Supplier Liaison update

Jess Hawker Meadley
Operations

Agenda 1/2

Time	Agenda Item	Lead
9.30 - 9.45	Teams link open for arrivals	
9.45 - 9.55	Introduction • Actions from 19th May 2021	Natasha Gilmour and Suzi Cassie EHU
9.55 - 10.05	Consumer Service • Operations Update	Jess Hawker Meadley Citizens Advice
10.05 - 10.15	ADS • Operations update	Marjorie Gibson Advice Direct Scotland
10.15 - 10.55	EHU Domestic • Operations Update • Q1 referral trends • Safeguarding: observations on recent cases	Natasha Gilmour, Angus McMillan, George Holmes & Christina Fohrmann EHU
10.55 to 11.05	Break	

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Agenda 2/2

Time	Agenda Item	Lead
11.05 - 11.20	Citizens Advice Energy Policy Team • General Update • Introduction to work on digital exclusion • Supplier league table update	Alex Belsham-Harris Citizens Advice
11.20 - 11.35	Citizens Advice Scotland Energy Policy Team • Projects update • Warm Home Discount • Restricted Meters and the RTS	Michael O'Brien Citizens Advice Scotland
11.35 - 11.50	Ombudsman Services: Energy team • Operations Update	Sonia Facchini Ombudsman Services: Energy
11.50 – 12.10	Introduction to the Plain Numbers Project	Alison Plant and Mike Ellicock Plain Numbers Project
12.10 – 12.15	AOB • Next date	Natasha Gilmour EHU

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Supplier Liaison update

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Jess Hawker Meadley
Operations

Performance and Operations Q1

- Key points from Q1 are:
  - We completed a review of our energy recorded information scripts that sit on the consumer service IVR and re-recorded the “Supplier switch and price increase” script and removed the Coronavirus message - these changes were live from the start of July
  - We conducted our annual business process review where all policies supporting operations are reviewed
  - Smart meter training sessions for advisers are being designed and planned by future energy policy team. The aim of these is to boost their knowledge from their initial training
  - Ombudsman Energy training sessions took place in May
  - Omni Energy joined referral pathway on 28th June

Contact volumes comparison

Month	2015	2016	2017	2018	2019	2020	2021
January	7304	6080	4745	6357	8566	7416	11304
February	7089	6263	4440	5817	5768	7124	11758
March	6997	5976	5107	5531	5693	8456	11138
April	6007	5517	3612	4779	5779	7430	9633
May	5706	5017	4205	5524	6668	6234	9572
June	5642	5480	4051	5402	6125	8102	10516
July	5961	5057	4458	5553	6941	8348	
August	5046	5477	4283	5667	6695	7009	
September	5706	5857	4655	5090	6874	8820	
October	5929	5235	5261	5749	7079	12536	
November	5592	5935	5359	6887	5367	10546	
December	4687	4255	4319	5150	4743	9249	
Total	**71,666**	**66,149**	**54,492**	**67,506**	**76,298**	**101,914**	**63,921**

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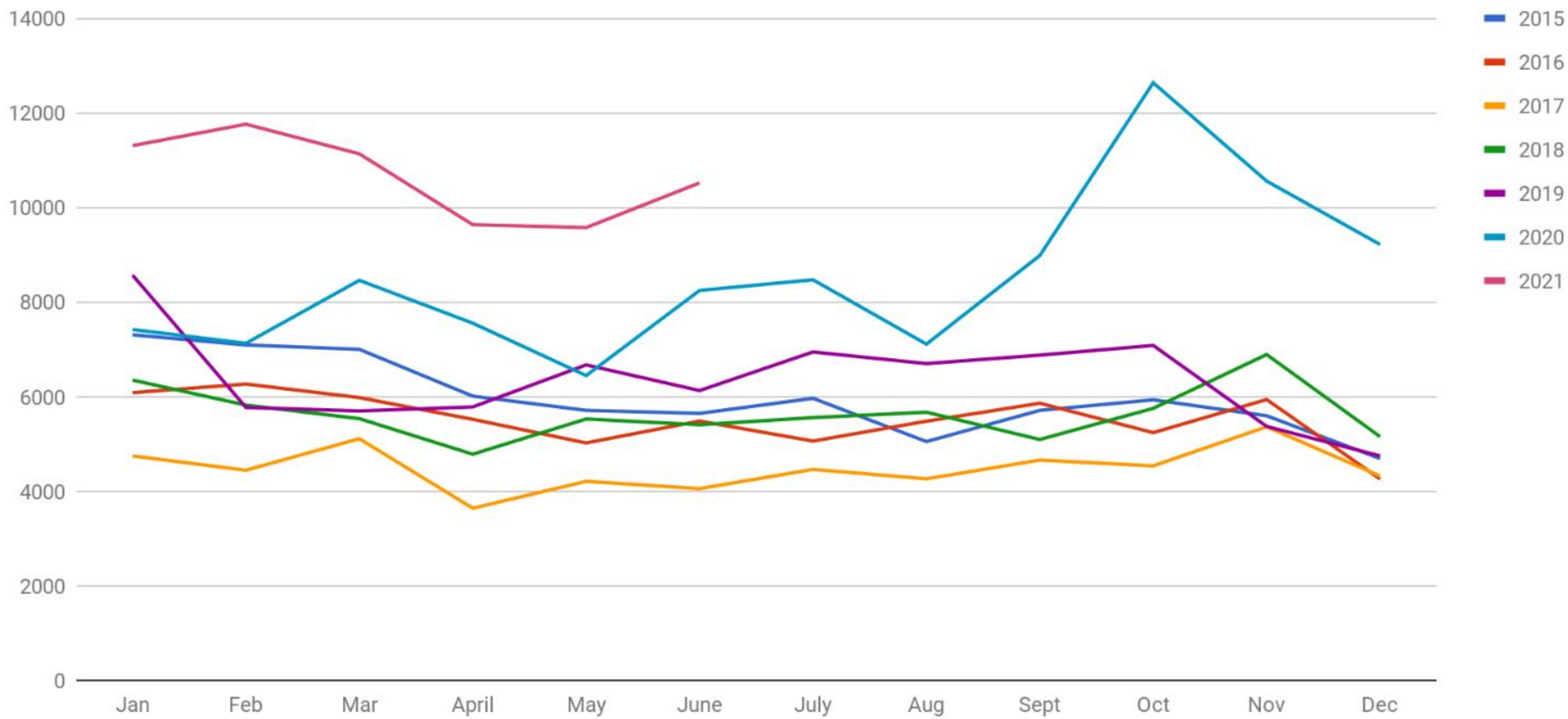
Contact volumes comparison 2015 - 2021



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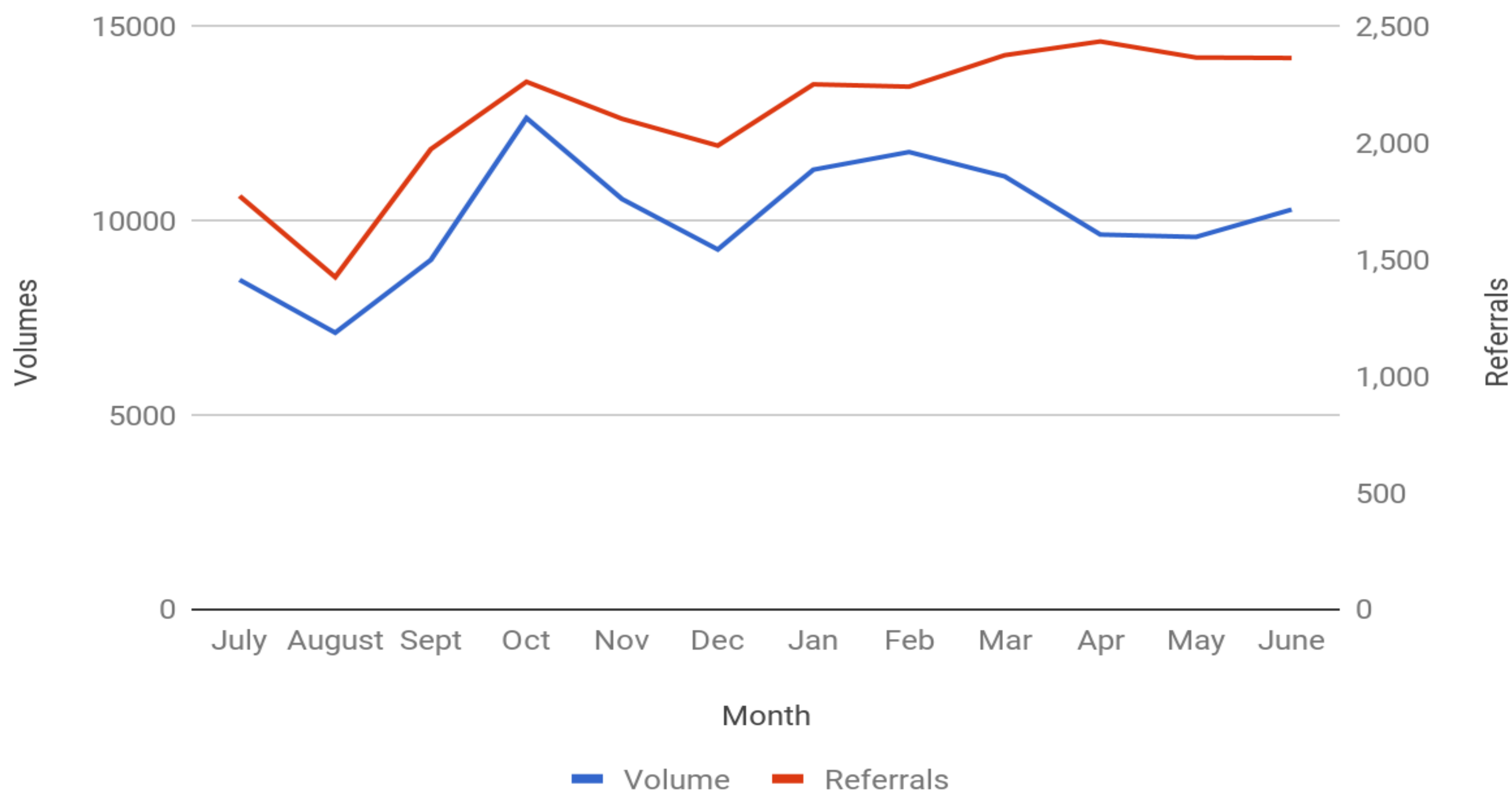
Referrals against volumes July 20 - June 2021



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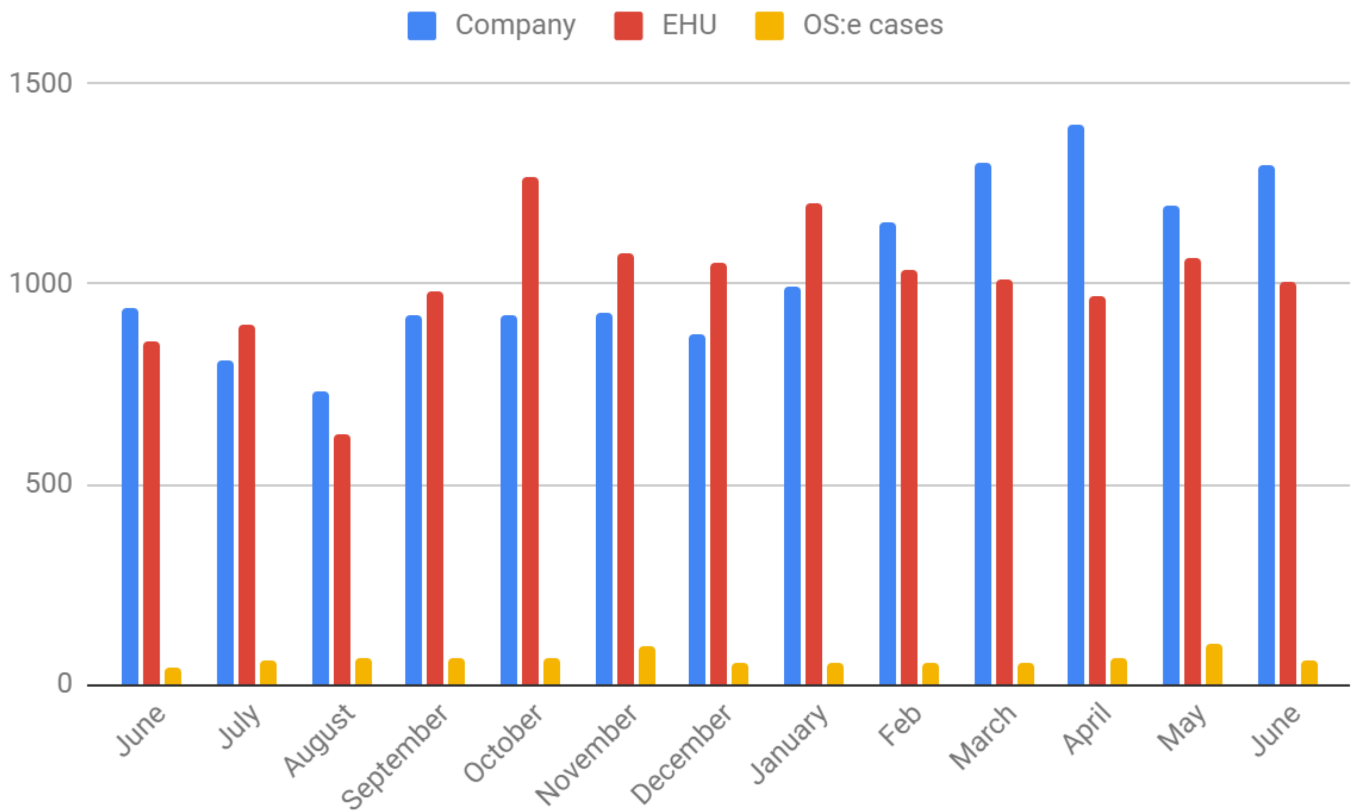
Referral proportions June 20 - present



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Recorded information on the IVR

	Priority calls	Supplier switch & price increase	Coronavirus advice	Supplier of last resort
Oct	1485	1382	61	2082
Nov	1330	1499	128	1398
Dec	1194	922	89	1200
Jan	1226	1093	0	1857
Feb	1165	1511	0	2113
Mar	1293	2152	0	1878
Apr	1013	1153	0	1178
May	939	1057	82	1084
June	977	1095	70	1019

Client by nation Q1

Nation	% split	Volume
Anon	1.85%	301
England	93.46%	15,200
Scotland	0.26%	43
Wales	4.43%	720

Trends

Quarter 1 Apr - June 21	Quarter 2 Jul - Sep 20	Quarter 3 Oct - Dec 20	Quarter 4 Jan - Mar 21
Inaccurate bill or inaccurate estimated bill (1405)	Disputed bill, customer not responsible (1717)	Disputed bill, customer not responsible (1840)	Disputed bill, customer not responsible (2177)
Final account reconciliation (1055)	Debt recovery practices (781)	Debt recovery practices (869)	Inaccurate bill or inaccurate estimated bill (874)
Disputed bill, customer not responsible (990)	Final account reconciliation (612)	Final account reconciliation (851)	Final account reconciliation (862)
Debt Recovery Practices (765)	Direct debit issues (568)	Company contact details (non complaint purposes) (759)	Debt recovery practices (821)
Direct Debit Issues (695)	Meter accuracy (424)	PPM self disconnection (unable to credit meter) (749)	PPM self disconnection (unable to credit meter) (761)
Catch up bill received (617))	Inaccurate bill or inaccurate estimated bill (420)	Direct debit issues (749)	Meter accuracy (746)
Meter Accuracy (617)	PPM self disconnection (unable to credit meter) (417)	Inaccurate bill or inaccurate estimated bill (611)	Direct debit issues (712)
PPM Self disconnection (unable to credit meter) (488)	Price/tariff information (357)	Meter Accuracy (595)	Company contact details (non complaint purposes) (705)
Difficulty contacting supplier (423)	Company contact details (non complaint purposes) (337)	Warm Home Discount (513)	Price/tariff information (699)
Price/tariff information (421)	Meter provision or exchange (331)	Price/tariff information (468)	Difficulty contacting supplier (612)

Q1 Trends split by nation

England	Scotland	Wales
Inaccurate bill or inaccurate estimated bill (1323)	Meter Accuracy (7)	Inaccurate bill or inaccurate estimated bill (52)
Final account reconciliation (993)	Disputed bill, customer not responsible (5)	Final account reconciliation (52)
Disputed bill, customer not responsible (921)	Inaccurate bill or inaccurate estimated bill (4)	Disputed bill, customer not responsible (41)
Debt recovery practices (719)	Supply Point Administration Query (4)	Direct Debit issues (31)
Direct debit issues (655)	Final Account Reconciliation (4)	PPM self disconnection (unable to credit meter (35)
Catch up bill received (579)	Failure to credit/refund (3)	Meter accuracy (32)
Meter Accuracy (544)	New account issue (2)	Debt Recovery Practices (32)
PPM Self Disconnection (unable to credit meter) (450)	Debt Recovery Practices (2)	Direct debit issues (31)
Supply Point Administration Query (MPRN/MPR) (406)	Problems arising from contracts (2)	Catch up bill received (29)
Difficulty contacting supplier (404)	Back billing code (potential breach) (2)	Supply Point Administration Query (MPRN/MPR) (24)

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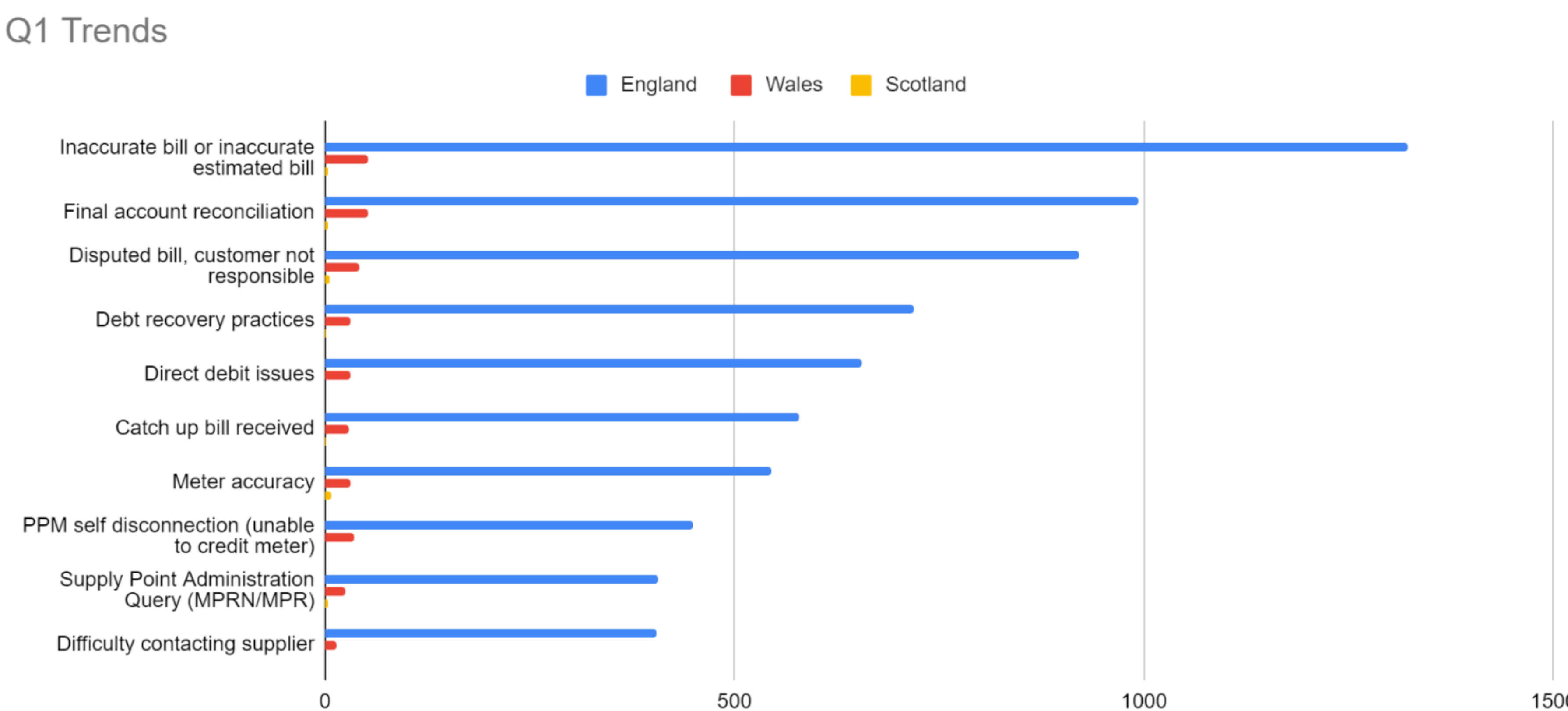
Q1 Trends split by nation



Moving forwards

- Smart meter training sessions running this week and next week
- Staff changes

Presented by: **Jess Hawker Meadley**
Date: **4 Aug 21**

Advice Direct Scotland

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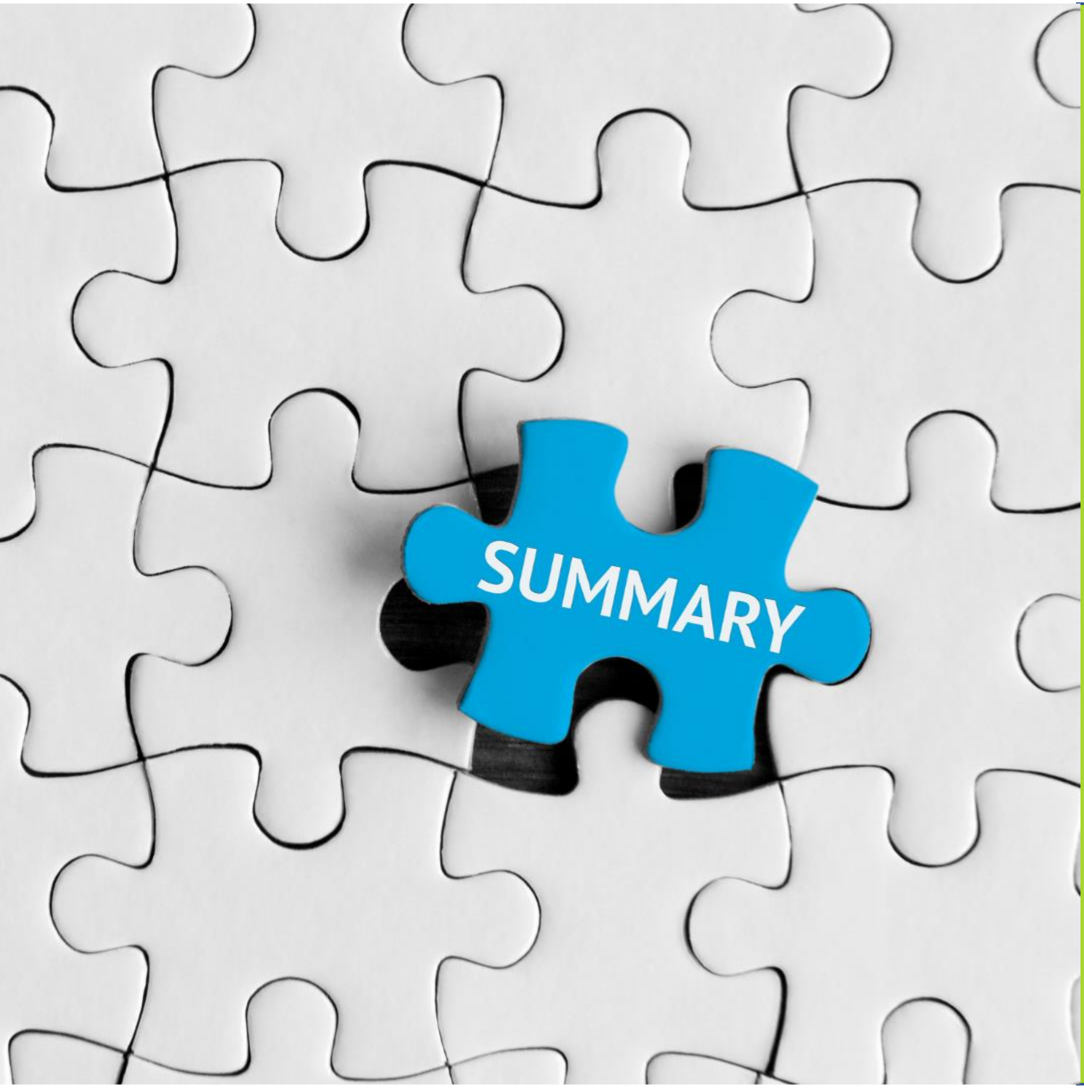
Supplier Liaison Meeting



- Scottish Service Live - 1 April 2021
- Contacts above forecast (12.5% above)
- Supplier Partnership Working Underway
- Service Enhancement Working Group
- EHU Partnership
- Ombudsman Partnership

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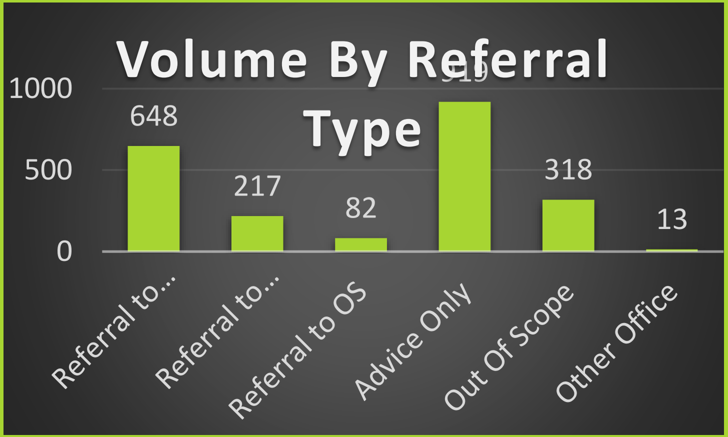
Volume

Forecast for Month: 1825

Actual Volume: 2053



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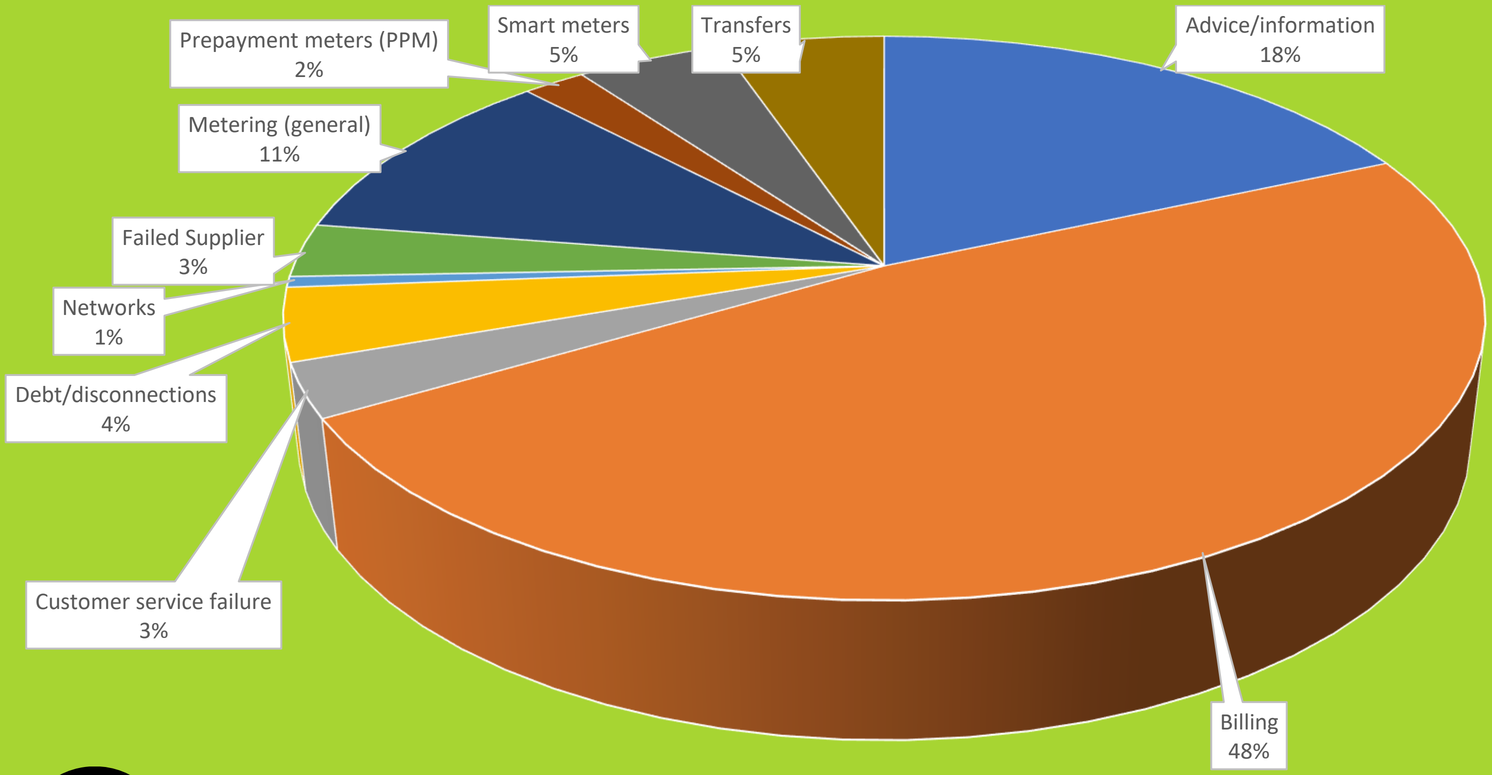
Supplier Referral Reasons



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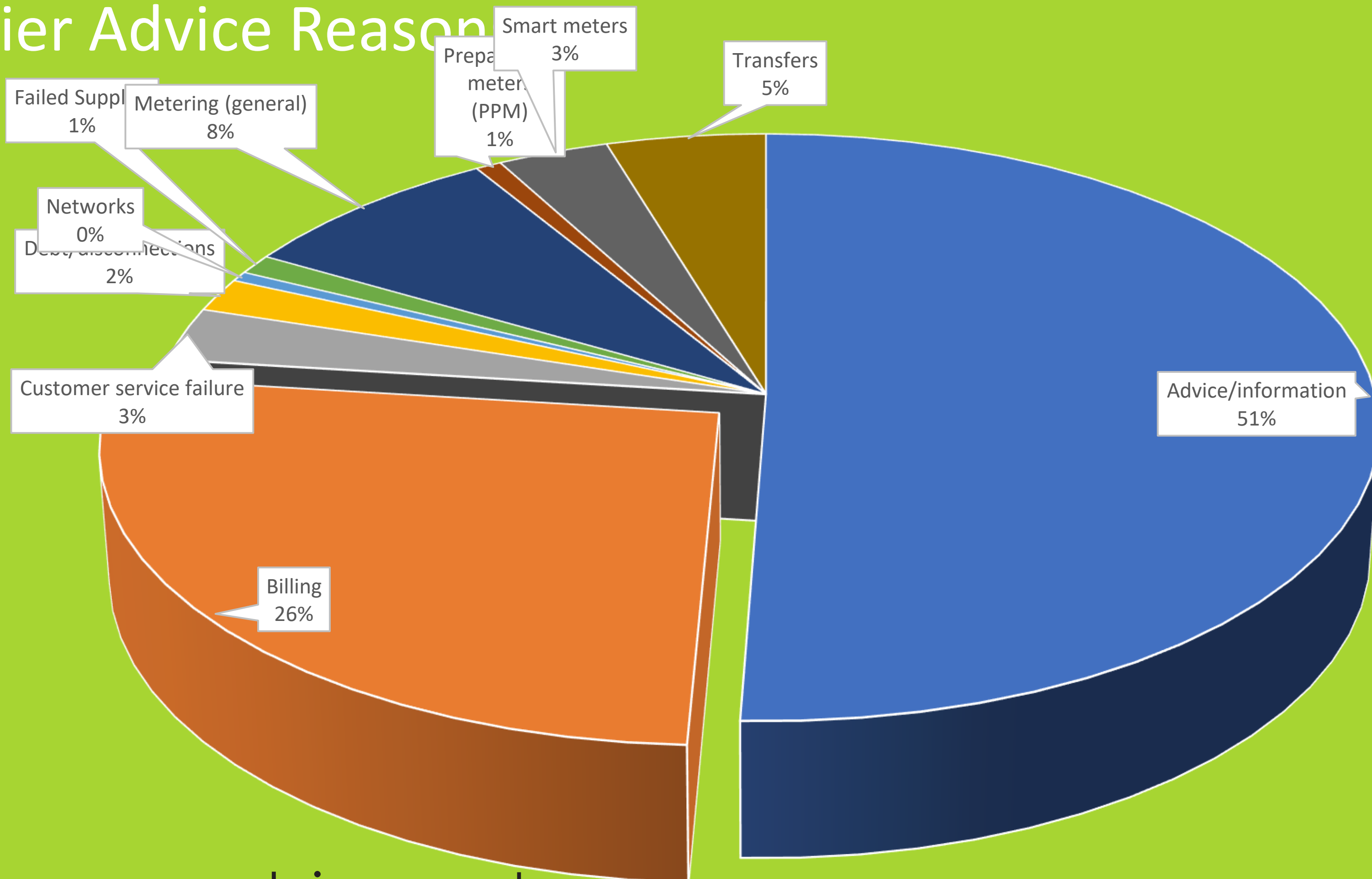
Supplier Advice Reason



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Supplier Warm Transfer

Long wait times – average 15-20mins on hold
Transfer number ringing and then cutting off
Calls answered and then ended immediately

Results in poor customer service - our agents apologising for delay/unable to connect / agents unable to wait this long to transfer calls

Couple of instances where supplier refused to accept our call – were told they only accept warm transfer calls from CitA – this matter has now been resolved

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Recent Examples (26 issues in past 4 weeks)

Wait Time	Issue
15mins	After 15mins call was answered
20mins	After 20mins no answer and call was abandonded
	Call cut off twice, got through on 3rd attempt
13mins	After 13mins call was answered
	on first attempt phone was just ringing and ringing then clicking off like it was answered, and hung up straight away, then ringing again till the call dropped got through
	on hold for 5 minutes on first attempt, asked to leave a voicemail, called back 2nd attempt on hold left a voicemail asking to call customer back
	On hold for 17 minutes
19 mins	On hold for 19 minutes. Warm transfer number on Salesforce appears to be customer facing number
	On hold for 15 minutes
	4 attempts to get through first 2 cut off straight away 3rd rang once then dropped on hold with 4th attempt call dropped after 5 minutes on hold 5th attempt dropped s
13 mins	On hold for 13+ minutes
6 minutes	was on hold for 6 minutes customer dropped the call while I was still waiting for supplier to answer the call
	First 3 attempts number just cut off - on 4th attempt call went through.
11 mins	11 mins hold on warm transfer
	1st number does not connect, 2nd number is a mobile number rings to a PlusNet voicemail - did not leave any customer details
	Warm transfer number noted is for EON - phoned EDF warm transfer and was provided with 03332005103 for small business.
4 minutes	was on hold for 4 minutes caller hung up while waiting
12 mins	placed on hold.
10 mins	After 6 mins while updating customer that I was still on hold (about 15 secs) the line was answered by the supplier who ended the call just as I got back. When I called b
	"Sorry your call cannot be completed at this time, please hang up and try later" - Message on 2 call attempts, got through on 3rd
	After speaking with agent, Horizon would not let me transfer call to EHU new number (got an error message)- EHU agent said they would call customer back directly.
	on hold for 5 minutes each time on first attempt, asked to leave a voicemail, called back 2nd attempt on hold same issue, 3rd attempt left a voicemail to call customer b
	First 2 attempts to transfer, number just cuts out. Got through on third attempt.
11 mins	Warm transfer number is diverting calls to the general customer line (11:55) - was working fine this morning
15 mins	Called at 4.50, message said wait time was 4 mins after 15mins let customer go and arranged callback for next morning
10 mins	01772 395777 - no warm transfer number on salesforce, used this public number - unable to get through, customer abandoned call.
17 minutes	called customer back to get them through to Bulb 17 minutes to get through to supplier

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Repeat Callers – June Stats

- **No contact from supplier -** 40%
- **Called back with update -** 20%
- **Missed a call from us -** 11%
- **No contact from EHU -** 9%
- **Customer phone cut off -** 6%
- **3rd party calling with no auth -** 4%
- **Warm transfer line cut off -** 4%
- **Asked us to call them back -** 3%
- **Didn’t have details to hand -** 2%
- **Other -** 1%

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Repeat Callers – No Contact From Supplier

- **40%** of our repeat callers in June were **due to no contact from their supplier.**
- 05/07 - no response from supplier or deadlock letter - EO referral completed.
- *Case update 14/6* Awaiting call back since Friday - warm transferred. Will call us back if EO referral required.
- Meter was meant to be installed on 22nd, was not installed no explanation why and no contact from Supplier Contacted supplier on behalf of customer who I had on the line and relayed the information too Supplier advised full details were not on the booking system which might have caused an issue supplier is checking on this Supplier came back to advise there is an issue with the booking system and a lot of customers are affected they Customer is looking to pass to Ombudsman if they can not resolve this asap as been waiting since March for an installation Supplier has raised a high priority ticket for him and if customer has said if they dont hear within a week they will be going to Ombudsman Supplier has noted this on their system and the agent that booked the install date is going to call and apologise also If no response within 7 days with an install date he is going to call us and ask us to pass to the Ombudsman

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Voluntary Change / License Change

- SG working with OFGEM on Licence change

- Voluntary Change
  - ➢ Webchat in place
  - ➢ Shorter Customer Journey
  - ➢ Website

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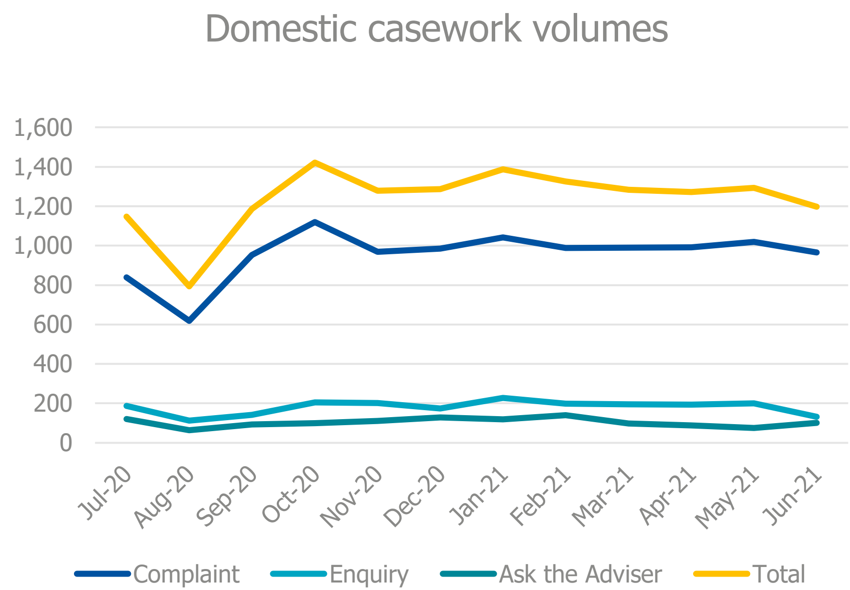
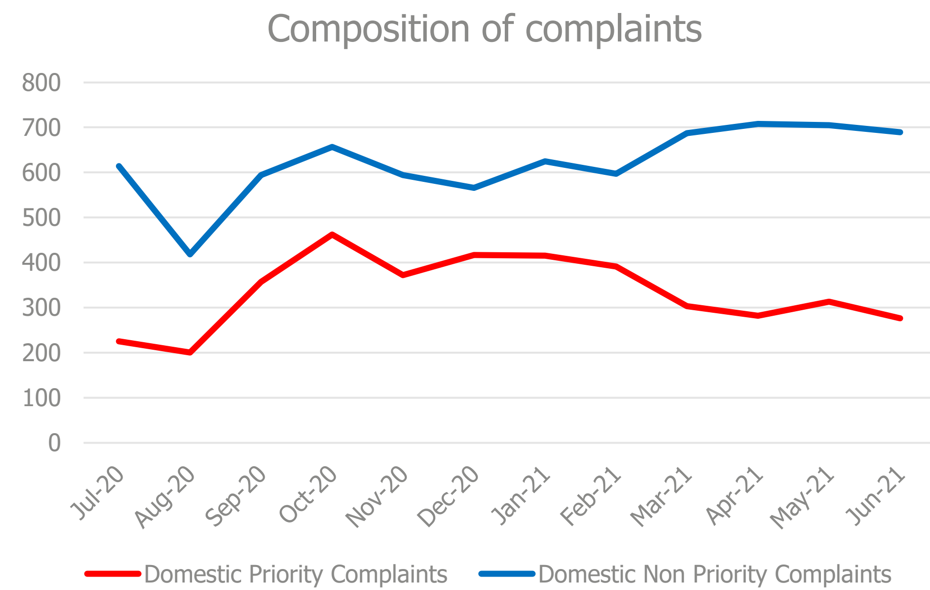
Domestic Supplier Liaison Meeting

Quarter 1 – April to June 2021

www.ehu.org.uk

Casework Volumes





Changes from Q4 20/21 to Q1 21/22

Complaints ⇓ 1%

Enquiries ⇓ 15%

Ask the Adviser ⇓ 26%

Priority Cases ⇓ 21%

Total Cases ⇓6%

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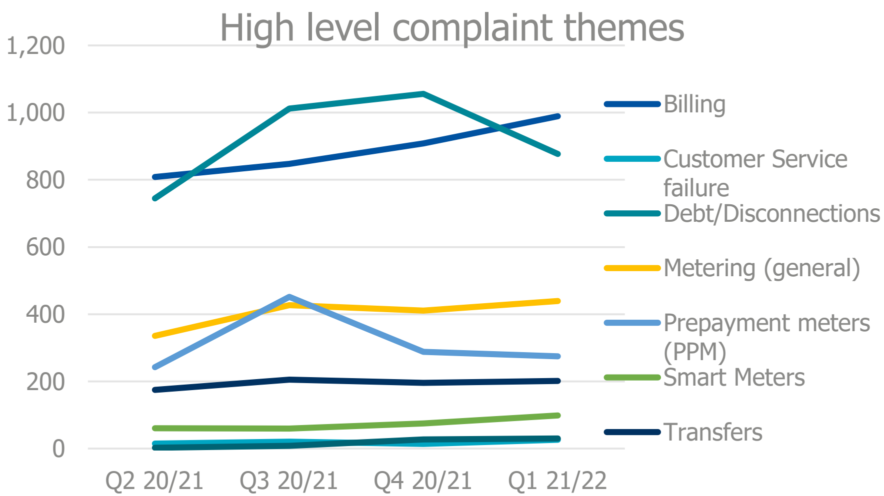
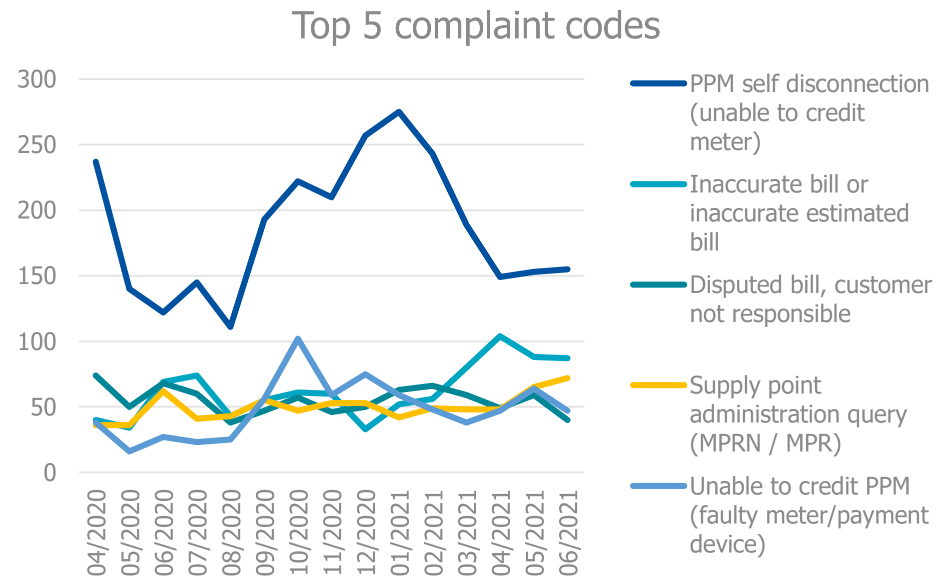
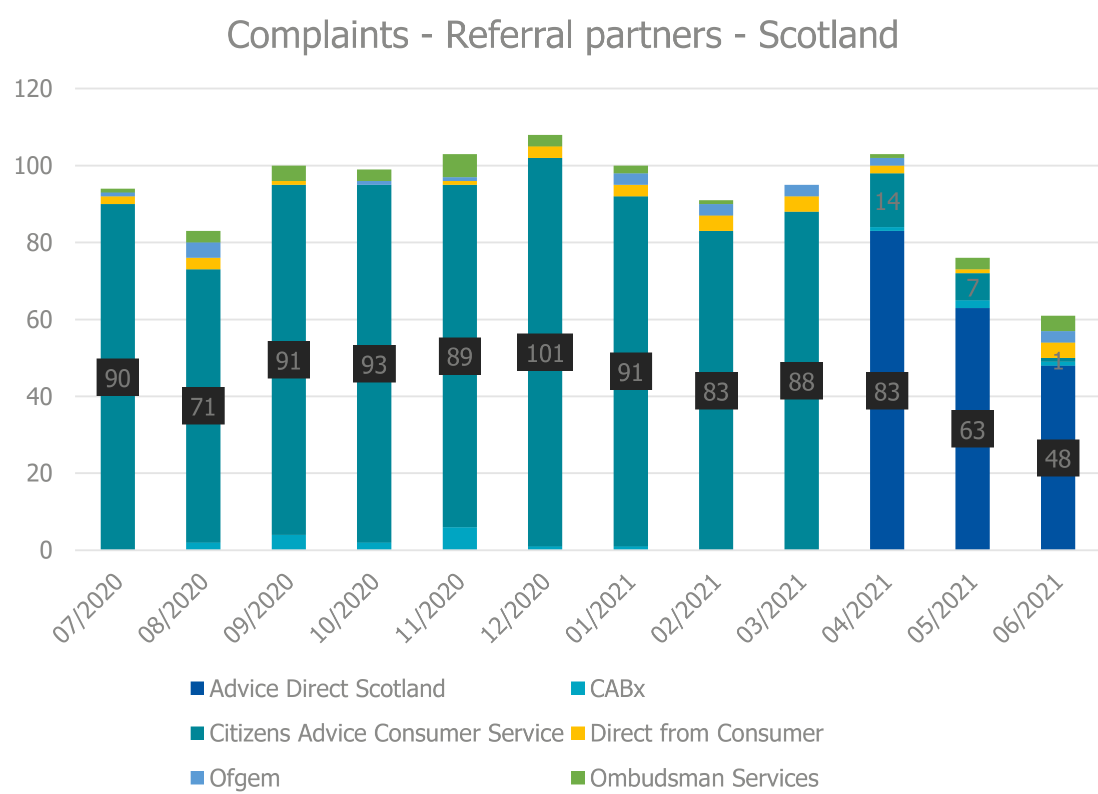
Casework Themes

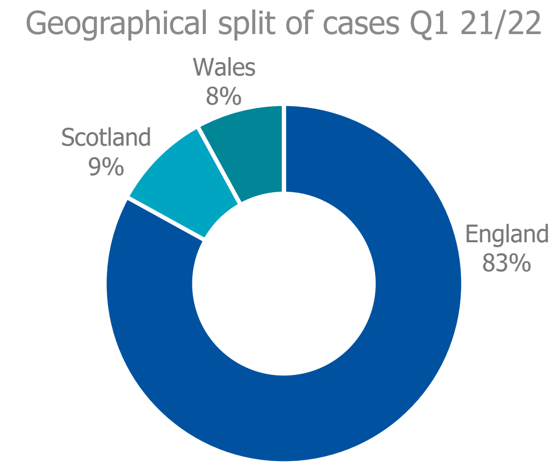




Self-disconnection was the most common sub category of complaint in Q1, accounting for 16% of domestic complaints.

Referral Partners





Main referral partners across nations Q1 21/22:

- England – 95% Consumer Service
- Scotland – 79% Advice Direct Scotland
- Wales – 94% Consumer Service

KPI Performance Q1 21/22

- 60% of cases closed 35WD
- 75% of cases closed within 66WD
- Quality Assessments
- 70% of Priorities closed within 20WD
- 80% of cases closed with positive outcome
- 85% of consumers satisfied with service

Accent Customer Satisfaction Survey

July Report - cases closed March to May 2021

80% would recommend EHU Services	90% felt case handler understood problem	96% reported positively comments about manner of staff
EHU helps me find a way forward 82%	EHU increased my confidence in dealing with future issues 79%	I feel less stressed 73%
88% satisfied with length of time to resolve case	I feel less alone 73%	After support, my mental health and wellbeing improved 59%

I honestly don't know what I would have done without the Extra Help Unit. For some time I was on the poverty line and the idea of forking out in excess of £200 for something I had not used. I had no money to pay for help. People who are working don't qualify for any other help.

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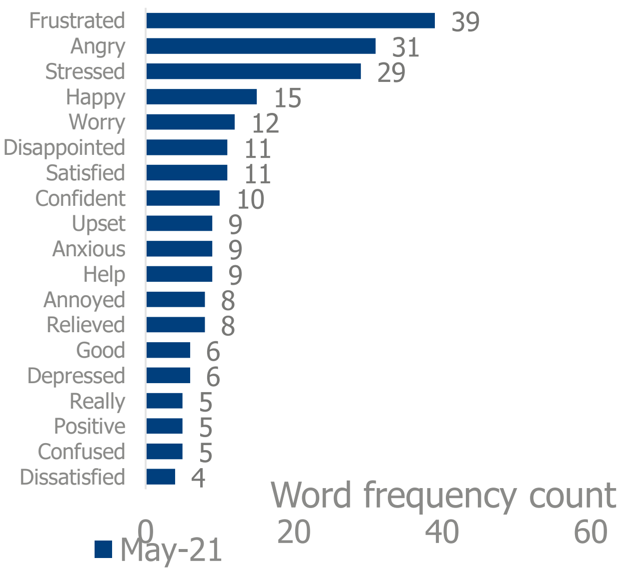
Accent Customer Satisfaction Survey

July Report - cases closed March to May 2021

Q30d. In three words, can you please describe how the experience of dealing with your energy complaint makes you feel?

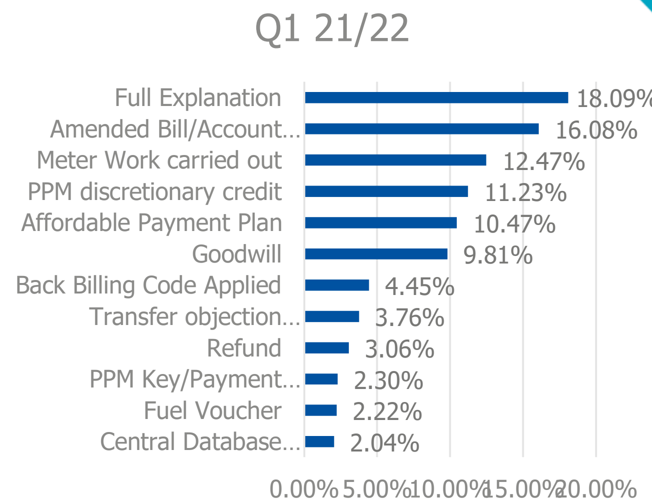


Outcomes Q1 21/22

Financial Redress £680,057

55 successful fuel bank applications

92% of self disconnection positive outcome



Operational update

> Workload and backlog update

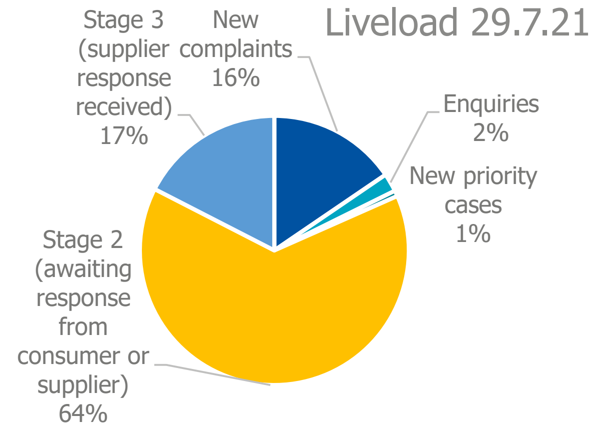
> Re-introduction of EHU caseworker queuing system

> Priority telephone and email live

> Resource gaps and recruitment plans

> Servicemail replacement project update

> EHU calls increased by 21% from previous quarter (Q4)- Answered 98.3%



Average caseload per Caseworker July 2021

- ✓ Priority team - 40
- ✓ Non-urgent casework team – 81 (highest caseload 96)
- ✓ EHU caseworker – 300

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Safeguarding Case study

> The consumer was of pensionable age and lived alone. She had health problems and was on a low income. A balance of £300 was owed to her energy supplier. She was struggling with her mental health and had consulted her GP due to suicidal thoughts.

> During one call with the EHU she mentioned ending her life. The Caseworker alerted a Team Manager who called emergency services and requested a welfare check from the police. The consumer phoned back the next day to pass on her thanks as this intervention had helped her.

> It was found the energy balance was an accurate catch up bill after switching supplier. The consumer's daughter paid the balance for her, indicating she had opened up to family. This is significant as during her initial call with the EHU she spoke of feeling unable to burden anyone by asking for help.

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Supplier engagement

> Supplier to supplier contacts on website

> Working Together Document

Break

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Energy policy team update

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Supplier Liaison Meeting
4th August 2021

Contents

Recent publications

Rough trade? Balancing the winners and losers in energy policy examines issues around cross-subsidies and whether policy reforms could deliver better outcomes.

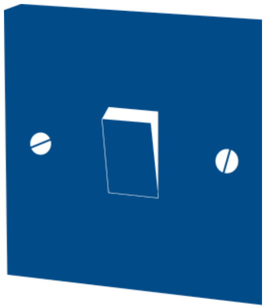
Look before you LAEP: Ending the postcode lottery of local area energy plans looks at how to include consumers in local area energy plans.

Citizens Advice Consumer Work Plan 2021/22 sets out our final work plan for 2021/22 and we've also published our annual report for 2020/21.

We've also written blogs on 3 tests the Heat and Buildings Strategy must pass, how policy costs could be recovered on energy bills to support heat decarbonisation and lessons to learn from the green homes grant.

We've responded to consultations on Ofgem's innovation link, the microbusiness strategic review and the CMA's green claims study.

All our publications are available here.



Upcoming policy/advocacy work

Retail

- Continuing to engage with stakeholders on support for customers this winter
- Publishing our report on third party deductions
- Completing research on consumers who are digitally excluded and people who live in the private rented sector

Future Energy Services

- Finalising a report on user focused consumer protections for smart energy
- Commissioning research to understand the consumer experience of retrofit

Energy Networks & Systems:

- Reviewing the business plans of the electricity distribution companies

Star rating Q1 2021

Some key takeaways from the last star rating release

- Mean average score broadly the same as last quarter
- However, biggest gap for a while between the top and bottom of the table

Update on newest additions to the rating

- Email - Very even range across scores. 14 suppliers scored 4 or 5 stars (up from 11 last quarter)
- Social Media - Only 1 supplier met the threshold for being scored in this metric (compared to 2 last quarter)

Digital exclusion in the energy sector

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Background

Digital services are becoming more and more commonplace

- More **cost effective** for energy suppliers
- Perceived as **easier**/more **flexible**
- Changes **accelerated by COVID-19**

Many consumers are at risk of being excluded from the market and the benefits of the net-zero transition

These consumers may struggle to access extra support like Warm Home Discount, if application processes are online, for example

Aims of research

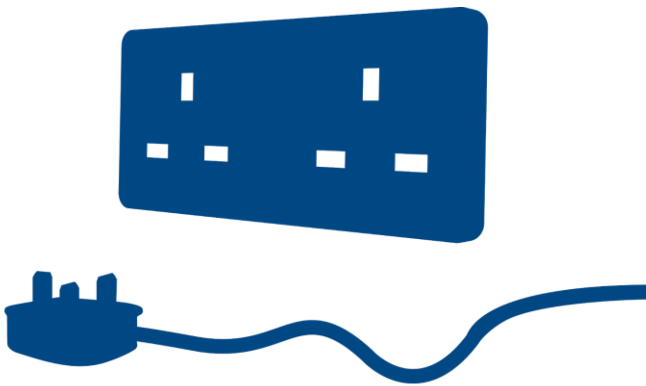
- Investigate how digitally excluded consumers engage with the market
- Assess how they rate current customer service provision
- Understand what support (if any) they seek and through which channels
- Determine to what extent vulnerable consumers are impacted, with examples of what this looks like in practice

Our research into digital exclusion

We commissioned a research agency to carry out a:

- Qualitative study
    - 1-hour interviews with digitally excluded consumers
    - 60 participants from a range of:
        - Regions
        - Age
        - Socio-economic groups

- These are the early stage findings



Range of digital exclusion

Digitally excluded

- No access to the internet
- Tend not to have any digital skills

Very low digital skills

- Have access to the internet but tend not to use it
- Able to do very little on the internet

Poor digital skills

- Can check the weather or news
- Unable to manage accounts or products

Some digital skills

- May make online purchases / banking
- Wary of managing accounts / making purchases online

Initial findings: Engagement

- Low engagement with energy market, will only contact supplier if there is an issue
- Customers with some digital skills who contacted their supplier were more likely to have the issue resolved than those with low / no skills
- Phone is primary mode of contact, but there is a perception that customer service is poor inc. long call waiting times, language barriers, automated systems and being ‘bounced’ around different departments.

“I'd have to call. [It was a] nightmare because you've got to go through 'press one for this, press two for that', so it was a total nightmare.

So, the only way [I would resolve an issue] is like, go to the website on Google and get the telephone number and just calling the telephone number.

Initial findings: Switching

- Many implicitly trust their supplier and see switching as a hassle
- Recognition that they can't access best deals but feel like this isn't for them (prices are high everywhere, switching regularly is a hassle).
- Cost is primary reason for switching but customer service is also an important factor
- Price and poor customer service are seen as the cost for avoiding the hassle of switching particularly for vulnerable consumers

Initial findings: Switching

- Those with no digital skills not likely to switch, if they did often relied on support from family / friends, recommendations / adverts.
- Some with low digital skills used price comparison websites but find them complicated, too much information to digest.

"The problem is to me, to be fair, I feel quite bamboozled by it all. **You get so much information,** and I think the main thing with me, I get, sort of, angst about it **when there's so much information there, and I get kind of fuzzy about which ones I've used**!"

Initial findings: Future market

- Low interest and understanding of developments in the energy sector
- Those with very low digital skills are typically less aware of the increasing prevalence of online services
- Many felt it is unfair that lower prices are the reward for better digital skills
- The prospect of online-only services is daunting
    - Some would find an alternative supplier
    - Others would turn to friends and family for help if forced to manage accounts online

Early stage outcomes

- Digitally excluded consumers have not adapted to the market
- Telephone services are vital in the event of an issue and often seen as a safety net
- Many participants think that customer service isn't good enough
- Digital upskilling is unlikely to happen organically - support from family and friends has been vital
- Income is a significant barrier to digital services
- Characteristics of vulnerability impact the way that digitally excluded consumers engage with their suppliers

Questions

- To what extent are you aware of issues faced by your own digitally excluded customers?
- What are your thoughts on how to best support and enable access for digitally excluded customers?
- How do you think this will change in future?

Next steps

We are in the process of developing a policy report due to be published in October, where we will outline our policy recommendations.

If you would like to discuss this with us, please contact Arun Rao arun.rao@citizensadvice.org.uk.

Supplier Liaison Meeting

4 August 2021

Michael O’Brien

Energy Policy Officer

CAS

Scotland's Citizens Advice network empowers people in every corner of Scotland through our local bureaux and national services by providing free, confidential and independent advice.

We use people's real life experiences to influence policy and drive positive change. We are on the side of people who need help, and we change lives for the better.

Current retail work

The future of WHD and ECO in Scotland

Improving support for PPM customers

Fuel debt

Vulnerability

Non-E7 restricted meters

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Warm Home Discount

BEIS proposals for future of WHD in England and Wales are well defined.

Proposals for Scotland are reliant on agreement between Scottish Government and BEIS.

Reforms need to address long-standing issues with scheme design and delivery. ‘Scottish scheme’ must be inclusive, fair, and deliverable, and align with the Scottish Government’s Fuel Poverty Strategy.

Working with stakeholders to find a pragmatic solution – low supplier impact, maximum consumer benefit.

Energy Company Obligation

- Reforms needed to address inefficiency of scheme design. Issues with supply chains, quality of work, and consumer protection / redress also need to be addressed.
- BEIS proposals for move towards whole house retrofit and focus on most energy inefficient properties are welcome.
- Scottish Government has indicated that it is minded to bring forward its own regulations.
- Working to identify risks and opportunities of this approach.

PPMs

Building on Ofgem's work on self-disconnection and self-rationing.

Researching gaps in service provision and / or regulation which lead to poor quality consumer outcomes for prepayment energy consumers in Scotland.

How to enhance levels of engagement and ensure consumers' reasonable expectations are met?

Roles for industry, Ofgem, government, and other stakeholders (inc. 3rd sector).

Fuel debt

Interaction of fuel debt and fuel poverty in Scotland across all energy vectors (inc. unregulated markets).

How to improve support for consumers with fuel debt in Scotland?

How to address real and perceived barriers to the effective relief of problem fuel debt in Scotland?

Roles for industry, Ofgem, government, and other stakeholders (inc. 3rd sector).

RFI likely autumn 2021.

Vulnerability

- Building on previous research which explored the impact and reach of PSRs in Scotland; uptake has historically been lower than in rGB.
- Considering vulnerability in the context of the energy transition – esp. increasing electrification of heat and private transport – and in unregulated energy markets.

Non-E7 restricted meters

Enduring concerns about reach, application, transparency and impact of SLC22G.

CoS data reveals too high a proportion of non-E7 restricted meter switches in Scotland continue to fail.

Price signals are incentivising adverse behaviours; system value of diversity is not being realised.

Ongoing legacy meter inventory issues; poor customer journeys and backbilling concerns.

Future of the RTS signal; compatible smart meters?

RFI coming August 2021.

Thank you

Email: michael.obrien@cas.org.uk

Telephone: 0131 357 9069

Produced by Citizens Advice Scotland [04/08/2021]

Scottish charity SCO 16637 and company limited by guarantee 89892

Data Snapshot Taken 1st July 2021

Ombudsman Services: Energy

Energy

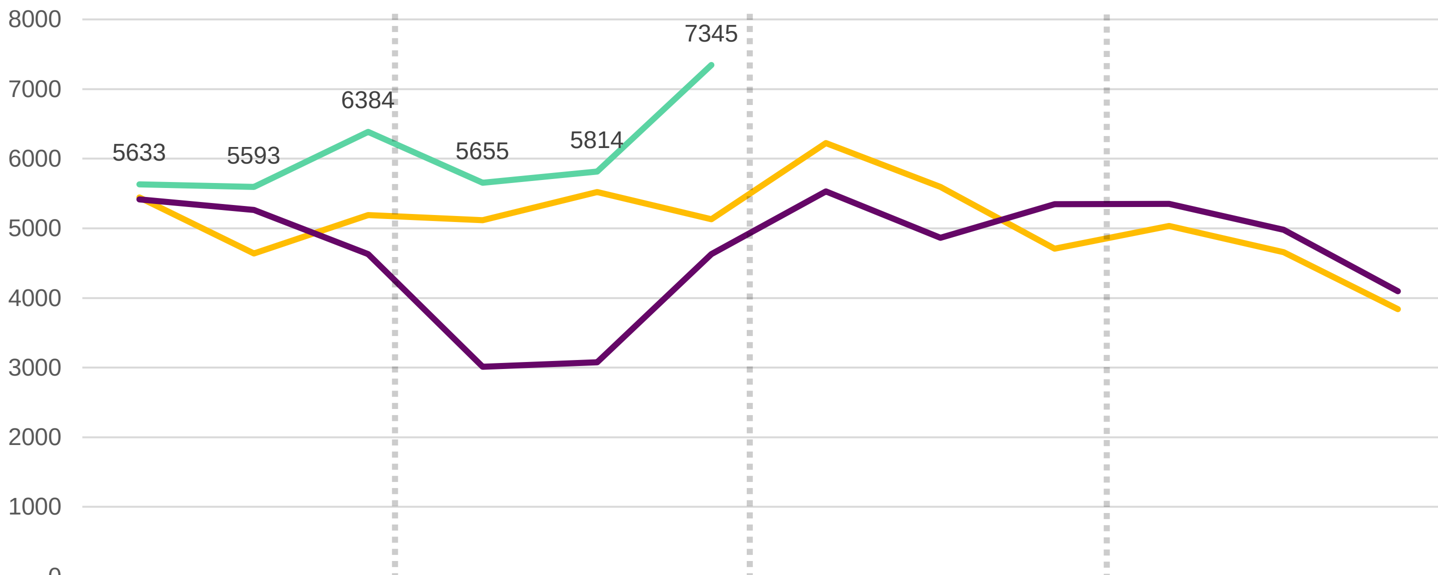
Ombudsman Services

Cases Accepted (ITOR)

Energy

Residential Cases Accepted | 2019, 2020 & 2021

Cases Accepted Against Residential Energy Sector by Month | 2019, 2020 & 2021



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	5443	4640	5189	5115	5521	5130	6225	5594	4707	5034	4656	3839
2020	5414	5266	4630	3010	3077	4629	5531	4865	5348	5350	4979	4099
2021	5633	5593	6384	5655	5814	7345						

Q1 Q2 Q3 Q4

Ombudsman Services

Energy

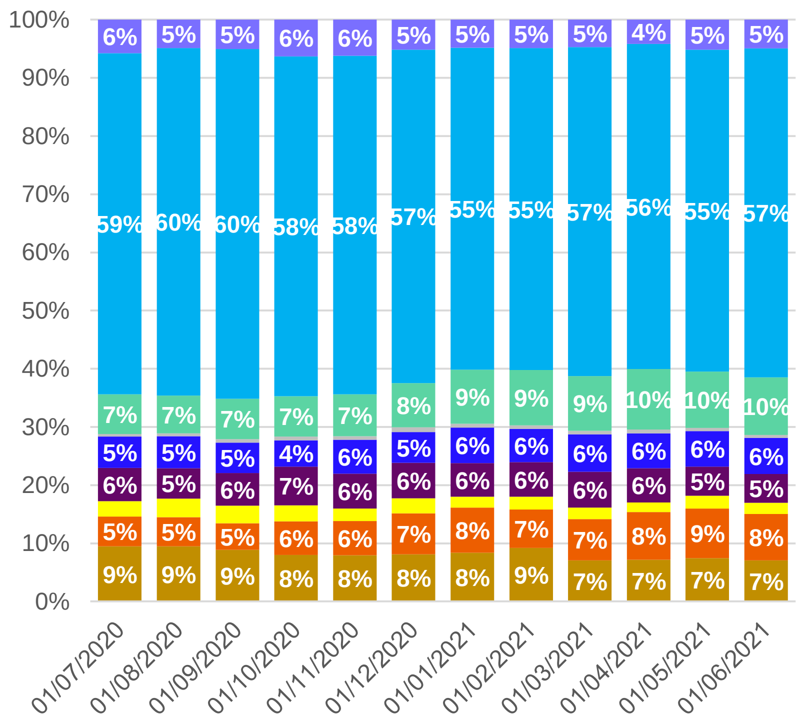
Cases by Complaint Type | Residential Energy Sector

July 2020 - June 2021

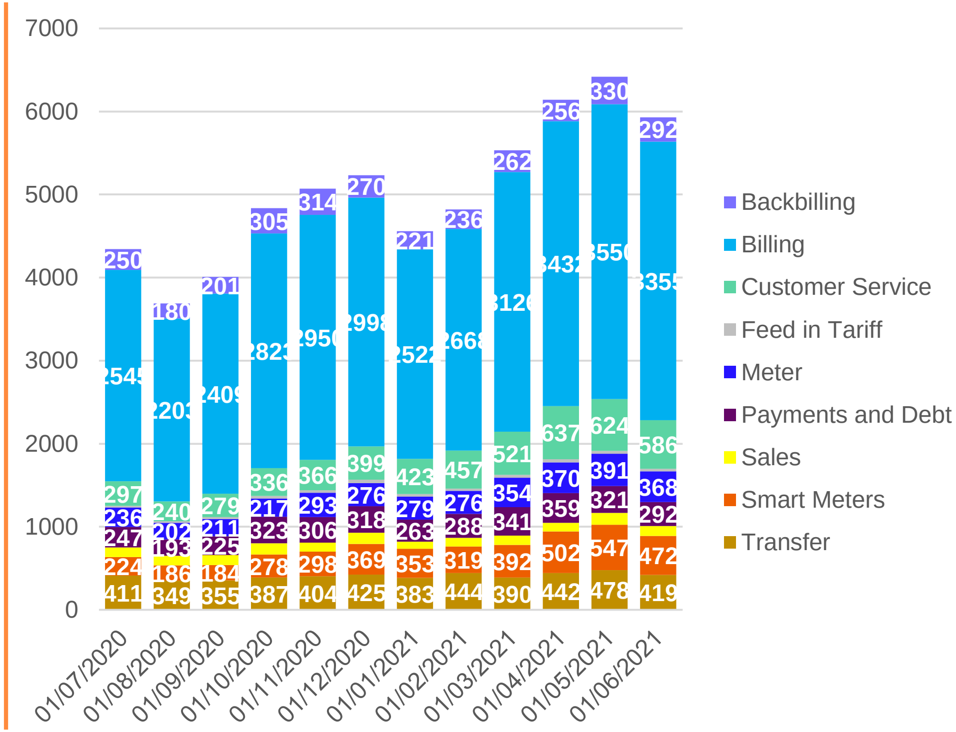
Based on Completed Cases

Complaint Types for Residential Energy Sector by Proportional and Volume Split

Proportion Split of Complaint Type



Volume Split of Complaint Type



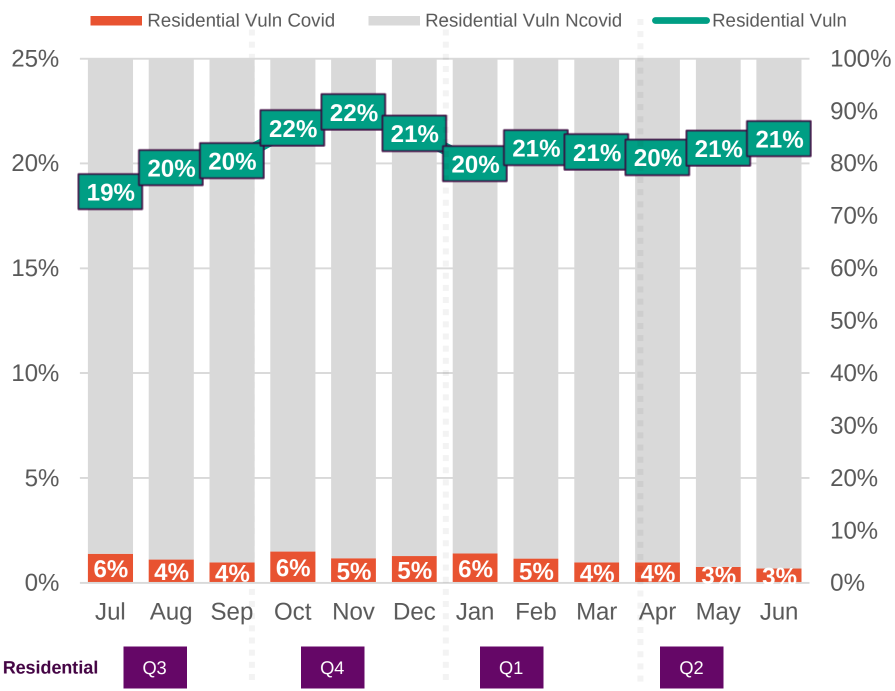
Energy

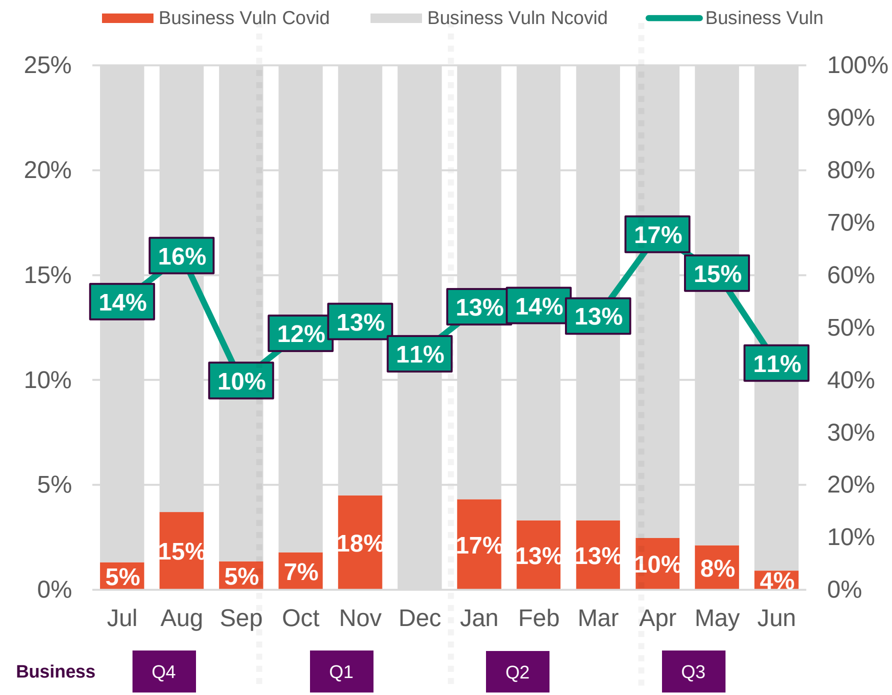
Proportion of Accepted Cases by Vulnerability | Residential & Business

Cases Accepted (ITOR)

Nationwide Lockdown

Proportion of Cases Accepted flagged as in Potentially Vulnerable Circumstances by Month | Q3, Q4 2020 & Q1, Q2 2021





Graph Summary

The plotted line show the % of Accepted cases flagged as potentially in vulnerable circumstances

The bar chart behind the plotted line goes on to show the proportion of these potentially vulnerable cases split by potentially vulnerable where COVID is discussed vs potentially vulnerable cases where COVID isn't mentioned

Energy

Servic Ombudsman Services

Energy

Update

OS Performance

- Increase in complaints across the sector
- Back to KPIs since June 2021

Energy Brokers

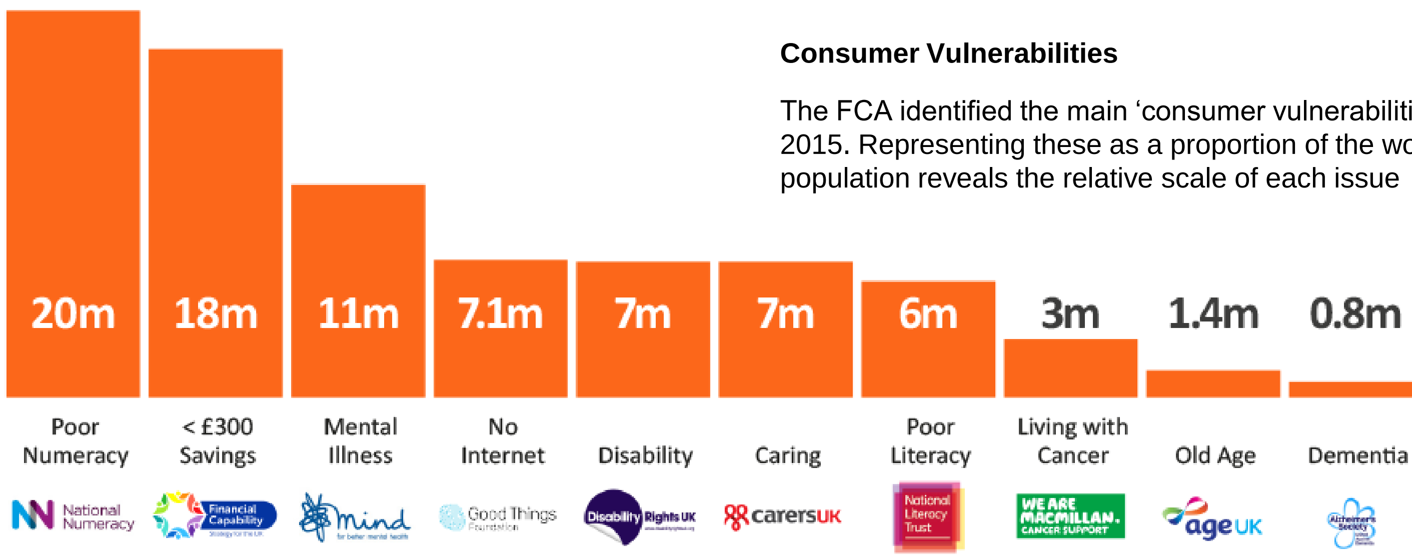
- Our pilot ADR scheme for complaints about energy brokers has ended.
- We are now working on the enduring scheme.
- Brokers/Suppliers information sessions to come in the autumn

Plain Numbers Project

citizens advice

Alison Plant
Mike Ellicock

The context: Data used by the FCA as long ago as 2015 suggests that poor numeracy is the single most common vulnerability…



Consumer Vulnerabilities

The FCA identified the main ‘consumer vulnerabilities’ in OP8, 2015. Representing these as a proportion of the working-age population reveals the relative scale of each issue

…but most firms don't recognize this - yet.

In the first half of 2021, we worked with the Bank of England, five market-leading firms and a research partner…

BANK OF ENGLAND ClearScore Thames Water octopus energy

ATLANTA Direct Line KANTAR PUBLIC

…to trial the Plain Numbers Approach in a range of settings.

The trials run by Kantar Public randomly selected participants to see and then answer…

2 Your charges

1 January 2021 to 31 March 2021 (90 days)

This billing period is based on our 2020/2021 rates

Fresh water	m³	rate
Charge for water used	33.0000 ×	£1.3818
		= £45.60
Fixed charge		+ £4.74
Subtotal		= £50.34

Wastewater	m³	rate
Charge for waste removed	33.0000 ×	£0.8963
		= £29.58
Fixed charge		+ £15.65
Subtotal		= £45.27

Total new charges for this period £95.61

1 April 2021 to 30 June 2021 (91 days)

This billing period is based on our 2021/2022 rates

Fresh water	m³	rate
Charge for water used	33.0000 ×	£1.4619
		= £48.24
Fixed charge		+ £4.79
Subtotal		= £53.03

Wastewater	m³	rate
Charge for waste removed	33.0000 ×	£0.9133
		= £30.14
Fixed charge		+ £15.86
Subtotal		= £46.00

Total new charges for this period £99.03

Summary

The cost of what you've used	
• From 1 January 2021 to 31 March 2021	£95.61
• From 1 April 2021 to 30 June 2021	+ £99.03
What you've paid since your last bill 1 Feb 2021: £30 1 Mar 2021: £30 1 Apr 2021: £30 1 May 2021: £30 1 Jun 2021: £30 We'll take one more payment of £30 on 1 July 2021.	- £180
What's left to pay	= £14.64
The cost of what we think you'll use over the next 12 months	+ £407.22

Your metered charges explained

We charge you separately for fresh water, which comes out of your taps, and wastewater, which goes down your drains.

Your fresh water charges pay for sourcing, storing and delivering water to your home, while your wastewater charges pay for removing, cleaning and returning wastewater safely to the environment.

If you need help understanding your charges, please head to **thameswater.co.uk/bill**

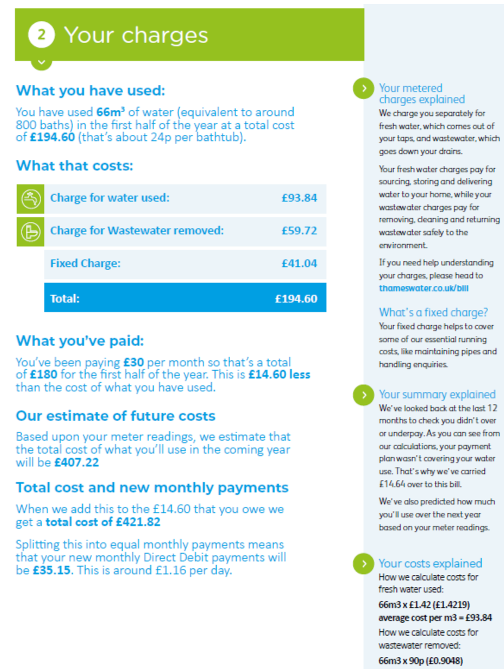
What's a fixed charge?

Your fixed charge helps to cover some of our essential running costs, like maintaining pipes and handling enquiries.

Your summary explained

We've looked back at the last 12 months to check you didn't over or underpay. As you can see from our calculations, your payment plan wasn't covering your water use. That's why we've carried £14.64 over to this bill.

We've also predicted how much you'll use over the next year based on your meter readings.



2 Your charges

What you have used:

You have used **66m³** of water (equivalent to around 800 baths) in the first half of the year at a total cost of **£194.60** (that's about 24p per bathtub).

What that costs:

Charge for water used:	£93.84
Charge for Wastewater removed:	£59.72
Fixed Charge:	£41.04
Total:	£194.60

What you've paid:

You've been paying **£30** per month so that's a total of **£180** for the first half of the year. This is **£14.60 less** than the cost of what you have used.

Our estimate of future costs

Based upon your meter readings, we estimate that the total cost of what you'll use in the coming year will be **£407.22**

Total cost and new monthly payments

When we add this to the £14.60 that you owe we get a **total cost of £421.82**

Splitting this into equal monthly payments means that your new monthly Direct Debit payments will be **£35.15**. This is around £1.16 per day.

Your metered charges explained

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We've also predicted how much you'll use over the next year based on your meter readings.

Your costs explained

How we calculate costs for fresh water used:

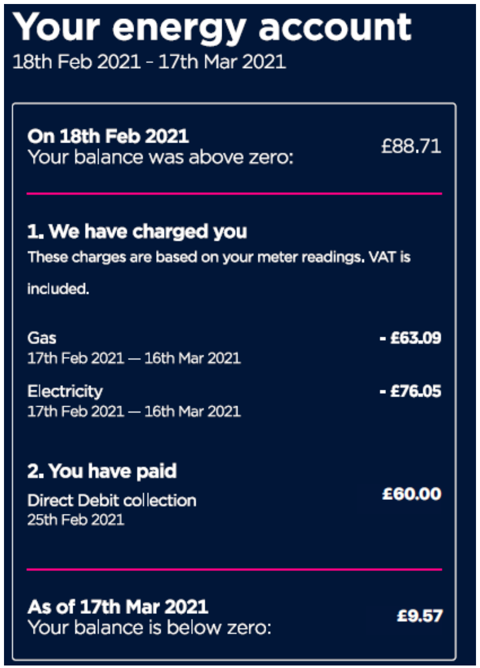
66m3 x £1.42 (£1.4219) average cost per m3 = £93.84

How we calculate costs for wastewater removed:

66m3 x 90p (£0.9048) average cost per m3 = £59.72

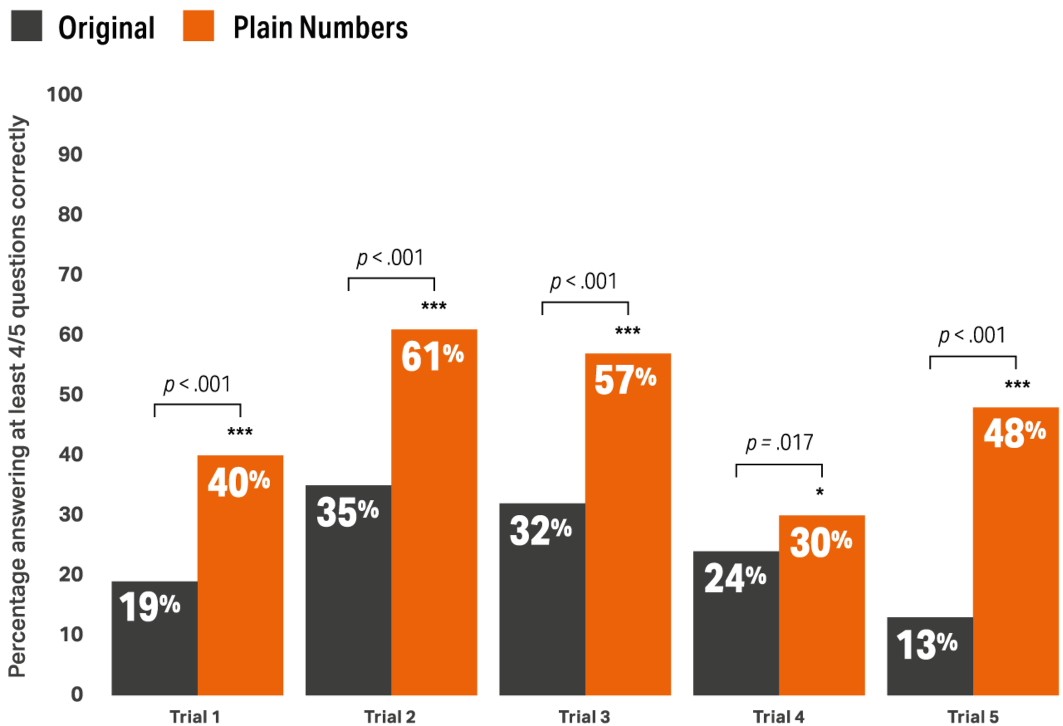
…questions about either the original communication from the firm or a Plain Numbers version.

Across the five trials, the questions sought to test a 'basic' understanding of the numbers and data being presented…



…in all cases, participants' answers showed a clear increase in comprehension for the Plain Numbers version.

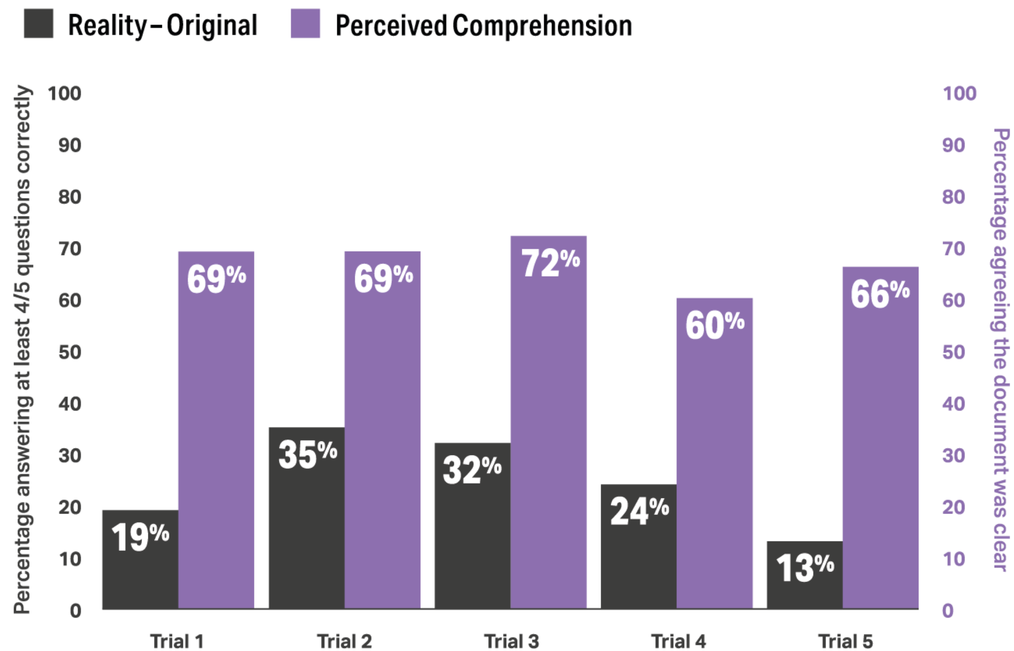
Overall, the number of people answering at least four out of the five comprehension questions correctly DOUBLED…



Analysis involved a two-tailed z-test for independent proportions, using the Bonferroni correction to correct for multiple comparisons. p-values for statistically significant differences between arms are indicated using *p < .05. **p < .01. ***p < .001

We also asked whether the document was ‘clear, fair and easy to understand’ before assessing actual understanding…

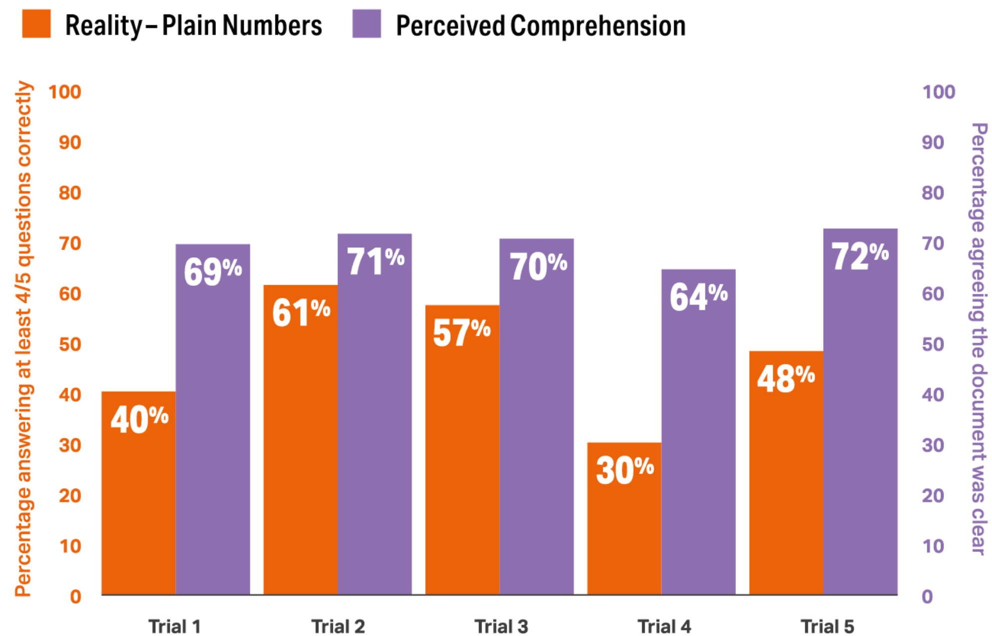
Across all trials the majority of participants’ agreed that the document was ‘clear, fair and easy to understand’.



… this revealed a stark disconnect between perceived and actual understanding.

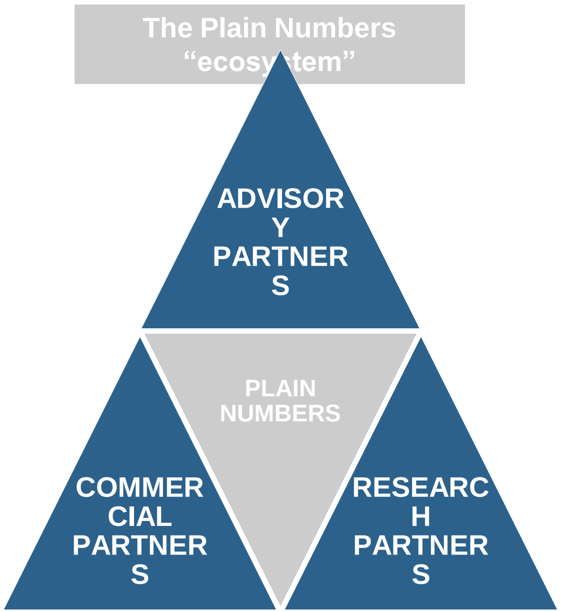
Adopting a Plain Numbers Approach…

However, only in the Plain Numbers versions was this matched by a reasonable level of actual understanding.



…reduces this disconnect, thereby creating the conditions for informed choice, even for vulnerable customers.

We are now keen to work with firms to improve customer comprehension and to explore other benefits of the Approach…



Plain Numbers will ally with leading regulators and other organisations focusing on vulnerability as **Advisory Partners**

Plain Numbers will work collaboratively with **Research Partners** interested in testing the Approach in new markets or with new forms of communication – including verbal or with new KPIs – including commercial benefit.

Plain Numbers has proven capability to raise awareness, improve skills and increase customer understanding of critical communications. We are here to enable **Commercial Partners** to better support customers who struggle with numbers.

…so that it can become the proven, best practice way of communicating numbers to customers.

AOB

citizens advice