹. However, some interviewees reported that they had still been slightly confused about the terminology, specifically the titles of the eligible benefits and whether this applied to their circumstances. One interviewee noted that she was initially confused about whether or not the WHD scheme was targeted exclusively at pensioners.

²⁹ The Broader Group sample only included individuals who had successfully accessed the WHD rebate; there may well be people who did not apply for the rebate because they could not understand their energy supplier’s eligibility criteria

“To be perfectly honest I’m not 100% certain of what benefit I’m claiming. Because I’m long term sick and with all the changes and everything it now means I’ve now got to find all the paperwork out to figure out exactly which one it is that they call it. And then when you’re reading it online and you think ‘oh blimey, which one is it?’ I didn’t lie obviously but I pretty much guessed which one it was out of the two that I thought”

Broader Group customer, prepayment meter, gas central heating [7]

Customers’ perceptions of the purpose of the WHD scheme

Interviews with Broader Group customers included discussion of what individuals believed to be the purpose of the WHD scheme, and why they personally were eligible. This is an important issue in the sense that it is relevant to the presence – if any – of a ‘labelling effect’ associated with the WHD scheme; that is, whether the way in which energy suppliers introduce customers to the scheme affects how Broader Group customers see the rebate and understand how they might use it.

When asked about the purpose of the WHD rebate, Broader Group interviewees described the scheme using terms such as ‘help with fuel bills’, ‘help with rising energy costs’, and ‘help to keep warm over the winter’. Very few Broader Group interviewees described the WHD scheme as providing help with their *electricity* costs³⁰.

“[I understood that the purpose of WHD was] to assist with your energy bills, obviously through the more expensive time through the winter, obviously when you’re using your heating etc. So it was to bump up your account so that you could afford to use your heating and not worry about it really”.

Broader Group customer, direct debit, gas central heating [27]

Case study: Female; Broader Group; social tenant in a two bedroom house; no child aged <5 in the home; prepayment meter; gas central heating [2]

Ms K first heard about the WHD when she read about it on the MoneySavingExpert website. She then looked on her energy supplier’s website, and was initially confused about the purpose and scope of the WHD scheme: *“at first I thought the scheme was really just for older people...then when I read it more I realised it was for other people as well, but...I was a little bit unclear on that”*. She understood that the purpose of the WHD was to help people struggling to keep up with fuel costs: *“I thought it was because of the rising fuel bills, if people were in fuel poverty, they were struggling”*.

³⁰ Small sample sizes and the sampling methodology mean that it is not possible to make robust comparisons between the Core and Broader Group interviews. However, whilst Core Group interviewees typically referred to the WHD scheme as providing support with *electricity* bills, Broader Group interviewees tended to use the language of *energy* bills (which could incorporate gas and electricity). On their website, the energy supplier from which most of the Broader Group sample was sourced described the WHD scheme as an initiative to provide support with *energy* costs. This contrasts with the messaging in DWP’s letter to the Core Group, which uses the narrower term ‘electricity’ costs.

Ms K submitted an online application in October of year four of the WHD scheme, after which she received acknowledgement from her supplier. She was told she may be asked to provide proof of eligibility, but since this never came, she assumed that her supplier had checked her benefits status remotely. In January, Ms K received a letter containing her vouchers, which she redeemed shortly afterwards. The vouchers kept her electric meter topped up for around four months, and the money that she saved from not having to set aside cash each week (around £15) was spent topping up her gas meter instead.

Ms K reported that, before she received the rebate, she was “*really struggling*” to set aside enough money to keep her gas meter topped up, with the result that she could not keep her house as warm as she would have liked. The rebate had enabled her to use the heating as much as she wished: “[WHD] *did really help a lot because I could actually heat the house up...worry free. Before I was putting only a very little [on the gas meter] and then struggling, turning it off quite a lot and having the place quite cold*”. Not having set aside as much money for energy bills as much had also meant that Ms K could spend more on food and other household expenses.

Ms K had noticed health benefits to living in a warmer house: “*If you can’t put your heating on properly I think you tend to get more illnesses, like you’re more cold and you’ve got more colds...it’s harder just to even sit indoors and relax because you’re too cold, I was basically wrapping myself with more clothes and things, rather than putting the heating on*”.

Applying for the rebate



Most energy suppliers accepted online, telephone or postal applications to their Broader Group schemes. Whilst it was noted that online applications were the cheapest option, it was generally recognised that some customers might be unwilling or unable to use an online application process, and that it was necessary to offer an alternative. Most suppliers reported that the share of applications submitted online had increased markedly over the course of the WHD scheme, and for several suppliers, online applications constituted the majority of applications by year four of the WHD.

Suppliers typically carried out an initial ‘screening’ exercise on applications. Details varied, but this usually consisted of a check to ensure that: forms were fully completed (with online applications this could be carried out pre-submission); applicants had an active electricity account with them; and that applicants had indicated that they received one or more of the eligible benefit types. Suppliers also checked to ensure that applicants had not already received a WHD rebate as part of the Core Group element of the scheme. For unmatched Core Group customers (where suppliers could be notified of their eligibility right up until the end of the scheme year in March), checks were typically made against previous years’ recipients of the rebate. Since new Core Group individuals were identified each scheme

year, there was a chance that unmatched Core Group customers could receive more than one WHD rebate in a single scheme year, though suppliers reported that the extent of overlap was likely to be minimal.

Approaches to post-application communication varied between energy suppliers:

- Some suppliers adopted an ‘intensive’ approach, potentially involving three different stages of email / postal communication: just after the application was received; once the applicant was deemed successful (post-verification – see below); and shortly before payment of the rebate. The rationale for this approach was, according to suppliers, to manage customers’ expectations, since otherwise they would receive large volumes of calls from individuals wanting an update on the progress of their application.
- Other suppliers only sent a single email or letter to applicants, which acknowledged receipt of an application and gave a date by which, if successful, individuals should expect payment.

Customers’ views on the application process

Most interviewees reported that they had applied for their WHD by completing an online form. Some had applied by telephone, typically where they had phoned their energy supplier to enquire about the details of the WHD scheme, and had completed an application whilst on the telephone. Interviewees contacted via the Children’s Centre indicated that their contact at the Centre had completed their application form on their behalf. None of the interviewees reported that they had experienced any problems or difficulties when completing and submitting their application³¹.

Having submitted their application, most interviewees recalled receiving a letter or email from their energy supplier which indicated that their application had been successful, and told them the latest date by which the rebate would be paid into their electricity account. Almost all interviewees were customers of a single energy supplier, and as suppliers’ approaches to post-application communication varied this experience may not be typical. Most interviewees reported that they were satisfied with the level of post-application communication, though some believed that the amount of time between application and rebate payment was too long. These interviewees had contacted their energy supplier to enquire about when they might receive their rebate.

³¹ It should be noted that that the sample consisted of individuals who had successfully applied for a WHD rebate, and applicants who were unsuccessful, or who were unable to even apply, might have a different perspective

Verification of Broader Group applicants

Energy suppliers are each required to verify that at least 5% of their Broader Group applicants are eligible to receive their rebate. The verification process involved obtaining confirmation that an individual meets a supplier's Broader Group eligibility criteria. This process could involve the collection of documentary proof of the benefit(s) that an individual receives, or the collection of proof that an individual's annual household income is below the threshold. The selection of individuals for verification must be random. Oversight of the verification process is the responsibility of Ofgem.

Energy suppliers' views on verification

Energy suppliers reported that they randomly selected between 8-11% of their Broader Group applications for verification each scheme year³². Suppliers 'overshot' the 5% target in the expectation that a proportion of their applications would fail the verification process, and thus that a 'buffer' was needed to ensure that they would achieve sufficient numbers of successful applicants.

Energy suppliers employed a two-stage verification model:

- *Stage one*: applications were passed to DWP (applicants having already given their permission for this data sharing), which checked whether individuals were in receipt of the correct benefit(s).
- *Stage two*: individuals who were not matched via the DWP data check were subject to manual verification, whereby applicants were contacted and asked to submit proof that they received the correct benefit(s). Almost all energy suppliers subcontracted the process of manually verifying applicants to an external specialist (a single supplier was responsible for verifying all but one energy supplier's scheme). One energy supplier had kept its manual verification in-house (in order to retain full control and visibility of the process).

Customers who did not pass the verification check were notified that their application was unsuccessful. Whilst there are no sanctions for failing verification, and nothing to stop unsuccessful individuals from reapplying, energy suppliers reported that they retained records of which customers had failed verification in each scheme year. These individuals were then typically omitted from any future communication activity relating to Broader Group scheme opening dates. Energy supplier interviewees noted that changing benefits statuses meant that customers might fail verification one year, but become eligible for support the next year, so penalising unsuccessful applicants would not be fair.

Energy suppliers reported that most applicants failed the verification process because they did not respond to the request to submit proof of receipt of benefit(s) within the allotted time period. In other cases, applicants submitted insufficient information, or submitted

³² For the suppliers that provided data, the figures were: i) 8-9%; ii) 10%; iii) 10%; iv) 10%; v) 11%; vi) 13%

information that proved they were ineligible (e.g. because their household income was above the permitted threshold). Inasmuch as energy suppliers knew the reasons why individuals did not provide the necessary proof of eligibility (since many applicants simply did not respond), interviewees gave the following explanations:

- *Customers' confusion over their exact benefits status:* many energy suppliers believed that customers often did not know exactly what benefit they received, especially given recent changes to the benefits system. Applicants may thus have made an honest mistake when completing their application form.
- *Difficulties in locating and providing proof of benefits:* some suppliers noted that the type of individual who is eligible for a WHD rebate may also be someone who might struggle to retain, locate and copy the correct documentation (e.g. because they may not easily be able to photocopy proof of benefits). These individuals may thus have been unable to submit the necessary proof in time.
- *Possible overburdening of the manual verification provider:* one supplier questioned whether having one supplier responsible for almost all manual verification under the WHD scheme had resulted in an 'overburdening' of the organisation, such that it had not had the capacity to sufficiently 'chase' customers who had not provided the necessary proof. More sustained communication with non-respondent applicants, it was suggested, might have yielded a higher verification pass rate.

Overall, energy suppliers did not believe that there was a widespread problem with the 'fraudulent' submission of applications for WHD rebates, despite the fact that they saw a need to overshoot the 5% verification target on the assumption that a proportion of applicants would fail verification. Interviewees noted that the introduction of the DWP data match for Broader Group applicants part way through the WHD scheme had led to an increase in the proportion of applicants passing the verification check. This was cited by energy supplier interviewees as evidence that it was the difficulties that some customers faced in responding to the manual verification check that led to a relatively high rate of rejection, rather than because customers were applying when they were, in fact, ineligible.

"Bear in mind that these are elderly, vulnerable customers, and trying to find copies of...the piece of paper, it's difficult enough. If someone said to me now, can you photocopy this, I'd have to look on Google and find where the nearest photocopy place is in town, if I'm not in an office...so, yeah, I'm not convinced there is a problem"

Energy supplier

Broader Group customers' views on the verification process

The Broader Group sample only included two individuals who recalled being asked to submit proof of eligibility to their energy supplier (some individuals might have been verified using DWP data, and some individuals were unable to recall the details of their application process). These two interviewees were asked about their views on the

verification process; both reported that they had found the process simple, and had not experienced any problems locating and submitting the required documentation.

“They asked for proof of Income Support and my children’s birthdays to make sure that they were under the age I was saying they were...I rang and asked them ‘could I photocopy it?’ because I didn’t want to send the main copy, and that was fine. So that’s what I done, I just went and photocopied them and sent them”

Broader Group customer, prepayment meter, electric storage heaters [6]

Receiving the rebate



Figure 5 shows the Broader Group scheme opening and payment periods for eight of the nine energy suppliers³³ that delivered rebates in year four of the WHD scheme. It shows that most suppliers opened their schemes as early in the year as possible: seven of the eight Broader Group schemes were opened before the Core Group scheme launched in September; three of them opened in spring (April / May). Energy suppliers reported that they preferred to open their Broader Group schemes as early as possible to maximise the chances of achieving their annual rebate targets, and to spread the workload over a longer period.

Suppliers’ Broader Group schemes typically closed once they had achieved their rebate targets. However, many suppliers reported that they had to balance the need to close schemes as soon as they were fully ‘subscribed’ with a wish to keep schemes open through to at least the start of the winter heating period (hence most schemes closed around January). This was because it was believed that winter was when many customers started to think about fuel bills, and would want to apply for a WHD rebate.

Payment of Broader Group rebates typically started towards the end of suppliers’ Broader Group schemes, and in most cases took place between late December and the end of March (Figure 5). Suppliers typically waited until the end of the scheme year before they started making payments because they needed sufficient time to receive, process and verify enough applications to be confident of achieving their annual rebate targets. As Figure 5 shows, however, two suppliers started making Broader Group rebate payments from September onwards, in both cases this was because they believed that the rebate

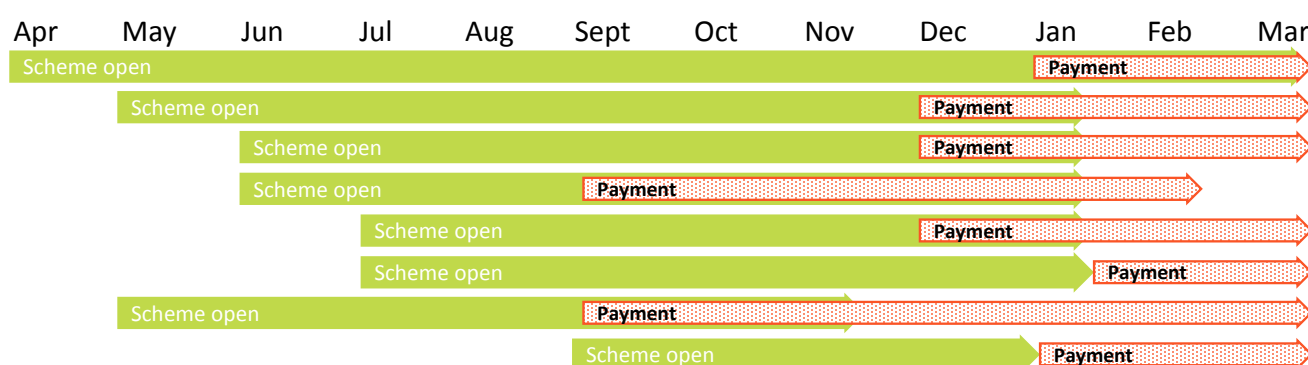
³³ One of the nine suppliers did not participate in the research

would be more useful to recipients if it was received in advance of the winter heating season.

“We want to get our applications in as soon as possible so we know we’ve got our target, but the payments are designed really so that customers know that they’re getting help with their winter electricity bills”

Energy supplier

Figure 5: Broader Group scheme opening and payment periods, for eight energy suppliers



Source: ICF, based on energy supplier interviews

The delivery of the rebate to customers followed the same approach as for the Core Group. The delivery of the rebate depended on the nature of the recipient’s electricity account (see Chapter 2 for details):

- Customers who pay their bill by monthly direct debit, or pay on receipt of a bill: the rebate was credited to a customer’s electricity account.
- Customers with prepayment meters: the rebate was usually delivered in the form of vouchers which customers had to exchange at a PayPoint facility or a Post Office, though remotely crediting a customer’s electricity meter and payment by cheque were also used. As discussed in Chapter 2, redemption rates for vouchers ranged from 91-99%.

Customers’ views on receiving the rebate

Almost all of the Broader Group interviews were carried out with customers of the same energy supplier. This supplier wrote to successful applicants to inform them that they would be paid a rebate by the end of March, but did not send a follow-up communication when the rebate was paid. Energy suppliers adopted a variety of approaches to communication and rebate payment, and so customers of other energy suppliers might have had a different experience of receiving their rebate.

Most direct debit and pay-on-bill interviewees learned that their rebate had been paid when they received a bill (typically quarterly) or an account statement (which could be annual). Several of them therefore did not realise the rebate had been paid until several

months after it had happened; one interviewee had only noticed the WHD rebate when he received his energy account statement in July (though the rebate had been paid during the previous winter). Other direct debit and pay-on-bill customers were more 'proactive' in regularly checking the balance of their energy accounts had noted the receipt of the WHD soon after payment had been made.

Case study: Male; Broader Group; social tenant living in a one bedroom flat; no child aged <5 in the home; dual fuel and pays by direct debit; gas central heating [27]

Mr B first heard of the WHD when his energy supplier contacted him to tell him he might be eligible for the rebate (Mr B has a disability and is in receipt of Employment and Support Allowance). He understood the WHD to be about providing assistance with customers' energy bills over winter. In year four of the scheme, Mr B applied online in October and received an email from his supplier acknowledging receipt of his application. In February, Mr B received another email from his supplier informing him that he had been paid his rebate, after which he checked his account online to confirm that this was the case.

Mr B has a dual fuel account with his supplier and the WHD rebate could thus be used to pay for electricity or gas use, interchangeably. Mr B did not change his energy consumption following receipt of the rebate, however, largely because he did not feel the need to: *"I just carried on as normal. I'm not a particularly heavy user being in a one bedroomed flat on my own anyway...it's been the summer months [and] I haven't been using it at all"*. Instead, Mr B intended to use the rebate to keep his energy account in credit, if possible to contribute towards energy use during the following winter. Whilst the WHD rebate had thus not had a direct impact on his energy consumption, having his account in credit had provided Mr B with peace of mind: *"In the circumstances I'm in at the moment...[it] made me feel more secure in the fact that I can afford to pay my energy bills"*.

Broader Group customers with prepayment meters had received the rebate in the form of vouchers (this was how their energy supplier chose to distribute the rebate, and customers of some other suppliers would have had a slightly different experience). Interviewees had redeemed the vouchers and topped up their electricity meter, and all individuals reported that the process had been straightforward. As with the Core Group, some interviewees suggested that they would have preferred to have been able to top up their gas meter rather than their electric meter, since their gas bill was the larger expense, and in some cases because they intended to use the rebate to increase their heating use (see below).

"You can only put it on the electric, it would be handy if you could put it on the gas, that...would make it even...easier. Even if it was half and half".

Broader Group customer, prepayment meter, gas central heating [13]

Customers' views on the timing of the rebate

As noted in Chapter 1, the Broader Group sample was purposively selected to include individuals who received their rebate at different points in the year (though some interviewees could not remember when they had been paid their rebate). Interviewees were asked whether they were satisfied with the timing of the WHD payment and in response made the following points:

- Several customers who had received their rebate in late January, February or March indicated that the rebate would have been more useful if it had been received earlier in the year, particularly in November or December. They noted that, by the time they received the rebate, their energy use was decreasing as temperatures and hours of daylight in a day increased. There was thus less incentive to increase the use of energy for heating, and there was less pressure on household budgets as energy costs for heating or lighting decreased.

"When it came it was like the end of January. So we got one month of cold weather and then after that it starts to get warm. Don't get me wrong I was very, very, grateful. But you really need it earlier than that...I think around November, when it starts to get a bit colder".

Broader Group customer, prepayment meter, gas central heating [7]

- Echoing this point, customers who received their rebate in December or earlier were often satisfied with the timing, since this coincided with (or preceded) a period of high energy use due to cold conditions and/or a time of considerable pressure on household budgets (due to Christmas). For example, prepayment meter customers noted that receiving the rebate in later autumn had enabled them to use the voucher to keep their electric meter topped up through the entire winter period, thus freeing up resources to spend on other types of expenditure.

"I think it's great [receiving the rebate in November] because it's coming into winter, I think it's a great time to receive the extra help for the winter, especially for myself and the storage heating which is really dear so yeah, it helped me out a lot"

Broader Group customer, direct debit, electric storage heaters [31]

- Some customers did not mind when they received their rebate, typically because they were able to keep up with energy costs, and did not intend to change their energy use behaviour as a result of receiving the rebate. These individuals used the rebate to pay for future energy use, or in some cases had spent the money on non-energy expenditure, which was not seasonal.

"It wouldn't really matter what time of the year. I usually spend the same amount all year on my electricity"

Broader Group customer, prepayment meter, gas central heating [22]

Using the rebate



Broader Group customers were asked how they had used their rebate. Responses varied depending on the type of energy account that individuals had, and how they paid their gas and/or electricity bill:

- *Prepayment meter customers:* as discussed above, prepayment meter customers had to use the rebate to top up their electric meter. This credit was then used to pay for future electricity use. Interviewees reported that they typically spent around £10-£20 per week on their electric meter, and so the rebate had usually kept their meter topped up for around three to five months.

“So basically I had it [the electric meter] [topped up] from January, February, March, April, so four months I didn’t have to worry about my electric really”

Broader Group customer, prepayment meter, gas central heating [2]

- *Direct debit and pay-on-bill customers, with a dual fuel account:* since they had a dual fuel account, these customers usually saw their gas and electricity accounts as a single entity. Most of these individuals reported that they had used the rebate to pay for future energy use, or in some cases to pay an outstanding energy bill. Direct debit customers typically could not recall having their direct debit reduced following receipt of their rebate (energy companies confirmed that such a reduction would not normally be triggered by receipt of the WHD), though one interviewee contacted his energy supplier to arrange a slight reduction in his monthly direct debit payment as his energy account was in credit.

“Well, it just goes on the electric. I’ve got an electric cooker, the TV’s on...the bills are quite high and it just comes off of everyday use I suppose. I had a bill for, I think, nearly £300, so it paid half of that off, if you know what I mean. It really helped, a big deal”

Broader Group customer, pay-on-bill, gas central heating [9]

- *Customers without gas central heating:* the Broader Group sample included a few individuals who heated their home using electric storage heaters, and did not have a gas account. The rebate was thus used to pay for future electricity use, whether that was electricity for heating or electricity for other uses.

Broader Group interviewees noted that receipt of the rebate had ‘freed up’ money that they would otherwise have needed to set aside to pay for future electricity use. Prepayment

meter customers typically used this money to top up their gas meter, which usually required more money than their electric meter (especially over the winter). Topping up their gas meter with the extra money available via the rebate also allowed customers to increase their use of energy for heating (see the following section).

"I put some money on my electric and my gas each week. I usually do £25 for electric and £25 for gas so obviously, when I had the vouchers I done the £50 straight onto gas"

Broader Group customer, prepayment meter, gas central heating [25]

Other Broader Group interviewees had spent the money that they had saved as a result of receiving the rebate on things other than energy. Food was the most common type of expenditure mentioned by interviewees, though other ways in which individuals had spent the rebate included: Christmas presents; a contribution towards the cost of a holiday; and a contribution to a charity.

"I had that bit of extra money to do things with the children. Instead of, I could take them out for the day, I took them away on holiday and just things, if they wanted something that they didn't have or I could say, OK, maybe I could buy you this this week and buy this the next week"

Broader Group customer, prepayment meter, electric storage heaters [6]

Effects of the rebate on energy consumption

Broader Group customers were asked whether they had changed their energy use behaviour as a result of receiving their WHD rebate.

Effects of the rebate on electricity usage

Most Broader Group interviewees had not changed their electricity use after receiving their WHD rebate. Interviewees typically noted that they used as much electricity as they needed, and for the most part were not holding back on using appliances due to the costs involved.

"No, no, no, it's not as if we've bought more electrical apparatus or anything else like that just because, absolutely no way...we're quite happy with what we've got".

Broader Group customer, direct debit, gas central heating [3]

A few Broader Group interviewees reported that they had increased their use of electricity as a result of receiving their WHD rebate, by using electricity-intensive household appliances more frequently. For example, some individuals noted that they needed to use their washing machine and tumble dryer frequently (e.g. because they had young children, or in one case because of a disability), and having their electricity account in credit because of the rebate meant that they felt more confident that they could use these appliances.

“We obviously could use more electricity without having the fear around not having to be able to afford it. Yeah, well the thing of it is, the washing machine isn’t exactly run on fresh air, so the washing machine is used daily and I’ve got a tumble dryer which is obviously used daily”.

Broader Group customer, prepayment meter, gas central heating [26]

Effects of the rebate on the use of energy for heating

Several Broader Group interviewees reported increasing their use of energy for heating after receiving their WHD rebate. They typically had the heating on for a few hours longer each day than would otherwise have been the case, rather than by increasing the temperature that their thermostat was set to. Interviewees also turned on the heating in rooms that they would typically not heat.

“I have my heating on more...like I would have it more on in the daytime where normally I’d have it on in the morning and at night time. I had it more on, because...I have a four year old and whenever winter time comes, she gets colds. So I [use the heating] more in the daytime to keep her warm”.

Broader Group customer, prepayment meter, gas central heating [15]

The decision as to whether or not to spend the rebate to use more energy for heating seems to be a reflection of personal preference, and the circumstances of the recipient. Factors that appear to have influenced interviewees’ decision-making as regards the use of energy for heating included:

- *Whether there were young children in the home:* several interviewees with young children in the home noted that they had elected to use more energy for heating in order to keep the home warm for the benefit of their children. For some there were health benefits to keeping the home warm for their children, as the next section of this chapter discusses.

“It was mainly just to heat the children’s bedrooms up and my lounge and kitchen really. I never had the heating on in my room, it was just the children”.

Broader Group customer, prepayment meter, electric storage heaters [6]

- *Whether individuals had a disability and/or long-term illness:* the Broader Group sample included several people with a disability and/or long-term illness (or whose partner was in this position), which meant that they were typically at home for much or all of the day, and needed to have the heating on for as much as they could afford.

“Keeping warm is my number one priority. Because...I’m disabled, and I’ve got to keep warm...I spend a lot of time indoors. [The rebate was] a massive help...especially when I was poorly back in January, I was in bed for three weeks. Oh I was really, really ill and I just couldn’t get warm at all. So it was a godsend then, to be able to do that, to have the heating on”

Broader Group customer, prepayment meter, electric storage heaters [7]

- *The temperature of an individual's home:* several interviewees indicated that they were normally unable to heat their home to the level that they wanted, typically because they could not afford to. Some noted that they lived in poorly insulated and/or draughty homes, which they believed contributed to their high energy costs. These interviewees had taken the opportunity provided by receipt of the rebate to increase the temperature of their home. Conversely, some interviewees reported that they had not spent their rebate to use more energy for heating because their home was already warm enough. A few interviewees reported that they had recently had energy efficiency measures installed in their home³⁴, which meant that their energy consumption had decreased.

"This is quite a new property, it's only five six years old, so...it's perfectly warm. No I just carried on [using the heating] as normal. I'm not a particularly heavy user being in a one bedroomed flat on my own anyway"

Broader Group customer, direct debit, gas central heating [27]

- *The timing of rebate payment:* as discussed previously, many Broader Group interviewees received their rebate after the heating season. People who paid by direct debit or on receipt of an energy bill may not have realised they had received their rebate until some months after it had been paid. Some of these individuals explained that they had not needed to use their rebate on heating because outside temperatures were increasing and they did not need their home to be warmer.
- *Whether individuals had the ability to control their heating:* one interviewee lived in a block of flats with a communal heating system that he could not control. He had thus been unable to use more energy for heating, even if he had wanted to.

Case study: Female; Broader Group; social tenant living in a three bedroom flat; child aged <5 in the home; prepayment meter and gas central heating [15]

Ms D first heard of the WHD from her neighbour, and believed that the purpose of the scheme was to help people in her position – families with young children, in receipt of benefits – to keep warm over the winter. She has received the WHD rebate several times. In year four of the scheme, Ms D applied for the rebate in November 2014, and received prepayment meter vouchers in the post a few weeks later. In previous years she received the rebate in spring *"...and I thought that was a bit stupid because by then it starts to get a bit warm"*. Ms D believed that receiving the rebate in November was more convenient.

Ms D topped up her electric meter using the vouchers, and reported that this had kept her meter topped up for 3-4 months. The money that she had saved had all been spent on her gas meter. Whilst her flat is typically reasonably warm, Ms D had used more energy for heating than she would otherwise have done, by turning the heating on during the day when she would normally have it on in the mornings and evenings only. Ms D is typically at

³⁴ Though this could not be confirmed, the overlap between the WHD Broader Group target group and the Energy Companies Obligation – ECO – target group (residents of social housing etc.) means that it was possible that these measures were installed under the ECO programme

home during the day, and her motivation for using more heating was the comfort of her child: *“I have a four year old and whenever winter time comes, she gets colds. So I get more [heating] in the daytime to keep her warm”*. Knowing that her energy costs were covered for a few months had provided Ms D with peace of mind over the winter: *“I didn’t have to keep worrying like, oh, ‘have I got enough gas?’, ‘have I got enough electric?’, because I knew what I had on there and there was loads”*.

Impacts of the rebate

Broader Group interviewees were asked to describe what impacts – if any – the rebate had on them, focussing on impacts on their health and wellbeing, and whether the rebate had affected their decision-making as regards switching energy suppliers. These results are self-reported and subjective; whilst interviewees’ answers were probed, it was not possible to verify the accuracy of responses.

Impacts on customers’ health and wellbeing

Broader Group customers’ views on the health impacts of the WHD rebate

Amongst Broader Group interviewees who had used more energy for heating as a result of receiving the rebate, opinions were mixed as to whether this had led to an improvement in their health:

- Some believed that they had noticed improvements to their health, or a family member’s health, as a result of living in a warmer home. For instance, this could be because there was a young child in the home, or because somebody in the home suffered from health problems that were exacerbated by being cold (such as respiratory problems, including asthma). Some interviewees who suffered from health problems believed that living in a warmer home had eased chronic conditions, and had prevented the frequency with which they or their family members caught colds and experienced other adverse health effects.

“My son suffers quite badly with his chest and when the cold weather sets in he’s always prone to being poorly, but since we’ve had the heating on a lot more it’s been much better for him. He’s not been waking up in the night complaining that his chest hurts and he’s not caught everything going”

Broader Group customer, prepayment meter, electric storage heaters [6]

- Other interviewees did not believe that their health had benefited from the rebate, but instead felt that their home was more comfortable since they were able to keep it warmer. These individuals reported that they were typically unable to heat their home to the level that they would like, due to the cost of doing so. The WHD rebate had enabled them to spend extra money on heating.

“It’s just nice to put the heating on for a bit longer. I put it on this morning because it’s wet and damp and horrible and if you put your heating on for a few

minutes, because I only need it on for ten fifteen minutes to warm the place through, then it's just nice to be comfortable in your own home".

Broader Group customer, pay-on-bill, gas central heating [12]

Broader Group customers' views on the wellbeing impacts of the WHD rebate

Almost all Broader Group interviewees indicated that they had a household income below £16,000 a year, and many reported that they struggled to keep up with bills and other expenses. Heating was typically a priority for interviewees, who would economise in other areas to keep up with their energy bill(s). Several reported that receipt of the rebate eased the pressure on their household budgets. Interviewees indicated that knowing that their electricity account was in credit provided peace of mind, since they did not have to worry (as much) about setting aside money to pay for their energy use. Moreover, the money 'freed up' by not having to pay for electricity use could be spent in other areas, which included non-essential items that improved their quality of life (e.g. a contribution towards a family holiday).

"I suffer from anxiety and things like that and it does help in that respect. You've got that extra bit of money and it does help basically. Anything like that always sort of helps. Any bit more, any more. I'm not asking for the charity of it but it is very handy basically".

Broader Group customer, prepayment meter, gas central heating [13]

Impacts on switching behaviour

The Impact Assessment for WHD recognised that the Broader Group element of the scheme might have an impact on the switching behaviour of consumers (i.e. if and how consumers move between electricity and gas suppliers)³⁵. Specifically, the ability of energy suppliers to tailor the eligibility criteria for their Broader Group schemes meant that there was potential for them to differentiate themselves within the market on the basis of the WHD 'offer'. Moreover, the availability (or not) of the rebate might make it difficult for consumers to accurately compare suppliers' tariffs.

Energy suppliers' views on switching impacts

Energy suppliers were asked whether they believed that the Broader Group element of the WHD scheme had an impact on customers' switching behaviour. Most suppliers believed that the WHD would not be a major factor in customers' decision-making processes. It was noted that suppliers' eligibility criteria had converged to a point where there was little variation between schemes, meaning that suppliers did not differentiate themselves within the market on the basis of their WHD 'offer'. One supplier reported that it had investigated whether the propensity to switch varied between its WHD customers and the rest of its

³⁵ DECC (2015) The Warm Home Discount Scheme (Extension): Final Stage Impact Assessment

customer base, and found that there was no significant difference in behaviour between the two groups.

“I think it’s probably fairly low down on their list. Because now the criteria is so similar, you wouldn’t switch to get a Broader [Group rebate], because if you’re eligible for broader, the chances are you’ll get it with your current supplier”

Energy supplier

Conversely, some suppliers thought that the availability of the WHD would be a consideration for some customers, who would be reluctant to risk losing their rebate by switching.

“I think it certainly forms part of the customer’s decision making...it’s a significant amount of money and so that can certainly be a factor”

Energy supplier

Broader Group customers’ views on switching impacts

Qualitative interviews with Broader Group customers included discussion of whether the rebate had affected, or would affect, their willingness to switch and/or the process through which they would consider the options available. Most interviewees reported that they had switched suppliers at some point in the recent past (the proportion that had previously switched was higher than among the sample of Core Group customers. The most commonly identified reason for switching was to access lower prices from an alternative supplier. Interviewees had also switched after a poor customer service experience, or because they wanted to move to a prepayment meter and that their existing supplier would not allow that.

There were mixed views on whether the WHD would influence switching behaviour:

- For many interviewees, the WHD would be an important consideration if they were to switch energy suppliers. These individuals often noted that they had a low household income, and thus anything that boosted their income was worth considering. Several stressed the positive difference that receiving the rebate had made to their household budget, and that it had enabled them to use more heating, such that they would not switch to a supplier that did not offer the rebate.

“...because I found obviously being on a low income and it [the rebate] did help and if, say [name of energy supplier] stopped doing a warm discount [sic] and another company did offer it, I would swap”.

Broader Group customer, prepayment meter, gas central heating [25]

- For some interviewees, the WHD would either not be part of their thinking, or would only be a minor consideration when selecting an energy supplier. For these people, other factors – such as price or the quality of customer service – were often identified as more important in their decision-making process. A few noted that changing

circumstances (entering work, a child now no longer aged under five) meant that they were no longer eligible for the WHD, and so it had ceased to be a consideration.

“It would obviously be balanced on a little bit more than just, ‘oh can I still get £140 or whatever from this particular company’? No, I wouldn’t even, I wouldn’t think about that at all, I’d be thinking that if I needed to swap it would be for a damn good reason”.

Broader Group customer, direct debit, gas central heating [3]

Whilst many interviewees reported that the rebate would be a consideration if they were to switch energy suppliers, there was limited awareness of if and how the details of the WHD scheme varied between suppliers. Many individuals believed that the scheme was identical across all energy suppliers (and thus that there were no difference in eligibility criteria). Limited awareness of other suppliers’ schemes is likely to be a result of the fact that almost all interviewees had only looked at their energy supplier’s Broader Group scheme when they researched and applied for their rebate. As discussed earlier, many individuals heard about the WHD scheme from a friend or family member, then simply checked that their electricity supplier offered the rebate. Some were unaware that other energy suppliers even offered the WHD, believing instead that the scheme was only available from their supplier.

“No, I just [checked] [name of supplier]’s. I didn’t know anybody else had them [rebates]”.

Broader Group customer, pay-on-bill, gas central heating [21]

Customers’ and suppliers’ conclusions on the Broader Group

Broader Group customers and energy suppliers were asked how the WHD customer journey could be improved. Interviewees identified the following areas where changes could be made:

- *Eligibility criteria:* several energy suppliers thought the Broader Group eligibility criteria might be too difficult for some customers to understand. It was argued that customers may not be aware of exactly which benefits they received (the research with Broader Group customers presented in this report found some evidence of such confusion, but the sample size was very small). The energy suppliers’ preference was for a Broader Group scheme akin to the current Core Group element of WHD; that is, eligible customers would be identified by DECC / DWP, and energy suppliers would be told who amongst their customer base should be paid the rebate. This, it was felt, would overcome any confusion that customers might have about whether or not they were eligible for the rebate, and would also ensure that all eligible individuals received the rebate, rather than just those that had made the effort to apply (who might not be in the greatest need of support).

“We’ve got trained staff trying to identify vulnerability, trying to identify people where payment issues or these type of problems [but] there is that certain generation...that would be far too proud, that would never want to speak to us...never want to admit any of these types of things”

Energy supplier

- *The profile of the Broader Group element of WHD:* many Broader Group customers learned about the WHD scheme from friends or family, or by chance when browsing online. Some interviewees suggested that more should be done (by the Government and by energy suppliers) to promote and raise the profile of the Broader Group element of the WHD scheme. Energy suppliers explained that they deliberately kept their Broader Group schemes low profile, partly in order to avoid over-subscription, and also to avoid receiving large numbers of applications from ineligible customers. However, it was noted that this meant that large numbers of potentially eligible customers would miss out on the rebate because they were unaware of it, and there is a risk that this might be disproportionately affect the most vulnerable groups (who might be least likely to check online or hear about the scheme from other people).

“I do think that it perhaps should be advertised a bit more, for people who are not computer literate or in fact a lot of elderly people wouldn’t like to ring up either. So I think perhaps if it could be made clearer who could apply for it”

Broader Group customer, direct debit, gas central heating [18]

- *Customers’ awareness that they had received their rebate:* some Broader Group interviewees (direct debit and pay-on-bill customers) reported that they had only learned that their WHD rebate had been paid several months after the event, and that it would be better if they were informed as soon as payment was made.
- *The timing of rebate payment:* both Broader Group customers and energy suppliers noted that the timing of rebate payment was not always optimal. Some people received their WHD rebate after the main winter heating season when energy use – and the need for support – was decreasing. Several customers and energy suppliers suggested that it would be better if rebates were distributed before Christmas. Energy suppliers noted that changing the start and end dates of scheme years would be the simplest way to align the WHD calendar with the heating season. Suppliers tended to ‘work back’ from the scheme end date when deciding when to open and close their schemes, carry out verification, and pay rebates.
- *The rebate payment mechanism:* some Broader Group interviewees with prepayment meters suggested that the rebate would be more useful if it was paid directly to the gas meter, since this was ultimately where they ended up spending the money that they had saved in not having to top up their electric meter. A few Broader Group interviewees noted a lack of alignment between a scheme that was labelled as enabling a warmer home, and yet delivered to customers’ electricity accounts.

“The only thing that confused me or perplexed me a little bit, was the fact that it was aimed at the electricity side, and if it’s a warm home discount, most of the time, most people would have gas central heating. And I thought ‘well why is it paid into the electricity account, why’s it not paid to the gas account?’”

Broader Group customer, direct debit, gas central heating [27]

Annex 1: Detailed research methodology

This annex contains a detailed description of the qualitative research methodology. Separate sub-sections are presented for the Core Group, the Broader Group, scheme administrators, and energy suppliers.

Core Group research methodology

The purpose of research with Core Group customers was to investigate their experience and views of the WHD scheme customer journey, from hearing about the scheme through to receiving and using the rebate. Interviews also covered the possible impacts of the rebate on recipients' health and wellbeing.

Sample design and recruitment

Sample design for the Core Group was complicated by the fact that there was no contact database containing data for all recipients of the WHD rebate. Instead, DECC assembled a sampling frame using two methods:

- People who contacted the DWP contact centre in January 2015 to enquire about the WHD (primarily unmatched Core Group customers looking to determine their eligibility) were asked by Capita if they wished to participate in the research.
- In a December 2014 mailshot, DWP asked Core Group customers if they wanted to opt in to the research.

DECC provided ICF with contact details of all those who opted in to the research via these two methods. The resultant sampling frame consisted of 1,770 records, though valid³⁶ phone numbers were only available for 1,360 individuals.

Purposive sampling was employed to select individuals for interview. Whilst it was initially intended that a range of characteristics would be used – including demographic profile, house type, energy account type – in practice the sampling frame contained few data on which to construct a sample. The only variables against which sample quotas could be set were:

³⁶ Based on a simple count of the number of digits in the telephone number; when individuals were contacted, it transpired that there were further invalid telephone numbers.

- *Customer 'journey' type*: whether matched or unmatched (the latter category was sub-divided into where or not customers were successful in accessing the WHD rebate);
- *Devolved administration of residence*: whether customers lived in England, Scotland or Wales;
- *Number of times customers had accessed the WHD rebate*: whether they had received it once or in multiple years.

Approximate quotas were set for each category to ensure that enough individuals were interviewed to provide sufficient depth. Table A2 below summarises the characteristics of the sample, including the planned and achieved number of interviews per category.

Recruitment to the sample was carried out by selecting individuals to achieve the quotas set out in Table A2. The sample was drawn in three batches. Individuals in each batch of the sample were contacted by telephone up to three times, on different days and at varying times of the day (morning, lunchtime and early evening). After this, each non-respondent was replaced by a substitute from another batch with the same characteristics. This process was repeated until the target of 20 completed interviews was achieved.

Table A1 summarises the results of the interviewee recruitment process. In summary, 190 individuals were contacted to achieve 20 completed interviews, equal to a response rate of 11%. This reflects:

- The telephone number held for around a third of contacts was incorrect – for 16% of contacts the number was inaccurate (i.e. there was nobody at the address with that name) and for another 17% the number proved to be invalid (i.e. it was impossible to connect).
- Nine per cent of contacts refused to participate, because they were too busy or (more often) because they hung up before the recruiter from ICF was able to fully explain the purpose of the call.
- Some 14% of contacts were ineligible for interview. The main reasons were because: they did not know what the rebate was and/or could not recall having received it; or because a son or daughter was responsible for managing their energy account, and so they had not personally made any decisions about how to use the rebate.
- Approximately 32% of contacts could not be reached, despite the ICF study team calling them up to three times (not all individuals received three calls, as fieldwork ended once the target of 20 interviews was achieved), on different days and at different times of day.

It is likely that the main cause of the problems encountered by the study team and the reason for a lower-than-expected response rate was the method of opt-in and the time that elapsed between the opt-in and the research. During recruitment, it became clear that very

few individuals could recall having opted in. This may be because they had done so in December 2014 or January 2015 and fieldwork did not commence until May 2015 (i.e. 4-5 months later). It also seems likely that many did not fully understand that they had opted in to research (as even individuals who could remember calling the contact centre did not recall being asked if they wanted to participate in research). The age of those concerned (all were over pension age, but many were considerably older) might have played a part in this.

Table A1: Overview of the results of the Core Group interviewee recruitment process

| Status of all individuals contacted: | | |
|--------------------------------------|------------|-------------|
| Response | Number | % of total |
| Wrong number | 30 | 16% |
| Invalid number | 33 | 17% |
| Refused | 18 | 9% |
| Ineligible for interview | 27 | 14% |
| No answer | 25 | 13% |
| Called 3 times | 37 | 19% |
| Interviewed | 20 | 11% |
| Total | 190 | 100% |

Fieldwork and data analysis

A semi-structured topic guide was developed by ICF and agreed with DECC before deployment. The topic guide incorporated questions that were applicable to three ‘types’ of customer journey: matched; unmatched, but successful in accessing the rebate as part of the sweep-up; and unmatched and unsuccessful following the sweep-up.

Fieldwork with the Core Group took place in May 2015. All interviews were carried out by telephone by a member of the ICF study team. Interviews lasted for between 13 minutes and 26 minutes; the mean was 16 minutes. Subject to interviewees’ approval, interviews were recorded and transcribed for analysis.

Table A2 summarises the profile of the achieved sample, including the quotas that were set for some of the variables. It was not possible to achieve the target quotas in most cases. This was due to the profile of the sampling frame and the low response rate. For example, the sampling frame contained just 33 individuals who had been unsuccessful in accessing the rebate; all of these individuals were contacted, but only three agreed to participate, meaning the quota target of 5 could not be achieved. In practice, it is not thought that this unduly affects the results of the study, since the quota variables were mostly selected on the basis of what data were available, rather than because they were thought to be the most useful indicators of customer behaviour (for instance, devolved

administration of residence is unlikely to be an important factor in determining response to the rebate).

The following bullets provide a profile of the Core Group sample:

- Just over half of the sample (11 out of 20) were social tenants; there were very few owner occupiers (just 3 out of 20);
- Almost all interviewees were retired (18 out of 20); the remaining two interviewees stated they were working (1 out of 20) or unemployed (1 out of 20);
- Exactly half (10 out of 20) of interviewees paid their electricity bill by direct debit; others paid via prepayment meters and or on receipt of a bill (5 out of 20 in each case);
- Gas central heating was the most common heating method (14 out of 20), though a quarter of interviewees used electric storage heaters (5 out of 20);
- The sample did not include anybody who recalled having received their rebate in September. Interviewees had typically either received it between October and January (6 interviewees) or February or later (7 interviewees). Four were aware that they had received the rebate, but could not remember the exact month.

Table A2: Profile of the target and achieved sample of Core Group individuals

| Interviewee characteristic | | Target | Achieved |
|-----------------------------------|--|--------|----------|
| Customer journey type | Matched | 5 | 10 |
| | Unmatched successful in getting rebate | 10 | 7 |
| | Unmatched unsuccessful in getting rebate | 5 | 3 |
| Method of paying electricity bill | Direct debit | - | 10 |
| | On receipt of bill | - | 5 |
| | Prepayment meter | - | 5 |
| Type of home | House | - | 9 |
| | Flat | - | 9 |
| | Park home | - | 2 |
| Tenancy type | Owner occupier | - | 3 |
| | Private tenant | - | 6 |
| | Social tenant | - | 11 |
| Main heating method | Gas central heating | - | 14 |

| Interviewee characteristic | | Target | Achieved |
|---|---------------------------------|--------|----------|
| | Electric storage heaters | - | 5 |
| | Fuel oil | - | 1 |
| Working status | Retired | - | 18 |
| | Unemployed but looking for work | - | 1 |
| | Working | - | 1 |
| Type of energy account | Duel fuel | - | 9 |
| | Separate electricity & gas | - | 5 |
| | Electricity only | - | 6 |
| When customers found out the rebate had been paid | September or earlier | - | 0 |
| | October to January | - | 6 |
| | February or later | - | 7 |
| | Can't remember the month | - | 4 |
| | Ineligible for rebate | - | 3 |
| Number of times customer received the WHD | Once | 8 | 11 |
| | Multiple times | 7 | 6 |
| | Never | - | 3 |
| Devolved administration of residence | England | ≥5 | 13 |
| | Scotland | ≥5 | 1 |
| | Wales | ≥5 | 6 |

A framework approach was used to undertake thematic analysis of qualitative data. This primarily consisted of between-case analysis across Core Group customers (i.e. analysis of all customers' responses to questions to identify patterns and explore whether their responses varied depending on their characteristics and responses to other questions). The interim results of the Core Group customer interviews were provided to DECC as a PowerPoint presentation that was presented to the evaluation project board in June 2015.

Limitations to the research

Sample design was a challenge. The sampling frame was built from individuals who had opted in to the study when contacted by DWP or when they called the Capita contact centre. Consequently, little was known about the characteristics of these individuals, and so there was limited scope to make use of stratification variables (ideally the sample would have been stratified by variables such as: method of bill payment, type of energy account, month that the rebate was received, etc.). A low response rate meant that it was

impractical to screen individuals as part of interview set-up, since it would not have been possible to complete the research in the fieldwork period. In the event, the sample profile was reasonably well balanced across the main variables (as shown in Table A2), and so this is not believed to be a major problem.

Recall error was another problem that the research team encountered. Core Group customers received their DWP letter in August / September 2014. Matched customers would not have needed to do anything after this, and unmatched customers would have called the contact centre between August 2014 and March 2015. The rebate would have been paid to Core Group customers any time between August 2014 and March 2015, though they may not have realised it had been paid until after this. Fieldwork took place with the Core Group in May 2015 so in many cases it would have been eight months since customers first became aware of the WHD, and several months would probably have elapsed since they received their rebate. The ability of interviewees to comprehensively recall their customer journey, and why they may the decisions that they did was, in some cases, limited (particularly since interviewees were often very elderly, and indicated that they had memory problems). This issue was mitigated to some extent by ensuring that the study only included individuals who could remember receiving their rebate, but recall problems should still be recognised as a limitation of the research.

Broader Group research methodology

The purpose of research with Broader Group customers was to investigate their experience and views of the WHD scheme customer journey, from hearing about the scheme, through applying for the rebate, to receiving and using the rebate. Interviews also covered the possible impacts of the rebate on recipients' health and wellbeing.

Sample design and recruitment

There were also challenges with the design of the Broader Group sample, since there was no single database providing contacts for all recipients of the rebate (these records were held by the participating energy suppliers). Prior to commissioning the study, DECC secured agreement from one energy supplier to circulate an email to its Broader Group customers inviting them to participate in the research. In addition, DECC secured agreement from a Children's Centre that it would contact individuals that used the centre who had accessed the Broader Group rebate³⁷.

The ICF study team developed two sampling frames for Broader Group customers, as follows:

- The Children's Centre identified seven individuals who had received a WHD rebate via the Broader Group, and who would be willing to participate in the research. Contact details for these individuals were made available to ICF.
- In August 2015, the participating energy supplier circulated an email to 3,500 of its 2014 Broader Group customers, inviting them to opt-in in the research and indicating

³⁷ The Children's Centre provided information and advice to users of the facility in relation to energy use, including raising awareness and providing support to encourage individuals to apply to the WHD scheme. The Centre was thus aware of which of its users had successfully accessed the WHD rebate

that a £40 high street voucher was available as an incentive³⁸. A concise, SNAP-based online survey was created by ICF. This consisted of questions that would enable the development of sample strata³⁹. The strata were based in part on the experience from the Core Group interviews, and specifically the types of variable that might influence customers' behaviour. A total of 430 individuals completed the online survey and opted-in to the research; of these, 426 provided a valid⁴⁰ telephone number.

Given the small numbers, all individuals in the Children's Centre sourced sampling frame were sampled.

Purposive sampling was applied to the sampling frame sourced from the energy supplier. Quotas were set to ensure representation in the sample according to the following variables (see Table A4 below for the numbers set for the each variable):

- Bill payment method (direct debit, pay-on-bill, and prepayment meter);
- Number of times customers had received a WHD rebate (once, multiple times);
- Month that customers had received their rebate (September or earlier; October to January; or February or later).

Recruitment of individuals from the Children's Centre sample took place in June 2015. All individuals were contacted by telephone multiple times, on different days and at different times of day. Three people agreed to participate. For the remaining four individuals, it became apparent that their English was not of a sufficient standard to complete an interview. Whilst ICF was able to arrange for a researcher able to speak their preferred language and a translator to transcribe the results, a decision was made not to proceed. This was because it was clear from the completed interviews that the customer journey for the Children's Centre users was very similar – a staff member at the Children's Centre had introduced them to the rebate and assisted in the completion of the application form. For this reason, it was judged that there was limited added value in carrying out further interviews.

Recruitment from the energy supplier sample commenced in August 2015, and ran through to September 2015. The sample was drawn in three batches. Individuals in each batch of the sample were contacted by telephone up to three times, on different days and at varying times of the day (morning, lunchtime and early evening). After this, non-respondents were replaced by a substitute from another batch with the same

³⁸ It was decided at study design stage to offer an incentive to Broader Group customers since there was uncertainty about whether or not sufficient numbers of individuals would opt-in to the research (whereas it was already known that ~1,700 Core Group customers had opted-in, which was sufficient to secure 20 interviews)

³⁹ Specifically, questions to collect data on: Which benefits customers received; Whether they had children aged five or under in the house; Annual household income; Working status; Electricity bill payment method; Number of times customers had received a WHD; The month that they received their 2014 WHD.

⁴⁰ Based on a simple count of the number of digits in the telephone number; note that when individuals were contacted, it transpired that there were further invalid telephone numbers

characteristics. This process was repeated until the target of 32 completed interviews was achieved⁴¹.

Table A3 summarises the results of the interviewee recruitment process. Seventy individuals were contacted to achieve 32 completed interviews, equal to a response rate of 46%. This was higher than the response rate achieved during the recruitment of the Core Group sample, which probably reflects the short time period between initial contact and recruitment (3-5 weeks), and the offer of an incentive. Recruitment was not possible where contacts did not wish to participate or could not be reached:

- Some 13% of contacts refused to participate, because they were too busy or, more typically, because they hung up before the recruiter from ICF was able to fully explain the purpose of the call.
- Approximately 37% of contacts could not be reached, despite the ICF study team calling them up to three times (not all individuals received three calls, as fieldwork ended once the target of 32 interviews was achieved), on different days and at different times of day.

Table A3: Overview of the results of the Broader Group interviewee recruitment process (energy supplier sourced sample frame)

| Status of individuals contacted: | | |
|----------------------------------|--------|------------|
| Response | Number | % of total |
| Wrong number | 0 | 0% |
| Invalid number | 3 | 4% |
| Refused | 9 | 13% |
| Ineligible for interview | 0 | 0% |
| No answer | 7 | 10% |
| Called 3 times | 19 | 27% |
| Interviewed | 32 | 46% |
| Total | 70 | 100% |

⁴¹ The overall target for the Broader Group was 35 completed interviews. Since three interviews were sourced from the Children's Centre sampling frame, this left 32 interviews that needed to be sourced from the energy supplier sampling frame

Fieldwork and data analysis

A semi-structured topic guide was developed by ICF and agreed with DECC before deployment. Some changes were made to the topic guide after completion of interviews with individuals from the Children's Centre, to reflect the results of those interviews and the analysis and discussion of the results of the Core Group interviews.

Fieldwork with the Broader Group took place in two stages: the sample sourced from the Children's Centre was interviewed in June 2015; and the energy supplier sample was interviewed in late August and early September 2015. All interviews were carried out by telephone by a member of the ICF study team. Interviews lasted for between 12 minutes and 33 minutes; the mean was 20 minutes⁴². Subject to interviewees' approval, interviews were recorded and transcribed for analysis.

Table A4 summarises the profile of the achieved sample for the Broader Group (interviews with Children's Centre and energy supplier sourced individuals have been combined), including the quotas that were set for some of the variables (energy supplier interviews only).

Table A4: Profile of the target and achieved sample of Broader Group individuals

| Interviewee characteristic | | Target | Achieved |
|---|----------------------------|--------|----------|
| Method of paying electricity bill | Direct debit | >7 | 9 |
| | On receipt of bill | >7 | 8 |
| | Prepayment meter | >7 | 18 |
| Type of energy account | Dual fuel | - | 11 |
| | Separate electricity & gas | - | 21 |
| | Electricity only | - | 3 |
| When customers found out the rebate had been paid | September or earlier | >5 | 9 |
| | October to January | >20 | 15 |
| | February or later | >5 | 11 |
| Type of home | House | - | 19 |
| | Flat | - | 16 |
| Tenancy type | Owner occupier | - | 6 |
| | Private tenant | - | 2 |

⁴² Broader Group interviews were, on average, longer than Core Group interviews (a mean average of 20 minutes compared to 16 minutes for the Core Group). This reflected the fact that the Broader Group customer journey was slightly more complex (interviewees had to apply, rather than receiving the rebate automatically), and because the Broader Group topic guide was expanded to include more in-depth discussion of issues such as debt and interviewees' ability to pay bills, following presentation and discussion with DECC of the results of the Core Group research.

| Interviewee characteristic | | Target | Achieved |
|----------------------------------|----------------------------------|--------|----------|
| | Social tenant | - | 27 |
| Main heating method | Gas central heating | - | 33 |
| | Electric storage heaters | - | 2 |
| Children aged <5 In home? | Yes | - | 13 |
| | No | - | 22 |
| Working status | Retired | - | 18 |
| | Unemployed but looking for work | - | 1 |
| | Working | - | 1 |
| | Long-term illness / disabled | - | 9 |
| | Looking after the family or home | - | 8 |
| | Carer | - | 3 |
| | Full-time student | - | 2 |
| Benefits received | Job Seekers Allowance | - | 2 |
| | Employment and Support Allowance | - | 11 |
| | Income Support | - | 8 |
| | Pension Credit | - | 6 |
| | Don't Know | - | 2 |
| | None | - | 6 |
| Annual household income <16,000? | Yes | - | 30 |
| | No | - | 1 |
| | Don't know | - | 4 |

Note: # Quota targets were only applied to the energy supplier sample (and were out of 32 not 35)

The following bullets provide a profile of the Broader Group sample:

- Most of the sample (27 of 35) were social tenants, and rented their home from a housing association or local authority;
- Almost all (33 of 35) interviewees had gas central heating, and just two interviewees used electric storage heaters to heat their home;
- Around a third (13 of 35) of interviewees had children aged under five living in the home;

- Interviewees were asked about their benefits and working status at the point of interview (this may have changed since they qualified for their WHD rebate). Employment and Support Allowance was received by 11 of 35 interviewees; 9 of 35 interviewees described themselves as disabled and/or with a long-term illness. Several interviewees (8 of 35) reported that stayed at home to look after the home / family. Four interviewees were retired.
- Most interviewees (30 of 35) had a household income below £16,000 a year, reflecting the focus of the Broader Group scheme on low income households. Eight of the 35 interviewees received Income Support.

A framework approach was used to undertake thematic analysis of qualitative data undertake thematic analysis of qualitative data. This primarily consisted of between-case analysis across Broader Group customers (i.e. analysis of all customers' responses to questions to identify patterns and explore whether their responses varied depending on their characteristics and responses to other questions). The interim results of the Broader Group customer interviews were provided to DECC as a PowerPoint presentation that was presented to the evaluation project board in September 2015.

Limitations to the research

A key limitation of the Broader Group research was that 32 of the 35 interviews were with customers who had accessed their rebate from the same energy supplier. Ideally, interviews would have spanned the Broader Group schemes of multiple suppliers, but it was only possible to access contact details from one firm. The results of the Broader Group interviews therefore mainly concern customers' experiences of a single scheme; customers of other Broader Group schemes might hold different views. However, interviews with energy suppliers have confirmed that, particularly towards the end of the WHD scheme, Broader Group schemes converged in terms of the eligibility criteria employed, and various other features of the customer journey.

Recall error was less of an issue with the Broader Group than it was with the Core Group, with interviewees typically able to remember the details of how and when they had applied for and received their rebate. This might be a reflection of the nature of the Broader Group customer base, which was typically much younger than the Core Group. Many interviewees had also gone through the application process as recently as February or March, meaning that the process was fresher in their mind than was the case for the Core Group. The application process also required more effort on the part of customers than was the case for the Core Group, which may encourage recall. Nevertheless, some interviewees were uncertain about some of the details of the customer journey and this should be recognised as a limitation of the research.

Scheme administrator research methodology

The purpose of research with scheme administrators was to discuss their views on the design and delivery of the Core and Broader Group elements of the WHD scheme. This included discussion of the rationale for intervention, and the functioning of the

administrative arrangements that are in place to enable the energy suppliers to deliver the rebates to customers.

Sample design and recruitment

Four organisations are collectively responsible for the administration of the WHD scheme: DECC; DWP; Ofgem; and Capita (working under contract to deliver the telephone contact centre for unmatched Core Group customers). DECC provided ICF with contact details for representatives of each of these organisations and made contact to brief them about the evaluation objectives.

In April 2015, ICF contacted all four scheme administrators by email and asked if they were willing to participate in the research; all agreed to do so.

Fieldwork and data analysis

A semi-structured topic guide was developed by ICF and agreed with DECC. Fieldwork took place in April 2015. Members of the ICF research team carried out three of the four interviews by telephone and one interview face-to-face. Interviews lasted for between 25 minutes and 80 minutes. Subject to interviewees' approval, interviews were recorded and transcribed for analysis. Analysis was undertaken using a framework approach. The interim results of the scheme administrator interviews were provided to DECC in the form of a short paper that was submitted to DECC in May 2015.

Energy supplier research methodology

The purpose of research with energy suppliers was to discuss their views on the design and delivery of the Core and Broader Group elements of the WHD scheme. This included discussion of the administrative arrangements underpinning the delivery of the scheme, including suppliers' interactions with the scheme administrators.

Sample design and recruitment

In Year 4 of the WHD scheme (the scheme year immediately preceding the research period), nine energy suppliers delivered under the WHD scheme⁴³. DECC provided ICF with contact details for representatives of each firm, and also made contact with the suppliers to brief them about the evaluation objectives.

In July 2015, ICF contacted all nine suppliers by email and asked if they were willing to participate in the research; all but one supplier agreed to participate within the four week fieldwork window.

Fieldwork and data analysis

A semi-structured topic guide was developed by ICF and agreed with DECC. Fieldwork took place in July 2015. All interviews were carried out by telephone by a member of the ICF research team. Interviews lasted for between 35 minutes and 71 minutes; the mean

⁴³ British Gas; EDF; E.ON, Npower, SSE; Scottish Power; First Utility; Utility Warehouse; and Co-operative Energy

was 55 minutes. Subject to interviewees' approval, interviews were recorded and transcribed for analysis.

A framework approach was used to undertake thematic analysis of qualitative data, based primarily on between-case analysis across energy suppliers (i.e. analysis of all suppliers' responses to questions to identify patterns and explore whether suppliers' responses varied depending on their characteristics and responses to other questions). The interim results of the energy supplier interviews were provided to DECC as a PowerPoint presentation that was presented to the evaluation project board in August 2015.

Limitations to the research

A balance was achieved between the larger energy suppliers (all of the 'big six' participated in the research) and smaller suppliers (in terms of size of customer base). One smaller supplier did not participate in the research. Suppliers were able to discuss details of their Core and Broader Group schemes, but lacked information about customers' experiences of these schemes, and could not provide insight into the impacts of the WHD.