



Repowering London
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To: Sophia McGuigan, Enforcement Manager
Enforcement and Emerging Issues
Ofgem

Dear Sophia,

We are writing on behalf of Repowering London to provide feedback on the “Consultation to review the Energy Industry Voluntary Redress Scheme.”

Repowering London specialises in working with community groups and local authorities to: Reduce CO₂ emissions by generating decentralised low carbon energy; reduce fuel poverty; promote local leadership through co-operative community engagement; and, provide opportunities for local and responsible financial investment. Focusing on fuel poverty, we ensure that low-income communities benefit from transitioning to a low carbon economy, and advocate for policies at local and national levels to make this happen, as well as providing in-depth energy advice and support to individual customers. Since the start of the pandemic, we have focused on providing support to residents at risk of self-disconnection and self-rationing including: Accessing fuel vouchers; providing 1:1 advice to address the underlying causes of fuel poverty crisis, including housing disrepair and supplier poor practice; and training local organisations in Ofgem’s new regulations from December 2020.

Question 1. Do you consider the funding split between the Main Fund, Innovation Fund and Decarbonisation Fund to be appropriate?

Yes

Question 2. Do you consider the proportionate funding split between vulnerable consumers and all energy consumers to be appropriate? i.e. 70% to vulnerable consumers and a total of 30% to all energy consumers.

Yes

Question 3. Should a fuel voucher fund remain a permanent feature of the overall Energy Redress Scheme, so that it can react quickly to specific crises?

Yes

Question 4. If a fuel voucher fund is set up, what type of consumer should be eligible to apply for these vouchers? e.g. vulnerable consumers, pre-payment meter consumers.

Consumers in vulnerable situations at risk of self-disconnection and self-rationing

Eligibility should not include a requirement of consumers to engage with in-depth advice before a fuel voucher is given. This would not be required of someone accessing a food parcel, and therefore should not be required regarding fuel, another basic need. In our experience, overly restrictive eligibility can prevent customers in crisis situations from accessing timely emergency financial

support that enables them to engage with necessary follow-on interventions once the immediate crisis has been alleviated. For example, we have provided fuel vouchers to clients who are severely struggling with their mental health (exacerbated by being in fuel crisis) and would not be able to engage with a scheme that requires them to first have an hour-long appointment for debt counselling and filling out an income and expenditure form. Such an approach does not recognise the mental trauma experienced by consumers in fuel poverty crisis and its impact on their ability to engage with more detailed advice at that point.

Eligibility should not include a blanket exclusion on consumers who have previously received a certain number of fuel vouchers. Instead, it must allow flexibility for those who may legitimately need ongoing crisis support at the discretion of organisations distributing the vouchers.

There is significant evidence that many consumers have “negative budgets”: No matter what they do to reduce their outgoings, they still do not have enough money to meet their essential needs. Therefore, they will continue to be reliant on financial and other support (such as food banks), until the causes of their negative budget are properly addressed. This includes consumers who need professional help in making appeals to the DWP and Universal Credit.

One of our recent clients, for example, was not in receipt of any pension and had had no income other than the support of friends for a year. We and other organisations provided him with ongoing financial and food parcel help while he waited for an appointment with a local benefits/pension advice organisation (waiting times have significantly increased this year for those appointments), who then helped him to communicate with the DWP.

We welcome Fuel Bank Foundation’s approach that keeps eligibility criteria very simple and enables distributing organisations to override its limitation on the number of vouchers provided to a household at their discretion.

We recommend that a fuel voucher fund should capture data that can be used to shape government policy related to benefits/income support. There are already existing mechanisms to provide households with direct financial assistance, such as pensions and Universal Credit. Fuel voucher (and food bank) schemes are evidence that the income provided by these is insufficient and we question whether Energy Redress funds should be used to fill this gap in the long-term. By having a separate process for fuel vouchers, the government risks having an incomplete picture of the level of need.

We recommend that Ofgem examine the inherent risks of pre-payment meter customers being reliant on local Paypoint/Payzone stores for the successful redemption of their fuel vouchers and to consider other, more reliable options for the location of Paypoint terminals for consumers in fuel poverty crisis, such as local council buildings and GPs.

We have faced significant challenges in helping our clients to redeem fuel vouchers at Paypoint stores (we can provide further detail) and believe that fundamentally it is inappropriate and dangerous for consumers in vulnerable situations to be reliant on a small business to provide an emergency service. Self-disconnection is almost always traumatic, but there are further health risks for those reliant on electricity and gas for heating in extreme cold, refrigerated medication, breathing support devices and other necessary appliances.

Question 5. What are your views on expanding the applicant scope beyond charities and organisations that partner with charities? If you think the scope should be expanded, do you have

any suggestions for how eligibility should be defined? (e.g. what legal structures/status should qualify? Should there be other qualifying criteria?)

We believe that Community Benefit Societies should also be included as an eligible legal form, alongside charities. Community Benefit Societies are bound by their governing documents to provide benefit to the wider community, are subject to approval and ongoing regulation by the FCA, and are a widely used legal form for many organisations that provide support to vulnerable and fuel poor households. We believe that the existing legislation and regulation relating to Community Benefit Societies is sufficient and no further qualifying criteria are required.

Question 10. Do you have any other general comments or feedback you would like to provide?

We encourage Ofgem to consider how Energy Redress funds can be used to better identify and address systemic failings and poor practice within the energy sector. Otherwise, the scheme risks displacing responsibility for dealing with the negative impacts of energy suppliers onto those charities/other organisations who are providing advice to customers: Suppliers pay into the Energy Redress Scheme without fundamentally addressing the reasons why they are having to do that, customers continue to suffer, and organisations funded by the Scheme will see the same issues happening repeatedly.

We are currently supporting clients (funded through other means) who are raising complaints against their suppliers through us and the Citizens Advice Extra Help Unit and imagine that organisations funded by the Energy Redress Scheme are having to do the same.

For example, we are aware of instances where Customer Service Agents do not seem to be acting according to the new regulations regarding Additional Support Credit, introduced in December 2020. We can address this on a case-by-case basis, however, if the underlying causes are not identified and solutions not implemented, we and other organisations will keep having to address a symptom of a much larger problem (such as a lack of training and adequate supervision).

We recommend that Ofgem consider:

- Supporting funded projects to capture and report on instances of supplier poor practice that arise in case work with customers – acknowledging that this may require some degree of coordination and capacity building by Ofgem, such as the provision of standard reporting frameworks to enable data to be aggregated.
- Using this data to take action and seek systemic change with the sector, such as by funding projects through the Energy Redress scheme that that could help suppliers to address identified issues.

Appendix 2: Feedback questionnaire

Do you have any further comments?

We are pleased to hear that Ofgem is working with Fair by Design to examine how inclusive design processes can be incorporated into consultations such as this. We welcome the invitation to explore how we might be involved in that process through Sophie Merchant and Aimee Manester in the Consumer Groups and Charities teams.

Summary of recommendations:

- In the short term, set up a fuel voucher fund for consumers in vulnerable situations that are at risk of self-disconnection and self-rationing. Eligibility should not have hard rules set for the maximum number of vouchers that households can receive or rigid requirements of consumers to engage with in-depth advice before receiving a voucher. Consider using the Fuel Bank Foundation as a delivery partner.
- In the long term, question why fuel voucher schemes (like food banks) are required and consider capturing data to influence government policy relating to financial assistance from pensions, Universal Credit and other benefits.
- Examine the inherent risks of pre-payment meter customers being reliant on local Paypoint/Payzone stores for the successful redemption of their fuel vouchers and to consider other, more reliable options for the location of Paypoint terminals for consumers in fuel poverty crisis, such as local council buildings and GPs.
- Include Community Benefit Societies as an eligible type of organisation for the scheme.
- Consider how Energy Redress funds can be used to better identify and address systemic failings and poor practice within the energy sector, particularly focused on the implementation of the new regulations from December 2020.
- Continue to explore the integration of inclusive design processes in consultations such as this.

Yours sincerely,

Afsheen Rashid (Co-founder Director and CEO), Felix Wight (Technical Director) and Charlotte Lawes (Community Support Services Programme Manager)