



Committee on Fuel Poverty

Committee on Fuel Poverty (CFP) Meeting Minutes - 20th November 2023

Members Present: Caroline Flint (Chair), Anu Singh, Liz Bisset, Anthony Pygram, Gordon McGregor and Belinda Littleton.

Invited guests in attendance: Officials from the Department for Energy Security and Net Zero (DESNZ), Adam Scorer from National Energy Action (NEA) and Dhara Vyas and Oisin Joyce from Energy UK (EUK).

Agenda Item 1: Chair's Welcome, Members Interests and Minutes of Last Meeting

1. The Chair welcomed members and thanked them for their engagement. No new member interests declared. Members cleared minutes for September.

Agenda Item 2: Action Log: Update on Progress

2. The Committee reviewed the action log and discussed outstanding actions with DESNZ officials.

Agenda Item 3: Stakeholder Engagement

3. Members noted additional stakeholder engagements to be added to the engagement log.

ACTION: Committee to respond to Ofgem consultation on standing charges, DESNZ officials to assist.

Agenda Item 4: NEA Update – Adam Scorer

4. NEA provided an update regarding their experience supporting households last winter and expectations for the coming winter. NEA expect the coming winter to be worse due to accrued energy debt and normalisation of coping mechanisms (e.g. not washing regularly, extreme measures such as shaving hair so they don't have to wash it, and increased use of loan sharks). NEA noted there was a heightened level of support for fuel poor from suppliers last year which will still be there for this coming winter as the debt is so high, and suppliers won't want the level of bad debt to rise. The NEA believe the government is already too late to further help households this winter.
5. The NEA are calling for more immediate support in the Autumn Statement and are keen to see a reboot of the DESNZ fuel poverty strategy. The NEA are disappointed by the decision not to expand the Private Rented Sector Minimum

Energy Efficiency Standards. The NEA believe there needs to be a greater level of agreement between landlords and the energy efficiency sector on how to go forwards.

6. The CFP asked what research the NEA are currently doing and if there were any gaps the CFP should focus on. Additionally, they asked, what the NEA's biggest concerns were for the next 3-4 months.
7. NEA said that they are currently doing their annual fuel research with Gemserv to link those with health conditions with the energy advice they need.
8. NEA have called for 'Help to Repay' which helps people realise how they can pay off their energy debts. NEA have been critical of standing charges for some time, stating the government needs to work out how to deal with low-income yet high energy users (e.g. those with kidney dialysis machines) first. NEA believe a social tariff is needed before getting rid of standing charges.
9. NEA felt that more cross-department work was needed for a successful outcome for the fuel poor.

Agenda Item 5: DESNZ Update

10. DESNZ provided the Committee with an update on relevant fuel poverty schemes.

Agenda Item 6: Energy UK - Dhara Vyas and Oisin Joyce

11. Energy UK (EUK) noted that suppliers are aware of the depth and scale of the issue's facing those in fuel poverty.
12. EUK have emphasised the need for additional financial support to low income, vulnerable and fuel poor households. EUK have set out a proposal of how this support could be provided with cost borne by taxpayer at a cost of around £2.3 billion. In EUK's HMT Autumn Statement submission EUK suggested at least £400 of means tested support is needed for vulnerable households and means-tested disability benefits recipients this winter. EUK note it is important to hold a full consultation on enduring, targeted support (like a social discount/tariff) for households in vulnerable circumstances.
13. EUK stated the government needs credit for clearing energy debt for consumers from last winter, whilst noting that suppliers have concerns about increasing energy debt. EUK have been asking for targeted support since the summer.
14. EUK and the CFP discussed Pre-Payment Meters (PPMs). EUK noted that PPMs can be a positive choice for some households; however, PPMs are now vilified in the media. There has been a PPM moratorium and a new code of practice, which is tighter on defining customers/households that should not have a PPM installed. This means energy companies are extending more support credit than ever before leading to increasing debt.
15. Support Credit includes; 1) Emergency credit provided by suppliers to all PPM customers to ensure their supply remains on until they can top up by travelling to their nearest Pay Point or accessing their online account. 2) Suppliers make provision for friendly credit hours which allow customers to continue using electricity even after they run out of credit (or emergency credit) during periods where it may be difficult to top up their meter such as evenings, weekends or Bank Holidays. 3) For prepayment customers who have exhausted alternative options, Additional Support Credit. This means customers who are vulnerable

can ask for additional credit from their supplier. Ofgem has released guidance that suppliers should prioritise keeping the customer on supply over the impact on customer debt when considering these requests. More detail on this credit can be found at this link: <https://www.ofgem.gov.uk/publications/allowance-additional-support-credit-bad-debt-costs>

16. EUK explained their 'Vulnerability Commitment'. The voluntary commitment has 13 supplier signatories and is independently chaired and scrutinised each year by a panel. It is designed to go above and beyond the licence obligations and is a space where EUK want suppliers to be thinking innovatively. Each year EUK publish a 'good practice' guide which includes 'gold stars' for supplier 'good practice'. EUK did not do this last year in recognition of the customer experiences during the energy & cost of living crisis as suppliers call centres were inundated, and political and media attention were high (particularly on PPM installs).
17. EUK run the Vulnerability Champion scheme, and to be a Vulnerability Champion an energy supplier must have a vulnerability expert on their company board. EUK has created an Advisory Board and is planning to engage with signatories to improve the vulnerability commitment ensuring it is fit for purpose by considering: *How can suppliers do a deep dive and showcase something that has made a big difference? How can suppliers creatively get more people along who are not director level, e.g. call handlers? How can suppliers take a more sophisticated approach to driving continuous improvement?*
18. The CFP asked EUK if any company has ever failed the vulnerability commitment. EUK responded that no company had failed the Vulnerability Commitment.
19. The CFP asked EUK's thoughts on 'prescriptive' vs 'principles based' regulation in PPMs. EUK responded that the PPM scandal highlighted that the 'principles-based' approach to regulation has perhaps not worked for PPM installations, however EUK think that there is space for both 'prescription' and 'principles based' approach to regulation in a competitive market.
20. EUK and CFP discussed the use of smart meters. EUK stated there is a huge potential for Smart Meter data to spot changes in household circumstances and identifying fuel poor. Changes in energy usage can show a lot about what the household is going through.
21. EUK provided thoughts on the price cap. EUK noted that government should target those on means tested benefits as EUK research shows they need it most. EUK state any future review of price regulation must consider how to protect the most vulnerable through a social tariff.

ACTION: For Energy UK to share further information on the proportion of enforced PPMs installed that are Smart Meters.

ACTION: Energy UK to send on examples of companies demonstrating 'good practice' in Vulnerability Commitment space.

ACTION: EUK to provide information on retail penalty charges.

ACTION: CFP Secretariat to collate CFP reflections and send to EUK.

ACTION: EUK to provide their thoughts on energy debt customer strategies.

Agenda Item 7: Fuel Poverty Strategy Review

22. DESNZ colleagues presented an update on the Fuel Poverty Strategy Review and gave updates on DESNZ stakeholder engagement.

AOB

The next formal meeting will be held on 29 January 2024.