

Committee on Fuel Poverty - Response to Citizens Advice Consumer Workplan 2024/25

Introduction

The Committee on Fuel Poverty (CFP) is an advisory non-departmental public body sponsored by the Department for Energy Security and Net Zero (DESNZ). The CFP advises on the effectiveness of policies aimed at reducing fuel poverty and encourages greater co-ordination across the organisations working to reduce fuel poverty.

The Committee welcomes the opportunity to comment on The Citizens Advice Consumer Programme for 2024/25 where proposed work aligns with the CFP remit.

Response

Heat Networks

We are pleased to see the Citizens Advice role extended to act as the statutory representative of consumers on heat networks. This has previously been an unregulated market, likely to grow significantly in the move towards lower carbon solutions. As consumers cannot typically opt-out of energy delivered in this way, a better understanding of how energy is priced when delivered through district heating must inform future safeguards to protect those on low incomes. We look forward to the baseline evidence gathered by Citizens Advice in this new role.

1. Future Proofing Markets to meet evolving challenges.

Consumer choice

The recent CAB paper *'Ripping Off the Band-Aids'* argues for greater consumer choice through supplier specialism. Former patterns of switching when this was a prevalent option showed that take up was greatest from those on higher incomes. We would want to see sufficient consideration of how to extend the consumer understanding of potential choices of tariffs to increase take-up for those on lower incomes.

Future Systems operator

In addition to the broader consumer interest in the creation of a Future System Operator, the CFP believe there is potential to use smart metering to improve targeting support for the fuel poor. Currently around 60% of households have a smart meter, therefore we see greater coverage as an important component of future new arrangements. We agree that the rollout of smart metering offers the potential to

provide targeted support to the fuel poor through their energy providers, or at an anonymised level through the system operator.

2. Addressing affordability issues in essential markets

A multi sector register

The workplan is supportive of a multi-sector register. The CFP responded to the Department for Business and Trade consultation on [a multi-sector priority services register](#) positively, but highlighted the lack of shared definitions of vulnerability, the need to build consumer trust to allow sharing of data, and the need for safeguards relating to access to information relating to individual circumstance.

Preventing self-disconnection

The CFP shares the concern about the support available to consumers who regularly disconnect. We welcome the proposal to work with Ofgem and energy suppliers to significantly reduce the number of consumers who are self-disconnecting for three hours or more. In theory we agree that moving from traditional pre-payment meters to smart meters should benefit consumers (e.g. by allowing bill support to be directly loaded onto accounts) but recognise trust in energy suppliers wider use of smart metering needs to be built to facilitate greater switching.

Targeted bill support

The CFP agrees on the need for better targeted bill support for the fuel poor with energy bills set to remain high. Our most recent [Annual Report](#) makes the case for better targeting through a wider range of proxy triggers for eligibility and greater use of local knowledge and referrals for support.

3. Infrastructure that delivers value for consumers

We applaud the call for greater transparency of costs and value for money. We would add a note of caution in the proposals to enable consumers to use low carbon technologies and benefit from cheaper renewable energy. In our [Annual Report](#) we point out that currently there is a lack of focus on how to get to net zero whilst meeting the Government's 2025 and 2030 Fuel Poverty targets and ensuring a just transition for the fuel poor. The CFP have commissioned research on the uptake barriers and enablers to address fuel poverty whilst enabling net zero, to be published in spring of 2024.

4. Harnessing innovation to build fairness into essential services

The CFP is pleased to see under this section the focus on improving access and take-up of the various energy efficiency schemes, particularly for the fuel poor. Like Citizens Advice we too think that metadata from smart meters could assist targeting. The research proposal to gain a better understanding of energy networks response to vulnerable customers including those at risk of fuel poverty is welcome.

The committee is keen to see your work on improving access and identifying what support is needed to increase take up. This is a key point of failure across schemes and could hamper the future innovations you seek.

If possible, we would like to see the metadata work link in with other hyper local data sets especially those held by local health observatories and through ICB population health teams.

The CFP welcomes the horizon scanning work in relation to Artificial Intelligence and is keen to see this progress and link in with the committee's own drive to better use data and machine learning to identify where there may be additional risks or opportunities for consumers.

The research to evaluate the effectiveness of projects designed to assist customers on the Priority Service Register will be helpful, but perhaps a broader view of vulnerability would help the research to achieve insights and proposals across a more pertinent demographic.