

# Counting on it

Cross-sector minimum  
standards of support for  
people with mental health  
problems



**citizens  
advice**

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# Summary

Essential service markets are not working for people with mental health problems.<sup>1</sup> Although regulators and providers increasingly recognise that vulnerable consumers are experiencing harm and need extra protections, more needs to be done to make targeted support for those with mental health problems a reality. The structural barriers people with mental health problems face in dealing with their water, energy, telecoms and financial services companies can't be overcome by uneven, voluntary efforts by providers to improve practices. Regulators need to work collaboratively to ensure there is a consistent floor of support that people with mental health problems can count on.

In its 'Modernising consumer markets' green paper, published in April 2018, the government instructed regulators to identify whether there are benefits to introducing cross-sector minimum standards of support that people with mental health problems can expect to receive from providers.<sup>2</sup> In support of this work, this report evidences the necessity of such standards and what form they should take in order to achieve better outcomes for people with mental health problems.

We recognise all 4 sectors will face difficult challenges in implementing minimum standards, but existing support forms a solid basis for progress. Our proposed minimum standards tweak and universalise existing good practice, rather than advocating untested solutions. Almost everything suggested in this report has already been implemented in some form by a company in 1 of the 4 sectors.

We advised 100,000 clients with mental health problems in the past 12 months. This is the most common health issue among local Citizens Advice clients. Our data also shows that clients with mental health problems are more likely to need help with their essential services than those without mental health problems. In 2018-19 we saw an 11% increase in consumer and utilities issues (including debts), among clients with mental health problems. Among clients

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<sup>1</sup> Citizens Advice, [Beyond good practice guides](#), 2018; Citizens Advice, [Essential service markets and people with mental health problems](#), 2018; Citizens Advice, [The mental health premium](#), 2019

<sup>2</sup> Department for Business, Energy & Industrial Strategy, [Modernising consumer markets: green paper](#), 2018

without mental health problems, these issues decreased by 4% in the same time period.

Over the past 2 years, our research has found:

- Areas that are particularly challenging for people with mental health problems are: communicating with providers, dealing with service outages, managing spending and debt, and getting help from a trusted third party in managing their account.<sup>3</sup>
- Support from providers is patchy, inconsistent and unreliable. It might be available from a provider for one essential service, but not elsewhere. Getting support often depends more on the knowledge and empathy of customer service staff members than official company policy.<sup>4</sup>
- When someone's ability to carry out their day-to-day activities is affected by poor mental health, this lack of support can result in costs of £1,100 - £1,550 a year.<sup>5</sup>

This research shows that poor and inconsistent support from providers has led to a high level of detriment for people with mental health problems. We frequently heard from research participants that a difficult experience with 1 provider made it hard to trust or engage with any other essential service provider.<sup>6</sup> Introducing minimum standards would help to improve outcomes by increasing consistency of support across and within sectors.

Research conducted for this report has enabled us to understand what solutions people with mental health problems view as helpful, and we have interviewed regulators and providers about what they consider feasible. All the support options we tested are based on customers disclosing that they have a mental health problem to their essential service providers. The minimum standards we're proposing could also form the basis of wider standards of support for other customers in vulnerable circumstances. For example more flexible forms of third party support would help people who are in and out of hospital or social care.

The minimum standards we want to see Ofcom, Ofgem, Ofwat and the Financial Conduct Authority (FCA) implement collectively are in the following areas:

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<sup>3</sup> Citizens Advice, [Essential service markets and people with mental health problems](#), 2018

<sup>4</sup> Citizens Advice, [Beyond good practice guides](#), 2018

<sup>5</sup> Citizens Advice, [The mental health premium](#), 2019

<sup>6</sup> Citizens Advice, [Essential service markets and people with mental health problems](#), 2018

**Debt management:** People with mental health problems can struggle to manage their finances due to cognitive or behavioural barriers. Falling behind on payments to providers can, in turn, make their mental health problems worse. Many providers aren't offering enough tailored support or early enough interventions.

**Minimum disruption:** For some people, having a stable routine is vital to maintaining good mental health. Providers need to do more to warn and support customers when there is a planned energy or water outage.

**Accessible service:** Communicating with providers and retaining what was agreed during calls was a challenge we frequently encountered. Providers need to ensure customers have access to a communications channel they feel comfortable using and improve telephone support.

**Safety net:** Current third party support systems are too 'all or nothing'. It should be easier for customers to involve a trusted third party in the management of their account. These systems need to be flexible enough to adapt to fluctuating conditions.

## What issues are customers with mental health problems facing?



### Debt

- Managing finances and falling behind on bill payments
- Disconnection from essential services due to arrears
- Told about debt advice services but struggle to make appointments
- Complex tariff or package terms - leads to being on the wrong deal and paying too much



### Third party support

- Complicated billing and payments
- Need for third party support can fluctuate during periods of better or worse mental health
- Controlling spending is difficult during periods of poor mental health
- Remembering passwords and account details
- Speaking on the phone



### Service outages

- Service disruption can be very destabilising
- People can struggle to remember if warned of an outage too far in advance
- People often avoid opening their paper mail
- For some people, steady supply is vital e.g. needing water to regularly take medication



### Communicating with providers

- People have different communication preferences
- Phone calls can be challenging, including waiting in a long call queue and speaking with unsympathetic call handlers
- It can be difficult to remember details of a call or if the customer agreed to take action as a result

## Our suggested minimum standards



### Debt management

- Providers proactively set up debt support if customers miss 2 consecutive bill payments
- No disconnection to enforce payment of arrears
- Providers set up debt advice (face-to-face or by phone) if a customer agrees
- Providers check if customers are on the right deal and contact them to switch them to a better deal if not



### Safety net

- Providers make it easier to pause and re-start third party support online, on the phone or via an app
- Customers can request third party notification when certain usage limits set by customer are breached
- Providers offer to set up a third party online account login in energy, water and telecoms. Financial service providers explore the feasibility of view-only third party online account access



### Minimum disruption

- Staggered advance notification of planned service outage via multiple channels
- Prioritisation of people with mental health problems to receive some form of emergency alternative until the service is restored



### Accessible service

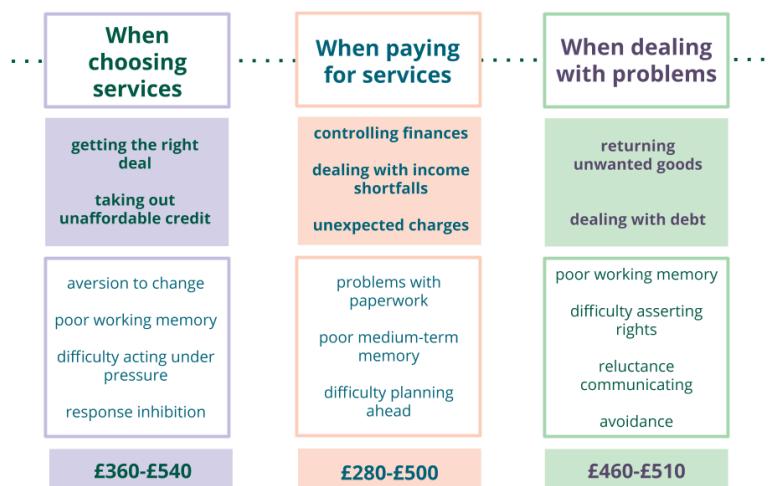
- Providers offer customers at least 2 different communication channels
- Providers offer a freephone telephone service where people don't wait in long queues and speak to specialist staff
- Customers are offered written call follow-up if actions are agreed or account changes are made

# Background

## How does having a mental health problem affect someone's ability to manage their essential services?

Our research on the mental health premium revealed the huge costs caused by behaviours associated with mental health problems.<sup>7</sup>

Poor mental health has an impact on people's behaviour - but most services don't make allowances for this



Citizens Advice finds that each year this can cost people with mental health problems between

£1,100

£1,550

depending on how much their mental health problem reduces their ability to carry out daily activities

We can't quantify the mental toll that struggling to deal with essential services takes on people with mental health problems, but many research participants experienced intensely distressing situations and feelings of despair and humiliation. Money and Mental Health found large numbers of people reporting that dealing with essential service providers while unwell can lead to panic attacks and suicidal ideation.<sup>8</sup>

In developing the 4 areas minimum standards should address - accessible service, debt management, minimum disruption and safety net - we have covered as many of the challenges people with mental health problems told us

<sup>7</sup> Citizens Advice, [The mental health premium](#), 2019

<sup>8</sup> Money and Mental Health, [Access essentials](#), 2018

they face with managing their essential services as possible. We drew on the 4 'behaviour types' identified through longitudinal ethnographic research undertaken on our behalf by BritainThinks last year.<sup>9</sup> These types are not meant to represent separate groups of people - an individual might experience more than 1 form of behaviour, sometimes concurrently. The 4 behaviour types and the 4 corresponding areas of minimum standards are:

- **Reluctant communication**, characterised by heightened levels of stress and anxiety relating to communicating with essential service providers. It results in people avoiding contact with their provider. This is addressed by **accessible service** (which aims to make it easier for customers to engage with their provider via a communication channel that suits them, and to make phone calls less challenging).
- **Change aversion**, characterised by a greater need for routine and stability as a way to manage mental wellbeing. This can lead people to avoid shopping around for a better deal and can also mean they find supply outages difficult to cope with. This is addressed by **minimum disruption** (which aims to make planned supply cuts more manageable) and by **debt management** (which aims to help customers struggling to pay for their essential services).
- **Fluctuating management**, characterised by a varying ability to manage essential service accounts, depending on whether the person is experiencing a better or worse period of mental health. During periods of poor mental health, a person might avoid communicating and find it impossible to manage tasks they could perform during a better period (for example, missing bill payments). This is addressed by **safety net** (which aims to make it easier to involve a trusted third party in the management of the account in a way that is flexible i.e. can easily 'kick in' and 'kick out').
- **Volatile overspending**, characterised by periods in which people spend large amounts of money or use a service more than usual in a short space of time, and struggle to control this spending or usage. This could affect both their usage of essential services and their ability to budget and pay essential service bills. This is addressed by **debt management** (which aims to give providers more responsibility to intervene early when customers start missing bill payments,) and by **safety net** (which enables

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<sup>9</sup> Citizens Advice, [Essential service markets and people with mental health problems](#), 2018

customers to alert a trusted third party to unusual spending or use of a service).

## Why is existing support not working?

Over the past 2 years, we've examined the support mechanisms in place in water, energy, telecoms and financial services,<sup>10</sup> and how they're failing people with mental health problems:<sup>11</sup>

- **It's too difficult to find support online:** We found it can take up to 5 clicks on providers' websites to locate the page for support services. Customers have to read and navigate several pages of information before reaching the correct place. We found it sufficiently difficult to discover 'how to get support' sections on some websites that we had to search the name of the provider and 'mental health support' through a search engine.
- **Ineffective advertising:** We found that support advertising from providers fail to reach people with mental health problems. Communications are too long or complicated, and information is often sent via letters or bills. Many people with mental health problems don't open paper mail.
- **Problems with Priority Services Registers (PSRs):**<sup>12</sup> There's low awareness of PSRs, especially amongst people with mental health problems. Eligibility descriptions on provider websites rarely use the words 'mental health problems'. When people were registered on a PSR, they often didn't know what extra support this was meant to secure for them and so didn't ask for help.
- **Support is inconsistent:** Although there are pockets of good practice across providers, there's no consistency. Support schemes - such as third party bill management - exist but the process of finding out about it and

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<sup>10</sup> By financial services we mean: personal banking, mortgages, credit cards and insurance.

<sup>11</sup> Citizens Advice, [Joining the dots](#), 2017; Citizens Advice, [Beyond good practice guides](#), 2018; Citizens Advice, [Essential service markets and people with mental health problems](#), 2018; Citizens Advice, [The mental health premium](#), 2019

<sup>12</sup> Water and energy companies maintain Priority Services Registers that customers in vulnerable circumstances can sign up to in order to receive extra support. This can include receiving priority services in an emergency and an identification scheme to help ensure callers, such as meter readers, are legitimate.

setting it up differs between providers and sectors. This makes it more difficult to access support services.

- **Customer services are a lottery:** The quality of customer service is highly variable and has been described by our advisers as a 'lottery', meaning the support people have access to is completely down to chance.
- **Referrals aren't happening:** Even when there are clear indicators that a customer would benefit from support, we found that frontline staff either fail to proactively offer these services or are unaware they exist.
- **Failure to cater for people with fluctuating conditions:** Support offered by essential service providers is not flexible enough for people who only need help during periods of poor mental health.

## Regulatory framework

Our minimum standards are compatible with principles-based regulation. Principles-based regulation specifies the outcomes providers should meet, but leaves the means to achieve these outcomes for providers to determine.

Setting a consistent and basic floor of support that providers should offer customers with mental health problems doesn't stop providers from being ambitious and exceeding this floor of support. For example, some providers might wish to go beyond offering their customers with mental health problems access to a specialist customer service team and assign them a case manager who proactively contacts that customer to discuss potential issues, such as an unusually large bill or a contract ending. Implementing minimum standards shouldn't mean providers roll back or diminish their existing support offers. Well-enforced principles-based regulation will incentivise providers to offer support above and beyond minimum standards.

A criticism that has been made of more prescriptive regulatory approaches is that they are rendered irrelevant and burdensome as markets change. Minimum standards can and should evolve to reflect the state of essential service markets. They should adapt so that new challenges for people with mental health problems are met with a new consensus on minimum forms of support needed to prevent harm.



## Beyond minimum standards

"We might allow more [than just 6 weeks of debt support]. We might allow 90 days, it depends on the customer's circumstances. We're not rigid in this at all. You'd want to have a minimum that you're asking industries to follow, but what you don't want to do is make it so it always has to be that. If they want to do more for customers then clearly they should be able to."

- Water company interview

## Where should minimum standards apply?

Minimum standards should apply to regulated providers in: England, Wales, Scotland and Northern Ireland for telecoms and financial services; England, Wales and Scotland for energy; and England and Wales for water. Scottish Water is regulated separately. The Utility Regulator regulates electricity, gas and water in Northern Ireland. Scottish Water and the Utility Regulator should examine how minimum standards could be introduced in their regulated sectors.

# Methodology

## Part 1: Interviews with people with mental health problems

Drawing on our ethnographic research and polling, interviews with our advisers, customer journey mapping and desk-based research, we developed an initial set of support options to put to research participants. We assessed how existing support could be improved and adapted to deal with the challenges posed by the 4 behaviour ‘types’ identified in previous research. In each area, we developed several types of support to find out what would help people most in practice.

In our testing of these support options, we wanted to focus on getting critical feedback from the people the standards are supposed to help. We commissioned BritianThinks to conduct a 3-stage study with participants with mental health problems who have experienced difficulties managing their essential services.

This consisted of:

- 10 face-to-face depth interviews of 90 minutes each
- An online community with 15 participants, lasting 2 weeks
- Depth interviews with 7 ‘new’ participants, each lasting 1 hour, conducted face-to-face or over the phone depending on participant preference.

## Sampling

Research participants with a range of mental health problems (including depression, anxiety disorders, eating disorders, obsessive compulsive disorder (OCD), post-traumatic stress disorder (PTSD) and bipolar disorder) took part in the face-to-face interviews and online community. We didn’t set quotas for conditions. All participants identified as having a mental health problem that has a ‘significant’ impact on their day-to-day life. Some participants hadn’t received an official diagnosis of their mental health problem. This reflects the fact that getting a diagnosis can be difficult and that engaging with health services can prove challenging or impossible for many people.

Participants were based in 6 locations across England, Scotland and Wales. Half of the participants were men and half women; a third were 30 and under, 31-55 and over 55 respectively. Five participants were BAME and participants were recruited from a range of socio-economic backgrounds. All held the primary relationship with essential service providers in their household and described themselves as struggling to manage their relationship with essential service providers.

## Bringing the support options to life

We wanted to make sure interview and online community participants were properly able to engage with what having different support options might look and feel like in practice. For example, being told you can receive a text message from your water provider telling you there will be a supply outage tomorrow morning might sound good in theory, but if you see an image of a phone screen with the text message, it might increase your anxiety rather than help it. We created flow diagrams and case studies, and mocked up communications a customer might receive to make it easier for participants to assess what the support options might be like in reality. Online community participants were able to listen to audio recordings explaining the support options in addition to reading them. They were also able to ask BritainThinks questions about support options if they needed more clarity on anything.

We also wanted to encourage research participants to critically evaluate different forms of support and suggest improvements. We didn't want to ask questions such as 'would this be helpful' or 'would you want this support'. Instead, we structured our interviews and

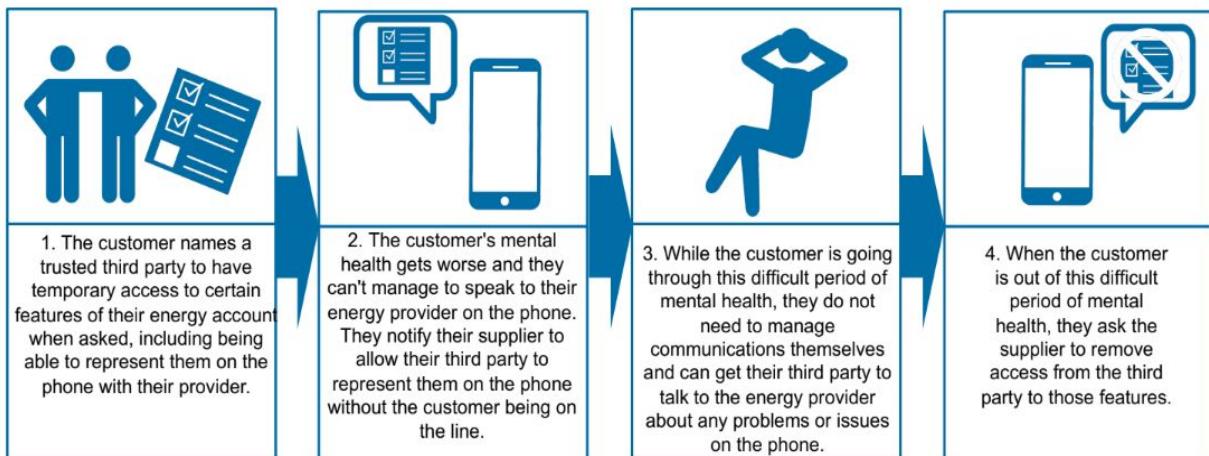


The last time Gerry spoke to her energy company she explained to them that she had mental health problems and that she often gets flustered when on the line. The call handler put her through to a specialist team. Now, when Gerry has a query about her latest bill she has a direct number she can call and does not have to wait in a queue. Although she gets through to someone she hasn't spoken to before, the call handler knows the details of her account, gives her time to speak and emails the details of their conversation when the call is over.

online community around comparisons and ranking preferences. For example,



we asked participants to decide which of 2 options of delivering the same support would work better for a customer with mental health problems and why, and asked them to pick which forms of support would be most important to introduce in different essential service markets.



## Part 2: Interviews with essential service stakeholders

We carried out telephone interviews, face-to-face interviews and received written feedback from the following essential service stakeholders:

- 3 - 5 providers in each of the following sectors: water, energy, telecoms and financial services
- Regulators (Ofgem, Ofcom, Ofwat, and the Competition and Markets Authority (CMA))
- Sector ombudsman services and consumer bodies (the Communications and Internet Services Adjudication Scheme [CISAS], the Communications Ombudsman, the Consumer Council for Water, the Energy Ombudsman, and the Financial Ombudsman Service)
- Other stakeholders: the Extra Help Unit (EHU) and UK Finance.

These were crucial to understanding which support options are and aren't practically feasible, existing good practice, and views of the benefits and drawbacks of minimum standards more broadly.

# Disclosure

All the support options we tested are based on customers disclosing that they have a mental health problem to their essential service providers. Disclosure is complicated and relates to difficult debates about privacy, data security, stigma, and evidence requirements. Providers and regulators have emphasised that getting the right balance between privacy and disclosure isn't easy, and that it's hard to help people who don't want to disclose. Telling a company about such a personal issue won't work for everyone.

Our polling found that 40% of people with a mental health problem have disclosed or are willing to disclose in the right circumstance.<sup>13</sup> More than half of those people would only disclose if it meant they got support from their provider as a result (21%).

Money and Mental Health has found that most people aren't receiving support even when they do disclose that they have a mental health problem to providers. They found discrepancies between disclosing and receiving support from providers across all essential services. For example, in financial services, 31% of people disclosed but only 10% have received support. In the mobile phone market, 11% of people disclosed to their provider, but only 1% have received support.<sup>14</sup> We found that a third (33%) of those who had disclosed to a provider didn't find it easier to manage their service as a result.<sup>15</sup>

There is a gap between the support people are telling providers they need and what providers are offering, and a strong case for providers taking action to meet their customers' needs. Introducing minimum standards is an important step towards achieving this.

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<sup>13</sup> Citizens Advice analysis of responses to the statement 'Which of the following best describes how comfortable you would feel telling your providers for each of the following services about your mental health problem?' Answer options: 'I would be comfortable sharing this information but have not done so'; 'I would be comfortable sharing this information, but only if I could get help managing my account or paying bills as a result'; 'I would not be comfortable sharing this information under any circumstances'; 'I have already shared this information'; 'Don't know'; 'Not applicable/ I don't have this service' from a March 2018 ComRes survey. Base: 1,530 adults with a mental health problem.

<sup>14</sup> Source: Money and Mental Health survey of 434 people with lived experience of mental health problems. Base for this question: 335; Money and Mental Health, Levelling the playing field, 2017

<sup>15</sup> Survey conducted by ComRes on behalf of Citizens Advice, March 2018. Base: 218 people with a mental health problem who have told at least one essential service provider about their mental health problem

# Our proposed minimum standards

## 1. Debt management

### **Our proposed support:**

If customers miss 2 consecutive bill payments, providers initiate the following debt support:

- A 60-day pause on enforcement action (across all sectors), including a commitment by providers not to disconnect customers (in energy, water and telecoms).<sup>16</sup>
- Agreeing with a customer that the provider will set up a telephone or face-to-face advice session with an independent debt advice charity ('warm referral').
- Proactively ensure they are on the best deal. Providers should contact the customer about this in a way that works for them and highlight clearly that the customer could be saving money (for example, sending them an email, or sending a text asking to arrange a telephone call).

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<sup>16</sup> In telecoms, this applies only to customers who have missed two consecutive bill payments for non-PAYG mobile and broadband contracts for existing usage allowances. It would not interfere with the ability of customers or companies to place limits on usage outside of contractual allowances.

## Responses to pause on enforcement



**Telecoms provider:** "We don't currently do this but we are supportive. We spoke to our debt collections agencies who are happy to do it and are set up to do so. [...] As the breathing space consultation set out, there should be engagement with the customer, there can't be a pause where you do nothing. We're supportive of it in general, helping people get back on track."



**Research participants:** "This is a fair idea and very helpful if dealt with with empathy. It's helpful to me and saves me from being stressed over money worries. A very kind and fair idea from companies."



**Energy provider:** "We currently do pause enforcement action. We tend to start by offering 30 days although the average is 60. We want to be sure that people are taking action."

**Energy provider:** "In line with breathing space, we've started to look at this. We're being pushed from different angles: we have a duty to stop customer's debt building up, but pausing their collections means not reminding them their debt is building up."



**Financial service provider:** "We currently pause enforcement action. We do 30 days plus 30 days."

## Breathing space and minimum standards

In June 2019, the government announced the introduction of a 60-day period of 'breathing space'. During the breathing space period people with problem debts in England and Wales will be protected from enforcement action from creditors and will see their interest frozen, from 2021.<sup>17</sup> The Debt Arrangement Scheme (DAS) in Scotland already provides a 6-week breathing space. We've aligned our recommendation of a 60-day pause on enforcement action with the 60-day timeframe of breathing space in England and Wales.

The debt management component of our proposed minimum standards is a way for providers to help people with mental health problems when they initially get into arrears, *before* they get into problem debt. While breathing space will introduce an alternative access mechanism for individuals in mental health crisis care, a wider group of people with mental health

<sup>17</sup> HM Treasury, [Individuals to be protected from 'devastating impact' of problem debt](#), 2019

problems need access to debt support. A provider initiating debt management support with a customer doesn't need the customer to be in crisis care - it's a way to try to preempt the need for breathing space.

## Why is this support needed?

The link between debt and mental health is well established. Analysis of new national data from the Adult Psychiatric Morbidity Survey by Money and Mental Health found that 46% of people in problem debt also have a mental health problem.<sup>18</sup> In interviews, we frequently encountered a vicious cycle of people's mental health problems causing them to struggle with their finances and to pay utility bills. Unsympathetic responses from providers also makes their mental health worse. As debt builds up, so does the stress, anxiety, guilt and shame.



### Ruba\*, research participant with OCD and anxiety

"I've had a lot of financial problems, often used payday loans and had issues with insurance companies and energy providers [...] It's really true as you go into a downward spiral with this [debt]...your mood goes down and down."

\*All names in this report have been changed to protect identity.

## Pause on enforcement

Debt collection practices and disconnection to enforce payment of arrears is an area of serious concern. Half of those in problem debt have been contacted by bailiffs or debt collectors about unpaid bills in the last year,<sup>19</sup> and our polling has found that people with mental health problems are 33% more likely to be on the receiving end of bailiffs breaking the rules.<sup>20</sup>

Water providers can't disconnect customers for non-payment, and energy providers rarely disconnect customers for debt (although self-disconnection and self-rationing by customers with prepayment meters (PPMs) is an area of

<sup>18</sup> Money and Mental Health, [Debt and mental health: A statistical update](#), 2019

<sup>19</sup> Mind, [Still in the red](#), 2011

<sup>20</sup> Citizens Advice, [A law unto themselves: How bailiffs are breaking the rules](#), 2018

concern).<sup>21</sup> Yet, disconnection as a tool to enforce payment by telecoms providers is more common and has major repercussions. People with mental health problems are more than 3 times as likely to have had a telecoms service disconnected once or more due to lack of payment within the last 3 years.<sup>22</sup>

Telecoms services are a lifeline for many people: using email, web chat or filling in an online form requires internet access; calling customer helplines relies on having a working phone service. People with mental health problems are almost 4 times more likely to have gone without essentials, such as food, to pay their landline, broadband or mobile phone bill.<sup>23</sup> Disconnection by telecoms providers can make other essential services unmanageable, as well as preventing people from getting help from family and friends. Introducing a requirement for providers not to disconnect customers for 60 days as part of arrears enforcement would help to tackle this detriment.

## Debt advice

Essential service providers frequently highlighted to us that they notify customers about the existence of free, independent debt advice (for example, on their websites or via bills and statements) - referred to as 'signposting'. However, our research has found that the take-up of advice as a result of signposting is low.<sup>24</sup> This is a particularly acute issue for people with mental health problems. In our interviews, we found people welcomed the idea of receiving tailored debt support from an adviser, but many research participants emphasised that they wouldn't manage to arrange this for themselves. Research participants were broadly split on whether they would prefer face-to-face or phone support, and so both options should be offered to meet people's needs. Some providers told us they already go beyond this level of support by patching some customers straight through to independent debt advisers during telephone calls.

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<sup>21</sup> The proposed minimum standard wouldn't provide additional protections to energy customers with PPMs, as suppliers generally don't take enforcement action against these customers if they fall into arrears (instead the customer's supply will not return until any debt is repaid or discretionary credit is applied by the supplier). Improving debt support for customers with mental health problems should help people avoid being moved onto PPMs to repay debt in the first place. We've separately called for more support for customers to avoid self-disconnection. Ofgem, [Prepayment self-disconnection and self-rationing - a call for evidence](#), 2018; Citizens Advice, [Citizens Advice response to Ofgem's open letter to updating the Consumer Vulnerability Strategy](#), 2019

<sup>22</sup> 2018 survey conducted by YouGov on behalf of Citizens Advice. Base: 4,257

<sup>23</sup> 2018 survey conducted by YouGov on behalf of Citizens Advice. Base: 4,257

<sup>24</sup> Citizens Advice, [The Referral Gap](#), 2016

## Debt advice: best practice

We interviewed a building society that has a system of ‘warm referral’ in place for customers struggling with debt. Rather than only pointing customers to debt advice charities via their website, mail or on a telephone call, they actively set up an appointment for them.

“We are very positive about this. Since we introduced warm referrals, success rates of debt advice referrals increased tenfold. Previously the success rate was at around 5-10%.”

- Building society interview

## Switching to a better deal

People with mental health problems are likely to find switching particularly difficult. This can lead them to staying on bad deals and pay more than they should be for essential services. We found that people with mental health problems are 3 times as likely as people with no mental health problems to think it’s too difficult to switch contracts in essential service markets.<sup>25</sup> When asked about being switched to a lower tariff, many research participants expressed their frustration that providers charge them high prices for the same service they could be getting on a cheaper deal. There was universal support for providers doing more to reduce essential service costs.

Standardised text on a paper bill telling people that they could be on a better deal is not enough. Firstly, people are unlikely to take action on this if they are already struggling with their mental health. Secondly, a survey by Mind found that 61% of people with mental health problems avoid opening their bills, rising to 79% among those with problem debt.<sup>26</sup>

We asked research participants about what kind of engagement they would like to see from providers about switching to a better deal. Participants emphasised that they would want to feel consulted and given clear, concise information. The most popular and well-received option was providers reaching out to set up a conversation with the clear outcome of reducing the customer’s bills.

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<sup>25</sup> Citizens Advice, [Excessive prices for disengaged consumers: A super-complaint to the Competition and Markets Authority](#), 2018

<sup>26</sup> Mind, [Still in the red](#), 2011

## Why would minimum standards improve regulation?

Currently, all 4 essential service regulators have rules or some form of guidance in place for providers to deal with customers who are in arrears or in debt (see Appendix). Ofcom's 'Fairness for Customers' commitments asks providers to ensure consumers in vulnerable circumstances 'get a fair deal, which is right for their needs'.<sup>27</sup> Ofwat instructs companies to provide information to customers that 'empowers them to secure the lowest possible bills.' The FCA Handbook has the most detailed position. It states that firms must suspend recovery action for a 'reasonable period', which should 'generally be for 30 days' and firms should consider extending this for a further 30 days where there is 'reasonable evidence' the customer is developing a repayment plan. Ofcom states disconnection to effect payment should be 'not unduly discriminatory'.

Ofgem instructs suppliers to assess a customer's ability to pay and take this into account in relation to debt repayment plans. Disconnection should only be considered as a 'very last resort'. Energy suppliers must not disconnect anyone in debt if they haven't taken 'all reasonable steps' to recover it first by using a PPM, where it is safe and reasonably practicable to install one. They must not disconnect anyone they know is of pensionable age and living alone, or anyone they know lives with someone under 18. During winter, they must take 'all reasonable steps' to avoid disconnecting those who are pensionable age, disabled or chronically ill.

Water providers can't disconnect customers for non-payment of bills due to the Water Industry Act 1999. Even if a customer is on the PSR, Ofwat allows water companies to pass on their debt to a third party recovery agent if the water company believes the agent will enforce the debt in the same manner the company itself would have done.

Ofgem and Ofwat advise companies to offer debt advice signposting. Ofwat states that companies 'will generally be expected to adhere' to signposting customers to independent, non-charging debt advice agencies. Ofgem states that suppliers should clearly signpost available support services and information on debt relief beyond their own direct contact or website. Ofgem also instructs suppliers to send customers cheapest tariff notifications. In the 'Draft Consumer Vulnerability Strategy', they suggest what outcome the energy

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<sup>27</sup> Ofcom, [Britain's biggest broadband and phone firms to put fairness first](#), 2019

sector needs to aim for to support people in debt. This includes proactive support for customers in payment difficulty, including putting them on an affordable payment plan.

Regulators should introduce minimum standards to ensure there is consistency in how providers treat customers in debt and to ensure people receive the support they need.

## 2. Accessible service

### Our proposed support:

- Providers should offer at least 2 channels through which all customers can communicate with them. One channel should be a freephone telephone line. Given the importance of essential services, all providers should operate a telephone service, particularly to enable customers to deal with emergency situations.<sup>28</sup>
- Providers should offer a telephone service for customers with mental health problems so they don't have to wait in a call queue. They could do this in 2 ways:
  - Have a publicly available direct telephone number for a team which has received specialist training to support customers with mental health problems.
  - Use intelligent call routing systems to connect customers with mental health problems directly to a specialist team.
- All frontline customer service staff should be trained on company policy on referring callers from the general line to the specialist team.
- Providers should offer written follow-up when substantive changes are made to the account or contract, or the customer has agreed to take action as a result of the call.

### Accessible service: best practice

We interviewed a telecoms company that offers vulnerable customers a direct number to call a specialist team. We didn't find it easy to discover this number on the company's website, but it is clearly described as being a number people with mental health problems are encouraged to use.

"You don't have to qualify to call that number. If you think 'I want to speak to a team directly', they are trained more extensively than our general phone agents and customers have the option to call them directly [...] And obviously we have chat for people who don't like to speak, who prefer to interact but

<sup>28</sup> As the report of Energy UK's Commission for Customers in Vulnerable Circumstances notes, suppliers should be working towards operating an omni-channel approach to customer communication. Offering a freephone telephone line plus a second channel is the minimum and suppliers should be ambitious in exceeding this. Energy UK, The Commission for Customers in Vulnerable Circumstances Final Report, 2019

not speak. And webchat has actually become quite a popular option."

- Telecoms service provider interview

## Responses to written call follow-up



**Regulator:** "On the suggestion that the customer should receive a follow-up text/email/letter outlining what was discussed, we think this would be appropriate if there had been contractual changes."



**Telecoms provider:** "I think we could do it. [...] I don't know if it would be necessary for everything. There are things like billing where it's much more confusing, like someone not being sure about their bill or their payment, or not sure they should stay on their plan or wanting to move plans, then clearly I can see it would be a good thing for that category of customers to have a confirmation - either email or SMS explaining what was agreed."



**Research participants:** "Having the follow up message would be good as you forget what's discussed, I could remember the issue and I'd get to know if there had been anything that came from my call."

"I definitely think a follow up would be helpful. When you're ill, you can forget what you've discussed. You know you've contacted them but you can't remember what it's about."

"That's essential. When you're in a very bad place, you just don't take anything in. That happens to me regularly."



**Energy provider:** "We do like this option. We struggle with customer recall. Having an option to give a copy of what was covered in that call would be beneficial, we would just need to work out how to do it in a way that is cost-effective."

## Why is this support needed?

In our research, difficulty communicating with providers came up frequently. This exacerbated the serious challenges people with mental health problems face when dealing with essential services. Finding it difficult or impossible to communicate with providers affected people's ability to resolve service problems or repair issues, deal with billing and payment queries, speak to providers about arrears, switch to better deals and more.



**Steve, research participant with agoraphobia, anxiety and paranoia**

"If I'm having a bad time, I can't bring myself to actually phone them. And I can't handle waiting on the phone. They make you wait on the phone for hours. I even informed them that I have memory problems, and I need to write down what they're saying, because everyone says different things so you've got to make case notes. And they are so rude and patronising [...] I can't believe the way that they talk to me."

### Improving phone services

Although our research has consistently found that many people with mental health problems find calls with their provider difficult or impossible, some people told us their preferred option of communication is a call. Others stressed that if they didn't have to wait in a call queue and knew they would get through to specially trained staff, they would be able to manage a call.

Our polling found that twice as many people with mental health problems avoided asking a provider for extra support because of a long wait on a telephone helpline, compared with those with no mental health problems (51% vs. 26%).<sup>29</sup>

Our research found that people put off making calls, ignored incoming calls, and/or asked friends or family members to speak on their behalf. For many research participants, this was driven by fear that they would say the wrong thing, or that customer service staff would not treat them sympathetically and would judge them.

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<sup>29</sup> Survey conducted by ComRes on behalf of Citizens Advice, March 2018. Base: 3,031 adults in England and Wales.

If someone did manage to make a call, their heightened anxiety levels often meant they ended the call feeling confused about what they had been told or what they had agreed to.<sup>30</sup> Several studies have shown that impaired memory of personally experienced events is characteristic of having mental health problems.<sup>31</sup> Research participants strongly welcomed the idea of receiving a written follow up to calls where a major change to their account was discussed or they had agreed to take action as a result of the call.

### Multiple channels of contact

In interviews and the online community used to inform this report, participants were clear about the value they place on having different channels of communication available to them to suit their needs at that moment. There was no one communication solution that worked for everyone. It was also clear that being certain they would get through to staff who had received special training on supporting customers with mental health problems would take a huge weight off people's minds.



Taiwo, online community participant

"I prefer texts and the option to make a call if needed or if up to it. Speaking to someone who is understanding is such a positive step forward. Being misunderstood is an awful feeling that leaves me frustrated. [I'd be] pleased that the company has considered my needs and acted upon the needs of customers with mental health problems."

## Why would minimum standards improve regulation?

The FCA, Ofcom and Ofgem issue instructions to providers on identifying customers in vulnerable circumstances and treating these customers fairly.

<sup>30</sup> Citizens Advice, [Essential service markets and people with mental health problems](#), 2018

<sup>31</sup> Hitchcock, Caitlin, et al. 'Misremembrance of things past: Depression is associated with difficulties in the recollection of both specific and categoric autobiographical memories.' *Clinical Psychological Science* (2018): 2167702619826967; Al Hazzouri, Adina Zeki, et al. 'Greater depressive symptoms, cognition, and markers of brain aging: Northern Manhattan Study.' *Neurology* 90.23 (2018): e2077-e2085

Ofwat has a ‘primary duty to protect consumers and have particular regard to those who are vulnerable’ (see Appendix).

The FCA Handbook states that firms must ‘communicate information in a clear and accurate manner, comprehensible to the customer’. Ofgem’s gas and electricity Standards of Conduct sets out principles of what good service for vulnerable customers should look like, but these are very general. In February 2019, Ofgem introduced an objective that suppliers must ‘act in a manner which is designed to promote each customer to engage positively’ with energy suppliers. In the draft 2025 Vulnerability Strategy, Ofgem aims for industry to introduce ‘systems to better target and tailor their customer service to consumers with specific needs’.

Ofwat’s instructions relating to customer service are similarly general: they must have ‘well-trained staff that are able to empathise with and assist callers in distress’. Ofwat is the only regulator that instructs providers to use different communication channels to ‘meet the needs and preferences of particular customer groups’. As part of its 2019 price review, Ofwat has incentivised companies to provide accessible support for customers in circumstances that make them vulnerable. Ofcom tells providers to record which channels customers in vulnerable circumstances will be able to use to make contact with their provider. Ofcom is the only regulator that requires providers to ensure staff are trained on how to refer vulnerable customers to specialist teams or members of staff.

The FCA, Ofcom, Ofwat and Ofgem should introduce a minimum standard in the area of accessible service to ensure people with mental health problems find communicating with their provider less challenging.

### 3. Minimum disruption

#### Our proposed support:<sup>32</sup>

- Staggered advance notification of planned service outages (in energy and water) via multiple channels that can be selected by the customer. For example, a letter a week in advance, then an SMS the day before; or an email a week in advance, then a knock on the door on the day. All communications should include directions on how to find further information and updates.
- Alternative provision in case of supply outage: customers who have disclosed a mental health problem to their energy or water supplier are prioritised for receiving some form of emergency alternative until the service is restored. Other vulnerable groups should not be de-prioritised as a result.

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<sup>32</sup> Although *unplanned* telecoms and online banking outages regularly occur and cause difficulties for customers, planned outages are rare. Therefore, we are not advocating for the FCA and Ofcom to introduce a minimum disruption standard of support.

## Responses to advance notification



**Energy provider:** "We looked at this option and see it as doable. This is part of a business as usual process and we would support this [...] It's important to remember that planned supply outages could occur from a supplier or network side. Potentially if customers are using our app, using push notifications could act as a reminder and would be less costly. However, this would depend on us receiving communications from networks about planned outages. For some suppliers, they may have an SMS service that relies on a third party to send reminders,, which might lead to a technical or contractual barriers. We don't have that issue."

**Energy provider:** "Power cuts are managed by the networks and therefore coordination is difficult as networks do not always inform providers. [Advance notification] would require good comms with network operators and management of the network/ customer/supplier relationship [...] Putting aside vulnerability, advance notification for all is good practice."



**Research participants:** "I think it's a very good concept, one hopes it would work. If it does it would be absolutely brilliant. The more notification they can give the better - I have that with [my water provider], they keep in touch. It's always by text which I think is very good."

"Knowing about outages in advance allows you to plan around it. You can get in the mindset and you don't end up getting all panicky [...] Being given information will stop you from overthinking a range of scenarios."



**Consumer body:** "This is something we've pressed all the companies to offer. The last review we did was in 2017 and all of them advised that they do offer advance notice of supply disruptions. Whether all of them offer it via text as well, I'm not sure. Some of the big ones do. I feel comfortable it's doable - it's something they should be able to offer. They already all do advance notice, it's just how they do it might not be consistent at present."

## Why is this support needed?

For some people with mental health problems, keeping a stable routine is an important factor in maintaining their mental wellbeing. A disruption to a service, such as a water outage, can trigger or worsen a period of poor mental health.<sup>33</sup>

<sup>33</sup> Citizens Advice, [Essential service markets and people with mental health problems](#), 2018



### Jacob, research participant with anxiety and depression

"If there is a routine, there is a set routine I follow. Little ups and downs I can manage, but when it's completely different it just affects me, and then my moods can swing – and then I get very angry, then that anger comes out [...] in my day-to-day functioning or maybe in the house."

There are some existing support systems that deal with planned essential service disruptions. For example energy customers on the PSR can be notified of planned power cuts. In specific circumstances they can also be provided with alternative heating and cooking facilities.

### Advance notification

Our polling last year found that, among people who receive or used to receive support from their essential service provider, 69% said the most helpful form of support is having advance warning in the case of service disruption.<sup>34</sup>

Notification of planned service disruption in energy and water currently mainly occurs by post around 1 week in advance of the outage. But people with mental health problems often struggle with opening post and with working memory. So they might not get the warning or might not remember it. Finding a way to ensure people receive multiple warnings, both further in advance and very close to the time of the disruption, through various channels (for example, letter plus text message) is vital.

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<sup>34</sup> Survey conducted by ComRes on behalf of Citizens Advice, March 2018. Base: 785 people who currently receive or used to receive any form of support with their essential services.

## Distribution networks and service outages

In our interviews with stakeholders, we spoke to a gas distribution network and discussed the feasibility of using different communication channels to alert people on a PSR to planned service outages. The network already uses 2 channels (letters plus door-knocking) to notify people on a PSR, but is in discussions with Ofgem and other distribution networks about setting up a text notification system. The gas distribution network can't hold all the contact details of people affected by gas outages as they are not their direct customers. However, the distribution network can identify people on a PSR via a third party portal. Text notification should therefore be feasible in the same way people are currently identified as needing to receive a knock on the door.

Research participants emphasised the importance of being directed to further information, like social media channels, a website or a telephone number, in any advance notification of service disruption. Many interviewees and online community participants highlighted that only receiving a warning with no signposting to how to access further updates might make them more anxious.



**Michelle, online community participant**

"[Signposting to further sources of information] would make me feel much better as I know I have contact details and can get definitive answers to any questions I may have. It also would give me peace of mind. This scenario actually happened to me about a year ago [...] The only notification we got was a message on headed paper stuck to the outside of one of the doors entering the property. It got blown away by the wind so nobody knew what was happening."

## Alternative provision

Having steady supply is often crucial for people with mental health problems and being cut off can have more serious implications than for those without. For example, people who have agoraphobia will be far more reliant on their energy connection than the average customer. Research participants were therefore very welcoming of being prioritised, where possible, for receiving emergency alternative provision during outages.

## Minimum disruption and PSRs

PSRs are too often failing customers with mental health problems. Our previous research found that information about PSRs is overly complex, included in lengthy letters or bills, or not easily visible on websites. One adviser told us that “a shocking number of clients [with mental health problems] are not aware that they could be on the PSR.”<sup>35</sup> Often, registering - for example filling in and mailing a paper form - presents a barrier to those struggling to manage day-to-day tasks. We found our clients with mental health problems are 63% more likely to need advice about PSRs than clients without mental health problems.<sup>36</sup>

While energy companies have been working hard to increase the number of people registered on PSRs, water companies are lagging behind.<sup>37</sup> In plans submitted by water companies for Ofwat’s 2019 price review, some committed to registering just 0.2% of their customers on the PSR by 2024-25. Over the prior 2 years, 12 companies had checked less than 20% of PSR data.<sup>38</sup> Ofwat is introducing a common performance commitment to address this. UKRN, Ofgem and Ofwat have been assessing progress on the sharing of non-financial vulnerability data between water and energy companies, as this initiative moves towards a national rollout in 2020.<sup>39</sup>

If water and energy companies are to offer support in the area of minimum disruption via PSRs, they will need to prioritise increased uptake by people with mental health problems and ensure the national data-sharing rollout succeeds. Regulators will need to carefully scrutinise this.

## Why would minimum standards improve regulation?

The FCA Handbook doesn’t contain any guidance on service disruption. Ofcom doesn’t require providers to offer advance notification to customers in cases of planned outages, as there are very few planned mobile and broadband outages. We don’t expect the FCA or Ofcom to introduce a ‘minimum disruption’ standard of support for customers with mental health problems in

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<sup>35</sup> Citizens Advice, [Beyond good practice guides](#), 2018

<sup>36</sup> Citizens Advice, [Joining the dots](#), 2017

<sup>37</sup> 5.96 million electricity consumers and 4.77 million gas consumers are now on a PSR - Ofgem, [Vulnerable Consumers in the Energy Market: 2018](#), 2018

<sup>38</sup> Ofwat, [PR19 initial assessment of plans: Summary of test area assessment](#), 2019

<sup>39</sup> Ofgem, [UKRN cross-sector project: Making better use of data follow-up report](#), 2018

this area.

Ofgem and Ofwat both provide guidance on what customers on the PSR can expect in cases of service outage (see Appendix, Figure 3). Ofgem's guidance is more explicit, for example, it states that providers should offer advance notice of planned power cuts and provide advice. In its Draft Consumer Vulnerability Strategy, Ofgem has suggested outcomes for providers in relation to priority services for people in vulnerable circumstances. Providers should make sure they are 'identified as eligible for priority services; and for them to receive consistent and high quality priority services in a timely way'.

Ofwat's guidance is more abstract: 'Each company should consider which are the main and most widely used items of information and make these available to consumers requiring special assistance in a form which they can use. This could include: information provided in connection with a supply interruption or water quality incident.' They instruct water providers to ensure 'consumers receive the specialised services they need at all times'. Ofgem and Ofwat should issue guidance for providers on how they can best practically prioritise customers with mental health problems during planned service outages.

## 4. Safety net

### Our proposed support:

- Providers ask all customers who reach their specialist team if they would like to set up a trusted third party to help them manage their account. This could be a family member, friend or carer.
  - Providers should enable customers who have set up a third party on their account to tailor this: they should be able to easily turn permissions and various forms of access on and off by phone, online or via an app (for example, 'allow my third party to represent me on the phone'; 'allow my third party to receive copies of my bills', 'enable third party view-only access to my online account').
- Energy, water and telecoms providers offer a third party online account log-in to customers. This allows them to view account details and make payments, but doesn't let them change account details or take out new plans or products.
- Financial services providers should explore the viability of view-only third party online account access to ensure third parties can't make transactions on the customer's account.<sup>40</sup>
- In telecoms and banking, providers offer customers the option of setting up notifications that can be sent to an emergency contact if the usage limit, set by the customer, is breached.<sup>41</sup> For example, if they go over their mobile data allowance or spending limit on their bank account.

### Privacy and security

When someone involves a third party in managing their finances this can put their security at risk and open them up to financial abuse.<sup>42</sup> Currently, providers have careful safeguarding policies and processes in place for when a customer wants to give access to their account to a trusted third party.

<sup>40</sup> We didn't find evidence of providers that currently offer this. We interviewed a bank that offers a third party online account log-in that doesn't allow the third party to make changes to existing products and services, or apply for new products and services, but does allow the third party to make transactions.

<sup>41</sup> In telecoms, customers can set up usage limits on their account. If they wish to go over this limit, they have to take further action e.g. let their provider know they want to carry on spending. In this instance, an emergency contact notification would only be sent if the customer notified the provider that they did wish to breach their spending limit.

<sup>42</sup> Citizens Advice, [Addressing financial abuse](#), 2016

Our proposed minimum standard in the area of safety net aims to make third party support more flexible, but the third party will still have to go through the same stringent checks as in the case of a 'static' third party (i.e. someone who always has third party access to that account). Being able to pause and resume support shouldn't pose an extra risk. This also applies in the case of emergency notifications when a usage limit set by the customer is breached, and view-only account access.

## Responses to tailored third party authority



**Regulator:** "In this sector, third party bill management already allows third parties to receive copies of bills and enquiries as to why bills have not been paid, and to speak to the provider by phone without the customer needing to be on the line. We have not mandated tailored third party authority but can explore this with Citizens Advice and providers."



**Research participants:** "Being able to turn [third party support] on and off depending on moments in your life that are really hard or stressful - that takes a weight off my head."

"That would be really helpful - I would want to tailor it to my needs. Giving people control in a controlled way would be sensible. Online with a simple interface would be best for me."



**Telecoms provider:** "It would need a lot of systems development but it is possible."

"I'd be very happy with my provider for supplying this service [...] trying to take away a lot of stress and anxiety from me and I'd really appreciate that. Even if another supplier tried to get me to switch to them and they were a bit cheaper but didn't offer this service I'd still stick with my current supplier."



**Water provider:** "[Customers currently] choose a nominee and we ask what relationship they wish us to have with that nominee. So do they want to receive absolutely everything or some of it. [Regarding third party view-only online account access], sure it's doable yes. The key thing is the control. [...] It has to be absolutely watertight that the customer is happy for that nominee to have access to those services and is fully aware of it and all necessary controls on data are in place."



**Energy provider:** "We can give general access to the customer's account. It's not currently set up in such a way to grant more granular access or in the moment temporary consent, this would require some work and customer need for it."

## Why is this support needed?

Currently, providers enable trusted third parties to support customers to manage their accounts in a way that assumes the customer's need for help will remain the same or increase. Power of attorney is a legal document that allows someone to make decisions for you, or act on your behalf. It is geared towards deteriorating health conditions, like dementia or terminal cancer, and older people, who are likely to lose mental capacity permanently in a short space of time. However, most mental health problems fluctuate, varying by week and month, or even day to day. During periods of poor mental health, aspects of someone's life - such as social interactions, managing paperwork or having energy for household routines - that were manageable before, become impossible.

The lack of official mechanisms to support people with fluctuating conditions means people with mental health problems frequently resort to informal and risky ways of involving a third party in managing their essential services account. Money and Mental Health found that half (52%) of all carers for people with mental health problems know their PIN number and 23% know their online banking password.<sup>43</sup>



**Fleur, research participant with depression**

"If I'm on form and I can get things done, it makes me feel better [to manage the relationship myself]. I'd like the option, if I am in a slump, for my sister to do it, but if I am feeling better, well then I'll get things sorted myself."

We found that some forms of support were valued much more by people with mental health problems in comparison to people without. 59% of people with a mental health problem said they found getting help from a friend or family member with managing an essential service account helpful. Only 34% of people without a mental health problem said they found this helpful.<sup>44</sup>

<sup>43</sup> Money and Mental Health, [Access essentials](#), 2018

<sup>44</sup> Survey conducted by ComRes on behalf of Citizens Advice, March 2018. Base: 785 respondents who currently receive or used to receive support in the form of a trusted friend or family member being authorised to handle their account for them.

## Why would minimum standards improve regulation?

Ofcom, Ofgem and Ofwat instruct providers to offer customers various forms of third party support in managing their accounts (see Appendix). Ofcom requires all telecoms providers to offer third party bill management and to have a nominee scheme to safeguard the service in the event that a bill isn't paid. Ofgem and Ofwat both instruct suppliers to offer nominee schemes as part of the help given to those on the PSR. Bills and other communications can be sent to a third party. Ofwat specifies that, in case of non-payment, contact should first be made with the third party.

The FCA Handbook does not address third party support. None of the regulators address the need some customers have for flexible third party support i.e. customers who only need a trusted nominee involved some of the time. Flexible nominee schemes are vital for people who want help managing their account at times when their mental health is worse. Regulators need to recognise this need and introduce guidance on how providers should best offer flexible third party support.

# Conclusion

The evidence is clear that people with mental health problems are experiencing serious harm in essential service markets. Our research shows that there's enough common ground in the problems they're facing and in what they expect of their providers for the same minimum standards to be implemented by water, telecoms, energy and financial services providers. It is up to regulators to introduce a consistent floor of support that they expect all companies in their sector to be building and improving on.

Based on extensive research, we propose the following minimum standards be introduced across energy, water, telecoms and financial services:

<b>Debt support</b>	Providers proactively set up debt support if customers miss 2 consecutive bill payments. No disconnection as a form of enforcement action for customers getting debt support. Providers set up debt advice (face-to-face or by phone) if a customer agrees. Providers proactively check if customers are on the best deal and contact them to switch them if they aren't.	<b>Safety net</b>	View-only online account access for a trusted third party. Emergency contact notification in telecoms and banking when certain limits set by the customer for their account are breached. Enabling customers who have set up a third party on their account to easily turn various forms of access and permissions on and off.
<b>Minimum disruption</b>	Staggered advance notification of planned service outage in energy and water via multiple channels. These notifications contain advice on where to get further updates. Prioritisation of people with mental health problems to receive some form of emergency alternative until the service is restored.	<b>Accessible service</b>	Providers offer customers at least 2 different communication channels (1 must be a freephone telephone service). Providers offer a telephone service where people don't wait in long queues and speak to specialist staff. Customers are offered written call follow-up if actions are agreed or account changes are made.

## Recommendations

**Recommendation 1:** The UK Regulators Network (UKRN) should adopt the minimum standards we are recommending in its review of how minimum standards can support people with mental health problems in engaging with essential service markets.

**Recommendation 2:** The FCA, Ofcom, Ofgem and Ofwat should implement minimum standards in each of their sectors and take appropriate enforcement action to ensure providers are meeting them.

**Recommendation 3:** Regulators should work with providers and consumer groups on a publicity campaign to ensure customers with mental health problems know about, and make use of, the support services stipulated by minimum standards.

# Appendix: Regulation and guidance relating to our proposed minimum standards

## Debt management

### FCA

- If customers are in arrears difficulties, a firm should ‘pay due regard to its obligations under Principle 6 (Customers’ interests) to treat its customers fairly.’<sup>45</sup>
- Firms must suspend recovery action for a ‘reasonable period’, which should ‘generally be for 30 days’. Firms should consider extending this for a further 30 days where there is ‘reasonable evidence’ the customer is developing a repayment plan.<sup>46</sup>
- In relation to debt counselling and debt adjusting, ‘a firm must establish and implement clear and effective policies and procedures to identify particularly vulnerable customers and to deal with such customers appropriately’.<sup>47</sup>
- The Handbook instructs lenders on how to treat customers with mental capacity limitations during debt recovery. This includes not visiting these clients at home and suspending the recovery of a debt when the firm has been notified or ‘ought reasonably to be aware’ that the customer ‘lacks mental capacity to make relevant financial decisions’ or ‘engage in the debt recovery process’.<sup>48</sup>
- CONC 7.13.5 instructs firms to ensure third parties involved in the debt recovery process on a firm’s behalf are given accurate information about customer vulnerability.<sup>49</sup>

### Ofcom

- Consumer protection conditions state that a person should be able to ‘adequately control how much they spend on the usage of voice call and

<sup>45</sup> FCA, [FCA Handbook](#), CONC 7.3.2

<sup>46</sup> FCA, [FCA Handbook](#), CONC 7.3.12

<sup>47</sup> FCA, [FCA Handbook](#), CONC 8.2.7

<sup>48</sup> FCA, [FCA Handbook](#), CONC 7.9.14R; CONC 7.10.1

<sup>49</sup> FCA, [FCA Handbook](#), CONC 7.13.5

data services, and that they are treated fairly where they have not paid their bills.'<sup>50</sup>

- This general condition also says providers 'shall ensure that any measures it takes to effect payment or disconnection are proportionate and not unduly discriminatory'.<sup>51</sup>
- Ofcom has asked providers to sign up to a voluntary commitment to ensure consumers in vulnerable circumstances 'get a fair deal, which is right for their needs'.<sup>52</sup>

### **Ofgem**

- Suppliers must take 'all reasonable steps' to ascertain a customer's ability to pay and take this into account when calculating or agreeing debt repayment plan.<sup>53</sup>
- Suppliers are required to offer customers a range of payment options when they become aware that a customer is struggling to pay their bills.<sup>54</sup>
- Disconnection due to debt should only be considered as a very last resort by suppliers. Energy companies must not disconnect a domestic customer who has not paid their bills unless they have first taken all reasonable steps to recover those charges.<sup>55</sup>
- Suppliers are also prohibited by their licence from knowingly disconnecting during winter consumers that are of pensionable age, or solely live with people that are of pensionable age or under 18. They must take all reasonable steps during winter to avoid disconnecting those that are disabled or chronically ill.<sup>56</sup>
- Suppliers should clearly signpost available support services and information on debt relief beyond their own direct contact or website.<sup>57</sup>
- Cheapest Tariff Message: suppliers have to inform customers what the cheapest tariff is for them on bills.<sup>58</sup>
- In its 'Draft Consumer Vulnerability Strategy', Ofgem has suggested what outcome the sector needs to aim for to support people in debt. This includes proactive support for consumers in payment difficulty, including by putting them on an affordable payment plan.<sup>59</sup>

<sup>50</sup> Ofcom, [General Conditions of Entitlement](#), C3

<sup>51</sup> Ofcom, [General Conditions of Entitlement](#), C3.11

<sup>52</sup> Ofcom, [Britain's biggest broadband and phone firms to put fairness first](#), 2019

<sup>53</sup> Ofgem, [Gas and Electricity Supply Licence Conditions](#), SLC27, 2018

<sup>54</sup> Ofgem, [Gas and Electricity Supply Licence Conditions](#), SLC27, 2018

<sup>55</sup> Ofgem, [Gas and Electricity Supply Licence Conditions](#), SLC27, 2018

<sup>56</sup> Ofgem, [Gas and Electricity Supply Licence Conditions](#), SLC27, 2018

<sup>57</sup> Ofgem, [Vulnerable consumers in the energy market: 2018](#), 2018

<sup>58</sup> Ofgem, [Customer comms decision](#), 2018

<sup>59</sup> Ofgem, [Draft Consumer Vulnerability Strategy 2025](#), 2019

### **Ofwat**

- As part of its 2019 price review, Ofwat expects water companies' business plans to show clearly how they will improve bad debt management in the years 2020-25.<sup>60</sup>
- Providers can't disconnect customers for non-payment of bills.<sup>61</sup>
- Companies should not contract debt to third party debt recovery agents where the bill payer is registered as requiring special assistance unless the agent is able to show that the same level of service can be provided.<sup>62</sup>
- Ofwat states that companies 'will generally be expected to adhere' to signposting customers to independent, non-charging debt advice agencies.<sup>63</sup> In its 2019 price review, Ofwat states that it expects companies to ensure that customers that are struggling to pay have 'easy and effective access to help.'<sup>64</sup>
- Companies should 'provide information to customers which empowers them to secure the lowest possible bills and best possible service.'<sup>65</sup>

## **Accessible service**

### **FCA**

- Principle 6 states that 'a firm must pay due regard to the interests of its customers and treat them fairly.'<sup>66</sup>
- Under Principle 7, firms must also 'pay due regard to the information needs' of clients and communicate information to them in a way which is 'clear, fair and not misleading'.<sup>67</sup>
- On the means of communication to customers, the FCA states that 'the firm must communicate information in a clear and accurate manner, comprehensible to the customer'.<sup>68</sup>

### **Ofcom**

- General Condition C5 requires communications providers to introduce

<sup>60</sup> Ofwat, Debt management and other retail costs, 2019

<sup>61</sup> Water Industry Act 1999

<sup>62</sup> Ofwat, Services for disabled, chronically sick or elderly consumers, 2013

<sup>63</sup> Ofwat, Dealing with household customers in debt - guidelines, 2015

<sup>64</sup> Ofwat, Delivering Water 2020: Our final methodology for the 2019 price review, 2017

<sup>65</sup> Ofwat, Engaging with customers, 2019

<sup>66</sup> FCA, FCA Handbook, PRIN 2.1

<sup>67</sup> FCA, FCA Handbook, PRIN 2.1.7

<sup>68</sup> FCA, FCA Handbook, PRIN 2.1.7

policies for identifying vulnerable customers to ensure they are treated fairly.<sup>69</sup>

- Providers must record ‘the different channels by which these [vulnerable] consumers will be able to make contact with, and receive information from, the Regulated Provider’.<sup>70</sup>
- Regulated providers must also ensure that all staff are made aware of vulnerability policies and procedures and appropriately trained, including (if applicable) on how to refer consumers to specialist teams or members of staff who have received extra training.<sup>71</sup>

### **Ofgem**

- Ofgem’s Standards of Conduct (SLC0) states that ‘suppliers must make it easy for consumers to contact them, act promptly to put things right when they make a mistake, and ensure customer service arrangements are fit for purpose.’ It instructs suppliers to ‘identify and understand the characteristics, circumstances and needs of vulnerable customers and satisfy themselves that their actions are resulting in vulnerable consumers being treated fairly.’<sup>72</sup>
- Suppliers must ‘act in a manner which is designed to promote each customer to engage positively’ with their energy supplier.<sup>73</sup>
- The Draft Vulnerability Strategy 2025 states that industry should introduce ‘systems to better target and tailor their customer service to consumers with specific needs.’<sup>74</sup>

### **Ofwat**

- Providers must provide ‘well-trained staff that are able to empathise with and assist callers in distress [...this] must be part of companies’ standard customer service packages’.<sup>75</sup>
- ‘Each company should provide different information and use different communication channels to meet the needs and preferences of particular customer groups.’<sup>76</sup>
- Ofwat has a primary duty to ‘protect consumers and have particular

<sup>69</sup> Ofcom, [General Conditions of Entitlement](#), C5.2

<sup>70</sup> Ofcom, [General Conditions of Entitlement](#), C5.3

<sup>71</sup> Ofcom, [General Conditions of Entitlement](#), C5.5

<sup>72</sup> Ofgem, [Licence guide: Standards of Conduct](#), SLC0, 2017

<sup>73</sup> Ofgem, [Supply licence guide: Information for consumers](#), 2019

<sup>74</sup> Ofgem, [Draft Consumer Vulnerability Strategy 2025](#), 2019

<sup>75</sup> Ofwat, [Vulnerability focus report](#), 2016

<sup>76</sup> Ofwat, [Information principles](#), 2019

regard to those who might be vulnerable.<sup>77</sup> As part of its 2019 price review, Ofwat has incentivised companies to provide accessible support for customers in circumstances that make them vulnerable.<sup>78</sup>

## Minimum disruption

### FCA

- This minimum standard is not relevant to the FCA.

### Ofcom

- This minimum standard is not relevant to Ofcom.

### Ofgem

- People with mental health problems qualify for being on the PSR through the category of being in a vulnerable situation, and in need of extra services. Those on the PSR receive support, including:
  - Advance notice of planned power cuts and advice as appropriate in relation to that event.
  - During unplanned interruptions, information about when supply is likely to be restored, and any support in the interim.
  - Priority support in an emergency, such as the local network operator providing alternative heating and cooking facilities in the event of supply interruption.<sup>79</sup>
- Electricity networks automatically give PSR customers compensation if their supply is interrupted and not restored within a specified period.<sup>80</sup>
- In its 'Draft Consumer Vulnerability Strategy', Ofgem has suggested outcomes for providers in relation to priority services for consumers in vulnerable circumstances. Providers should make sure they are 'identified as eligible for priority services; and for them to receive consistent and high quality priority services in a timely way'.<sup>81</sup>

### Ofwat

- As part of its 2019 price review, Ofwat has introduced a minimum target for all water companies to register 7% of customers for the PSR by 2025,

<sup>77</sup> Ofwat, [Consumer policy](#), 2019

<sup>78</sup> Ofwat, [Delivering Water 2020: Our final methodology for the 2019 price review](#), 2017

<sup>79</sup> Ofgem, [Priority Services Register for people in need](#)

<sup>80</sup> Ofgem, [Power cuts: Help and compensation under the Guaranteed Standards](#)

<sup>81</sup> Ofgem, [Draft Consumer Vulnerability Strategy 2025](#), 2019

and to contact at least 90% of the customers on the register every 2 years, to ensure their information is current.<sup>82</sup>

- Ofwat's guidance on services for disabled, chronically ill or elderly consumers states:
  - 'The [priority services] register should include details of the consumer's specific requirement(s) in relation to their water or sewerage service, including, but not limited to those who: are particularly vulnerable during supply interruptions, such as those whose health could be put at risk, or those with mobility problems who might be unable to reach water bowsers or alternative supplies.'
  - 'Companies should use the register to make sure that consumers receive the specialised services they need at all times.'
  - 'Each company should consider which are the main and most widely used items of information and make these available to consumers requiring special assistance in a form which they can use. This could include: information provided in connection with a supply interruption or water quality incident'.<sup>83</sup>

## Safety net

### FCA

- The FCA Handbook doesn't cover this area.

### Ofcom

- Ofcom requires all telecoms providers in the UK to offer third party bill management. Regulated providers must 'allow a customer to nominate a friend or relative to help manage their account. The third party can receive copies of bills and can pay the bills, but does not become liable for them'. Third party bill management gives the nominee the ability to speak to the provider about the account, receive copies of bills and pay bills.<sup>84</sup>

### Ofgem

- As part of the PSR, customers are able to access a nominee scheme. Customers can ask their supplier to send communications (such as account statements or bills) to someone they have nominated (for

<sup>82</sup> Ofwat, Ofwat, [PR19 initial assessment of plans: Summary of test area assessment](#), 2019

<sup>83</sup> Ofwat, [Services for disabled, chronically sick or elderly consumers](#), 2013

<sup>84</sup> Ofcom, [Powers of attorney and third party bill management](#), 2016

example a family member or carer) who has agreed to receive them.<sup>85</sup>

### **Ofwat**

- Every water company offers a payment nominee scheme through its PSR. 'Some bill payers may prefer to nominate someone to whom bills are sent and to whom contact about non-payment, should this arise, would first be made.'<sup>86</sup>

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<sup>85</sup> Ofgem, [Priority Services Register for people in need](#)

<sup>86</sup> Ofwat, [Services for disabled, chronically sick or elderly consumers](#), 2013

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