

**FUEL
POVERTY
ACTION**



**ENERGY
FOR ALL**

Fuel Poverty Action Response To Vulnerability Strategy

Nov 2024

Fuel Poverty Action is a grassroots organisation taking action against energy injustices, inflated energy bills and working towards an affordable, sustainable and democratic energy system.

We do not believe that Ofgem is currently fulfilling its statutory duty to protect vulnerable people. Millions on low incomes are in fuel poverty and many are in severe energy deprivation and suffering in cold homes. Ofgem also lets energy firms charge higher prices to vulnerable groups - for example those on Economy 7 are charged more than those on EV tariffs.

Therefore any new Ofgem Vulnerability Strategy needs to rapidly address these issues. It is unclear if the proposed changes will deliver the desired results.

Theme 1: Improving identification and smarter use of data

Outcome : Vulnerable customers should have their needs identified, be able to easily notify and update their circumstances, and have better understanding of and access to support services designed to suit their circumstances and meet their needs.

Work programmes • Review of the Priority Services Register; • Leading Working Group on development of multi-sector PSR; and • Working with energy and water on data sharing.

Our response: The focus of the work is on the PSR, which does not cover many of the people who are in fuel poverty and suffering from energy deprivation. For example it does not include income data nor does it identify people with dangerously low energy usage.

Theme 2: Supporting those struggling with bills

Outcome: Vulnerable customers struggling to pay their bills should receive accurate bills that are easy to understand, compassionate and consistent support, and flexibility in payment methods and frequencies.

Work programmes • Review our rules on debt and arrears • Work with government on financial solutions on energy affordability and energy debt.

Our response : Fixing inaccurate billing is indeed important given the terrible current performance of most energy firms but the work plan doesn't seem to cover this. The work on affordability & debt needs to deal with the energy deprivation causing cold homes, sickness and deaths, and not just focus on debt repayment.

Theme 3: Driving significant improvements in customer service

Outcome : Vulnerable customers should be provided with tailored communications that are easy to understand, are able to engage with their energy company with ease and do not face exclusion based on their circumstances.

Work programmes • Continue our work on 24/7 emergency contact; • Networks RII03; • Networks ED3; and • Consumer Confidence.

Our response: Customer service standards are terrible so this is a key priority, but again it's unclear how the work plan will fix this.

Theme 4: Encouraging positive and inclusive innovation

Outcome : Vulnerable customers should have access to inclusively designed innovative solutions, particularly those that can help them participate in the transition to Net Zero.

Work programmes • Future Retail innovation: Consumer protection and participation; and • AI strategy

Our response: This is an important area as current innovations like EV tariffs offer affluent homes much cheaper rates than the lower income homes that use Economy 7. Ofgem needs to stop this growing price discrimination and inequality.

The importance of working with our stakeholders

We know we cannot meet the needs of vulnerable energy consumers on our own. We will work with government and all stakeholders, to help protect the interests of consumers in vulnerable situations. This includes through work on affordability and debt and our Consumer Confidence package on consumer protection.

Our response: We agree with the need for greater collaboration with consumer organisations and offer our time to support these efforts.

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