

Advice in Detail: Energy

Issues brought to the Citizens Advice Service in Scotland in 2014/15



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Executive Summary

The Energy Advice in Detail publication provides an annual analysis of the energy issues on which consumers in Scotland seek advice. The Citizens Advice Service in Scotland advised on a total of 28,000 energy issues in 2014/15, an increase of a third from the previous year. Of this figure, clients took 22,051 energy issues to their local CAB, contacted the Citizens Advice Consumer Service (CACS or “the helpline”) with a total of 4,799 energy issues and the Extra Help Unit provided specialist help and advice to 1,150 vulnerable consumers.

In 2014/15 the number of energy issues handled by CAB increased by a third from 21,101 to 28,000. The energy advice and support given by Scottish CAB throughout this year is estimated to have secured over £440,500 of financial gain for clients. Welfare reform and the subsequent changes to social security policies was a key driver behind many of the energy issues brought to the Scottish CAB service in 2014/15. The knock-on impacts that these changes had on family members, including young children can be seen throughout CAB cases. Customer service problems experienced as a result of changes made to some suppliers’ billing systems also featured prominently in CAB, CACS and EHU cases in 2014/15 and were a key reason for many consumers contacting the Citizens Advice Service in Scotland. Recurring issues included problems with billing and extensive delays to call waiting times.

The volume of energy issues presented to CACS grew significantly in 2014/15 with the helpline advising on 73 per cent more energy issues. The number of issues increased from 2,771 in 2013/14 to 4,799. Issues relating to billing errors were the most common helpline energy issue for the first time since it became part of the Citizens Advice service. This related in part to the billing issues experienced by some suppliers. The impacts of those supplier’s billing and customer services issues are apparent throughout a significant body of evidence in this report. The marked increase in helpline issues is also likely explained by the increased profile of energy prices. Energy prices and switching remained prominent issues in the media, particularly in the run up to the General Election in 2015.

The EHU advised 1,150 vulnerable consumers in its first year of operation following its transfer to Citizens Advice Scotland. The billing migration issues dominated the complaints received by the EHU. Some of the issues this caused were easily resolved when suppliers were challenged, however a large number of cases related to much deeper problems that the suppliers were unable to fix quickly and which remain ongoing. Many of the cases handled by the EHU related directly to fuel poverty and they commonly supported consumers affected by sanctions or changes to their social security. Particular issues relating to this arose from consumers with prepayment meters self-disconnecting due to their low income. The removal of nearly all zero standing charge tariffs was also a concern for the EHU during this year.

From the body of evidence gathered in this report, CAS highlights ten key areas where it appears that the energy market is not serving consumers effectively, or where it is clear additional support is required to ensure that consumers are not disadvantaged by an inability to engage with the market and to heat their home.

1. Customer Service standards

Service Standards are too often below the reasonable expectations of consumers. Throughout our evidence it is clear that recurring issues such as long call waiting times and billing errors cause significant detriment to those affected.

2. Welfare reform and social security administration

Throughout our case studies, the impact of reforms to the social security system is tied intrinsically to a household's ability to sufficiently heat their home. Those who have been sanctioned or had their social security payments altered may be additionally disadvantaged by accruing debt or becoming disconnected from their energy supply.

3. Vulnerability

Case evidence presented to our service suggests that people in vulnerable situations are not always receiving the support they require. Furthermore, the services that can be made available through Priority Services Registers are not always delivered.

4. Accessible support/schemes

Schemes such as the Warm Home Discount are not accessible to all eligible consumers. Our evidence shows that barriers such as online registration, annual applications or limited windows for registration can prevent certain households from accessing this support.

5. Parity of service

Our case studies highlight that certain groups of consumers may receive a second class service for their energy account, owing to factors such as the meter their household uses or the way they heat their property. In particular, people with pre-payment meters, time-of-use meters, electric heating or non-regulated heating systems may not be able to access the same pricing, ability to switch, support or protections that are available to other consumers.

6. Debt repayment

Our case evidence highlights a number of issues with debt collection processes. Repayments are often set too high for consumers to afford and implemented without due consultation. If a debt is transferred to a collection agency, the additional costs added can be disproportionate and unaffordable.

7. Off-gas consumers

Households who do not heat their home with mains gas require greater financial support. Consumers attending CAB reported that they were unable to afford to fix their off-gas heating systems if they become faulty or broke down and were frustrated to find that they could not access support owing to the type of heating system available to them.

8. Smart meters

Some of the early adopters of smart meters have found that they are unable to realise the benefits of these systems. Conversely certain groups of consumers are aware of the benefits that they may offer to them but are not yet able to access the technology.

9. Changes to energy market

Well intended changes to the energy market such as changes to the rules around standing charges have had some adverse effects on households. A significant body of our evidence suggests that changes to the rules are often implemented in a manner that disadvantages consumers.

10. Small businesses

Small businesses contacting our service may be disadvantaged by the rules surrounding business energy contracts, such as a lack of a cooling off period for them to confirm whether they have received suitable terms of service.

What we do

Citizens Advice Scotland and its 61 member bureaux form Scotland's largest independent advice network. CAB advice services are delivered using around 250 service points throughout Scotland. Citizens Advice Scotland (CAS) is the umbrella organisation for Scotland's network of Citizens Advice Bureaux (CAB). The aims of the CAB Service in Scotland are:

- to ensure that individuals do not suffer through ignorance of their rights and responsibilities or of the services available; or through an inability to express their needs
- to exercise a responsible influence on the development of social policies and services, both locally and nationally

The Scottish CAB service has provided long-standing support to energy consumers. The energy advice provided by CAB supports clients across a wide range of issues, from managing debt and arrears to accessing additional support, including available grants or funds. CAB support is offered in person, online and over the phone.

As well as providing advice on energy, the Scottish CAB Service is a holistic advice service, offering support with a wide variety of issues from social security and debt to housing, employment and a growing array of consumer issues. In 2014/15 the Citizens Advice Service network helped over 323,000 clients in Scotland alone and dealt with over one million advice issues.

The Citizens Advice Consumer Service ("the helpline") has been held by the service since 2012 and provides specialist advice on energy issues. Consumers can access this advice by phone, email, web form and post and can get self-help advice online.

From April 2014, Citizens Advice Scotland and our sister organisation in England and Wales, Citizens Advice, took on the roles, responsibilities and functions of Consumer Futures. This includes a statutory responsibility to represent consumers across the essential regulated services of energy, post and, in Scotland, water.

The Consumer Futures team examines evidence gathered from Scottish CAB, the GB-wide consumer helpline and the Extra Help Unit as well as conducting new research. This evidence is used to advocate for change in the interests of current and future consumers. For more information on these changes please [see our website](#)¹.

Our impact 2014/15

It is estimated that the Scottish CAB service contributed a total benefit to the common good in Scotland of £124 million in 2014/15². Throughout 2014/15, the energy advice and support given by Scottish CAB is estimated to have secured more than £440,500 in financial gain for clients.

Client financial gain arises from a variety of situations, including clients being supported to manage or write off debt or gain access to better tariffs, to secure the benefits payments or government schemes they are entitled to, such as the Warm Homes Discount.

Introduction

The Energy Advice in Detail publication provides an annual analysis of the energy issues that consumers face in Scotland. This report utilises evidence recorded in 2014/15 by Scottish Citizens Advice Bureaux (CAB), the Citizens Advice Consumer Service (CACS or “the helpline”) and the Extra Help Unit (EHU). We include both quantitative statistics and qualitative case study evidence within the report. The statistics provide an overview of the total number of energy issues on which people in Scotland sought advice, from the service in 2014/15. Case study evidence is presented alongside these figures to place the energy issues within the wider, and often complex, context of issues that households face.

This report is structured to analyse evidence from CAB, the helpline and the Extra Help Unit separately as they use different methods of recording. For reference, we include a comparison with the energy advice data gathered by the service in 2013/14.

Throughout this report, the statistics presented highlight some significant changes to the number of energy issues presented to the Citizens Advice service in Scotland in 2014/15. Whilst it is not possible to identify the precise reasons for the changes in the number of issues we receive, we attempt to explain any key changes within the text. Overarching factors which may contribute to changes in advice needs are identified in the Background and Context section of this report. Other factors which influence the volume of energy advice we provide include the growing reach of bureaux-led energy advice projects.

Energy Advice 2014/15

The Citizens Advice service in Scotland advised on a total of 28,000 energy issues in 2014/15¹, this is an increase of 33 per cent from the previous year. Of this figure, clients took 22,051 energy issues to their local CAB, contacted the helpline with a total of 4,799 energy issues and the Extra Help Unit provided specialist help and advice to 1,150 vulnerable consumers.

- ▶ Total energy issues increased by 33% from 21,101 to 28,000
- ▶ CAB energy issues increased by a fifth from 18,330 to 22,051
- ▶ CACS helpline advised on 73% more energy issues, increasing from 2,771 to 4,799
- ▶ The EHU advised 1,150 vulnerable consumers

The key changes in energy advice provision by service 2013/14 – 2014/15 are highlighted below:

Citizens Advice Bureaux

Fuel Debt

- Total fuel debt issues decreased by 11% from 4,762 to 4,261
- Issues with complaints about fuel debts increased by 81% from 58 to 105
- Issues with difficulties making payments decreased by 18% from 3,253 to 2,662

Regulated Fuel

- Total regulated fuel issues increased by 32% from 13,222 to 17,396
- Issues with billing and meter reading increased by 56% and accounted for almost a fifth of all regulated fuel issues
- Issues with the Warm Home Discount were the second most common advice code and increased by almost 30% from 1,697 to 2,191
- Issues with complaints and redress increased by 78% from 840 to 1,489 issues

Non-regulated Fuel

- Total non-regulated fuel issues increased by 14% from 346 to 394
- Issues with complaints and redress doubled, increasing from 20 to 40
- The number of issues with switching supplier increased by 45% from 22 to 32

Citizens Advice Consumer Service

- Total helpline issues increased by 73% from 2,771 to 4,799 issues
- Issues with billing errors increased by 147% from 802 to 1,981. These accounted for the majority (41%) of all enquiries
- Information issues increased by 9.1% from 975 to 1,064 and accounted for 22% of all enquiries
- Prepayment meter issues doubled, increasing from 70 to 140

¹ This refers to 'new' issues, the CAB service also provides advice on 'repeat' issues (clients who have come back for more advice on the same issue)

The Extra Help Unit (EHU)

- The EHU assisted 1,150 vulnerable consumers in its first year of operation following its transfer to Citizens Advice Scotland
- There were 430 billing error issues which accounted for the majority (37%) of issues
- Metering (246 issues) and debt/ disconnections (222 issues) accounted for 21% and 19% of issues respectively

Issues raised by bureaux

The impacts from changes to social security policies were a key driver behind many of the energy issues brought to the Scottish CAB service in 2014/15. Clients commonly sought advice as a result of delays to social security administration. Households affected by these issues could be left without any income for extended periods of time and clients in this situation often reported going without essential services, such as food or heat. Other clients relied on credit, for example building up rent arrears or debt on their electricity pre-payment meters. This had a knock-on effect on dependent household members. The impact that these periods without income had on family members, including young children is apparent throughout CAB cases in 2014/15.

The Energy Advice in Detail report does not usually include information on the specific performance of suppliers, as this is quantified in the Citizens Advice quarterly supplier league table publications³. However problems experienced as a result of changes made to some suppliers billing systems featured prominently in cases in 2014/15 and were a key reason for many consumers contacting their local CAB. Recurring issues included problems with billing and extensive delays to call waiting times which often prevented clients from getting through to their supplier. The delays impacted CAB advisers and their ability to resolve issues.

Issues raised by the helpline

The volume of energy issues presented to CACS grew significantly in 2014/15. Issues with billing errors were the top helpline issue for the first time since the helpline joined the Citizens Advice Service. This was largely attributable to the billing issues mentioned in the previous paragraph. It can also likely be explained in part by the increased profile of energy prices and switching which remained at the fore of the media, particularly in the run up to the General Election in 2015. As a result the helpline received a significant growth in the number of enquiries received, particularly on issues such as how to switch supplier.

Wider energy market changes such as the regulatory revisions designed to make energy billing clearer and easier to understand had some unintended impacts. Ofgem introduced rules which sought to simplify tariffs. As a result, many suppliers no longer offered zero standing charges, which had a negative impact on low energy users and households with disconnected or unused meters. Consumers regularly contacted the helpline for advice on how to deal with this issue. Some of the households managing their energy on extremely limited budgets reported that standing charges increased their bills significantly.

Issues raised by the Extra Help Unit

The billing system migration issues relating to some of the biggest suppliers dominated the complaints received by the Extra Help Unit (EHU). Some of the issues this caused for vulnerable consumers were easily resolved by suppliers when challenged by the EHU. However a large number of cases related to much deeper problems that the suppliers were unable to fix quickly. The EHU reached an agreement with the two larger suppliers that caused the most significant problems to close the affected cases until a resolution was found. It was agreed that in the intervening period any unbilled energy consumption would be written off.

Many of the cases handled by the EHU related directly to fuel poverty and the service commonly supported consumers affected by sanctions or changes to their social security. Particular issues relating to this arose from consumers with pre-payment meters self-disconnecting due to their low income. The removal of nearly all zero standing charge tariffs was also a concern for the EHU during this year as this impacted vulnerable consumers disproportionately. For this issue, in most cases an amicable resolution was found with domestic suppliers, who would write off historical debt and look at other solutions.

Background and Context

The price of energy was a hotly debated topic in 2014/15. Domestic energy price rises had been implemented at a rate that far outstripped inflation for the past ten years. Over this period, prices had increased by around 75 per cent for electricity and 125 per cent for mains gas⁴. As a result, many Scottish consumers found it harder to heat their home and fuel poverty levels rose. Towards the end of 2014 global wholesale energy prices fell sharply and remained low into 2015. Reductions to wholesale prices delivered cost savings to energy suppliers. Pressure began to mount for suppliers to pass a share of these cost savings on to customers as this issue rapidly moved up the political agenda and remained prominent in the media.

Amid increasing demand that retail prices should reflect falling wholesale prices, all Big Six suppliers announced they would be cutting their prices in January 2015. The price cuts which they introduced ranged from 1.3 per cent to 5.1 per cent and only applied to standard tariff rates. This was contentious as wholesale gas costs had dropped by about 28 per cent. Furthermore, the difference between suppliers' standard plans and their own cheapest plan was more than £200 in some cases, so it was perceived that if customers were simply placed onto a supplier's cheapest tariff they would benefit from similar or even greater savings⁵. In addition, some suppliers announced that price cuts would only be implemented after winter, when their customers' energy use would be expected to decrease seasonally, thus minimising consumer savings⁶. Independent research published by Which? suggested that the failure of retail prices to align with wholesale costs had left consumers £2.9 billion out of pocket in 2014/15. This amounted to the equivalent of £145 per household on standard energy tariffs⁷.

In addition to pricing issues, the competitiveness of the energy market faced scrutiny in 2014/15. In June 2014 Ofgem made a reference to the Competition and Markets Authority (CMA) for an investigation into the energy market in Great Britain. This investigation is ongoing and seeks to determine whether 'any feature, or combination of features, of each relevant market prevents, restricts or distorts competition in connection with the supply or acquisition of any goods or services in the United Kingdom'. The Citizens Advice Service has contributed evidence throughout this investigation.⁸

In terms of the cost of living, the Consumer Prices Index (CPI) fell by 0.1 per cent in the year to April 2015. This was the first time the CPI had fallen over the year since official records began⁹. This is partly attributable to the slide in global wholesale energy prices. As a result there was a slight respite for consumers as prices for goods and services stabilised¹⁰. For most, these economic changes were not expected to impact household budgets in actual terms as prices were projected to start rising again in late 2015¹¹.

Those affected by changes to social security payments encountered a number of problems in 2014/15. Particular issues arose from administration of 'The Work Capability Assessment' for the 'Employment and Support Allowance' which was brought in as part of The Welfare Reform Act (2012)¹². For those who were obliged to undertake a Work Capability Assessment, problems arose from a series of delays: to appointments, to decisions and to payments. In addition, many people were not fully aware of the requirements on them to undertake 'Work-Related Activity', which resulted in a variety of problems including sanctions, long delays and problems with mandatory reconsiderations not being accepted.¹³

In terms of fuel poverty, the most recent figures found that in 2013 almost 40 per cent¹⁴ of Scottish households were spending more than 10 per cent of their household income on fuel to adequately heat their home¹⁵. Scottish fuel poverty figures tend to be higher than the UK average owing to a number of factors. These include a colder climate, the lower energy efficiency of properties and a larger proportion of the population living in homes off the mains gas grid, relying on fuels such as electricity, heating oil or bottled gas to heat their home¹⁶. The Scottish Government has a statutory responsibility to eradicate fuel poverty, as far as is reasonably practicable, by November 2016¹⁷.

In addition to the wider external factors which faced Scottish households, certain groups of consumers were further disadvantaged¹⁸. In 2014/15, the Citizens Advice Fair Play for Prepay campaign highlighted that customers with prepayment meters pay on average £80 a year more than direct debit customers and receive a second class service. The evidence further revealed that 16 per cent of prepayment meter users were cut off over the winter, either because they could not afford to buy more energy or because they were unable to top-up their meter¹⁹.

Energy Campaigns 2014/15

Citizens Advice Scotland and members of the Scottish CAB Service host a series of local and national energy information campaigns annually. These schemes aim to support consumers in securing the lowest price for their energy and to encourage them to adopt cost saving energy efficiency measures. The two key national energy campaigns are outlined below.

Energy Best Deal

CAS has been responsible for the Energy Best Deal campaign (EBD) in Scotland since 2011. EBD provides trainer-led group sessions to frontline workers and consumers. The sessions are designed to raise awareness on how to reduce energy costs by switching tariff, payment method and/ or supplier; how to get help from suppliers and government if paying energy bills is a struggle; and how to save money by being more energy efficient at home. Between October 2014 and April 2015 9,068 consumers attended the Energy Best Deal sessions in Great Britain. Nineteen Citizens Advice Bureaux delivered 184 sessions in Scotland. Independent evaluation of the project found that 89 per cent of consumers who responded to the questionnaire in 2014 said they would probably or definitely take action as a result of their Energy Best Deal session.

Big Energy Savings Week

Big Energy Saving Week (BESW) is a joint project between the Citizens Advice service, Government, Energy Saving Trust, Age UK and other voluntary and charitable organisations. BESW is a national campaign designed to help people cut their fuel bills and access all the financial support they are entitled to. BESW focuses on raising awareness of energy and efficiency issues among the general public through joint working between the voluntary sector and energy suppliers. The main aim of the week is to bring together consumers with all the advice and assistance that is out there in relation to their fuel bills. Big Energy Saving Week 2014 recorded a minimum total reach in the UK of 81,771,269 people².

² UK population is 63.23 million, meaning that BESW was potentially 'on the radar' for the entire population at least once, if not more than once across the period 27 -31 Jan 2014.

CAB Data

This report is structured to examine each of the three main CAB energy categories individually. The categories are;

- i.** Fuel debt
- ii.** Fuel - regulated
- iii.** Fuel - non-regulated

Each of the three categories included above can be further broken down into a number of advice codes. Multiple advice codes can be assigned to one case, as client issues may be multifaceted and complex. Within this report the figures used capture each energy issue advised on by referring to the advice codes recorded the first time a client presents with an issue. This means that if a client attends their local CAB more than once for advice on the same issue it is only counted once.

An example of the advice codes that relate to the fuel debt category is included below:

- i.** Complaints
- ii.** Court claim and enforcement
- iii.** Creditor harassment
- iv.** Direct deductions from benefit
- v.** Difficulty making payments
- vi.** Liability for debt

Fuel Debt

Issues categorised as fuel debt cover a range of advice needs. Fuel debt issues may relate to a household's ability to pay for their energy, people querying whether they are responsible for paying a sum of money or issues with different types of debt reclamation processes and enforcement.

Scottish CAB advised consumers on 4,261 fuel debt issues in 2014/15. The fuel debt advice sought decreased by 11 per cent from the previous year. These figures are in line with the findings of the regulator, Ofgem, who reported that the number of energy customer accounts in debt declined in 2014 compared to 2013. It is unlikely that the fall in debt issues represents a positive trend, particularly as average levels of energy debt increased over this period²⁰. CAB have recorded decreasing consumer debts since 2013, which is likely to be related to a squeeze on the availability of credit and falling incomes²¹. A milder winter or more serious issues, including people limiting their energy use to avoid debt, self-disconnecting or through more stringent debt collection methods may also go part of the way to explaining the decreased demand for fuel debt advice.

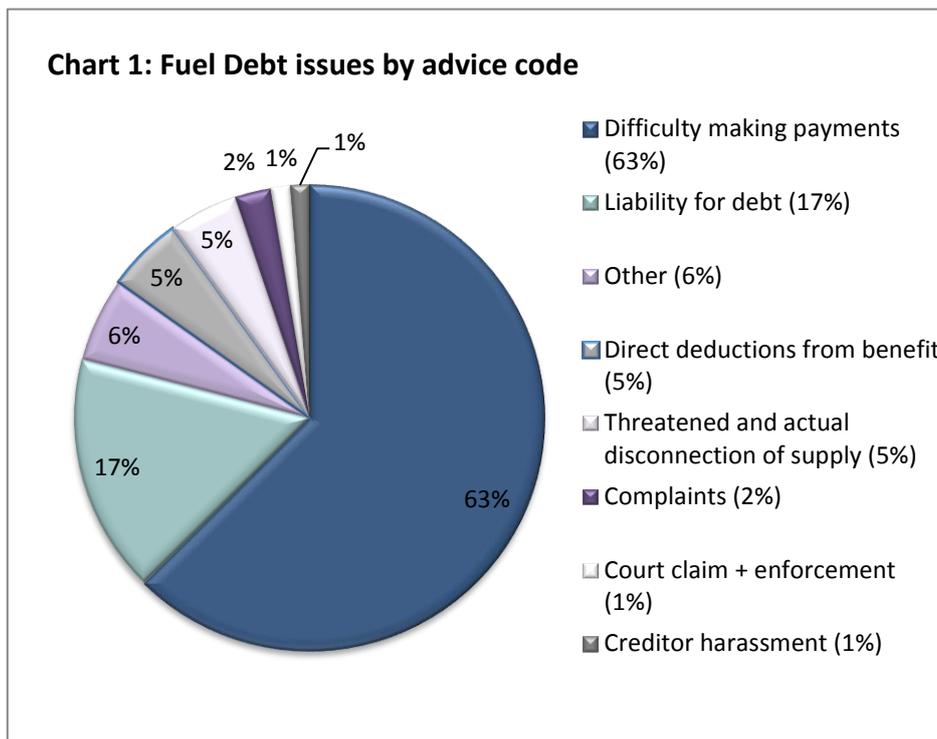
Difficulty making payments accounted for the majority (2,662) of issues in 2014/15, issues in this category decreased quite significantly, by almost a fifth. Liability for debt was the second most common issue and accounted for 707 issues, having increased by 3 per cent in 2014/15. There was a growth in fuel debt complaints issues which increased from 58 to 105 (discussed in greater detail below).

Table 1 presents the number of issues brought to bureaux per fuel debt category in 2014/15 compared with 2013/14. Categories are listed in descending order, with the fuel debt category that recorded the highest number of issues listed first.

Table 1: Number of fuel debt issues

CAB Advice Code	2013/14	2014/15	% Change
Difficulty making payments	3,253	2,662	-18 %
Liability for debt	688	707	3%
Other	237	249	5%
Direct deductions from benefit	227	221	-3%
Threatened and actual disconnection of supply	191	205	7%
Complaints	58	105	81%
Court claim + enforcement	55	59	7%
Creditor harassment	53	53	0%

Chart 1 presents each advice code as a proportion of the total issues in the fuel debt category.



Case studies

Difficulty making payments

The majority of fuel debt issues related to difficulties making payments. Consumers that are having difficulties making payments towards their energy bills can be experiencing a variety of complex issues which impact their budget and limit their ability to afford essential services. In 2014/15 the number of issues related to this advice code decreased by 18 per cent, from 3,253 to 2,662. This decrease may be explained by some of the reasons detailed in the Fuel Debt section on the previous page.

Fuel debt issues in the difficulty making payments are quite varied so we present a selection of cases which typify the issues clients present with in the category, or highlight a specific policy issue below.

The case below highlights an issue experienced by a client who has not used his energy over winter as he does not understand his prepayment meter and feels he is unable to afford to heat his home on his fortnightly budget:

- ▶ A West of Scotland CAB reports of a client who has problems making payments for fuel on his low income. The client has not topped up his meter for over a month during December and January as he is unsure of what the readings on his prepayment meter mean and how much his debt is. He was struggling to make the payments to his fuel debts and keep the house warm as he lives on £95.00 per fortnight Jobseeker's Allowance.

The cases below highlight issues faced by vulnerable clients living on low incomes, supporting young dependents and struggling to adequately heat their home. These are not isolated cases and the impact of austerity on young children and dependents was highlighted throughout the difficulty making payments cases brought to bureaux in 2014/15:

- ▶ An East of Scotland CAB reports of a client who is unable to use their gas supply as they can't afford it. They have a pre-payment meter but it takes most of the money for their debt arrears. The client and his partner live in a one-bedroom property. They have a toddler and another baby on the way. They are unable to move house owing to their energy arrears.
- ▶ An East of Scotland CAB reports of a twenty two year old client that lives with his girlfriend, who is five months pregnant. The client is on a zero-hours contract and his girlfriend works ten hours per week earning £60. They have rent arrears of approximately £1,000 in addition to council tax arrears. They have no power and little food. The client has been notified that his wages are to be arrested. He has an arrangement to pay his debt but has missed a payment. The client and his partner have been told that they do not qualify for any benefits. They have applied for housing benefit but the information that they have been given is contradictory.
- ▶ A South of Scotland CAB reports of a pregnant client on employment support allowance with no money for food or fuel. The client recently lost a sum of cash and has been left with no credit on her phone. She also requires £4.80 for a return bus fare to attend a hospital appointment with her daughter. The council are responsible for administering Crisis Grants but when the client enquired about support she told was that there was nothing they could do for her and referred her to her local CAB.

Our 2013/14 Energy Advice in Detail report included several cases which highlighted issues with high administrative fees added to fuel debt by debt collection agencies. The case studies below highlight further issues with debt collection, including issues with charges, repayment plans and the management of a client's debt.

- ▶ A West of Scotland CAB reports of a client querying charges on his bills. The supplier advised the client that this was a Debt Advisory Charge as the client had been in arrears and had made no payments towards this. They stated that the client's bill had been passed to a debt collections agency and this was a charge for a home visit.
- ▶ A North of Scotland CAB reports of a client who switched energy supplier in December 2014. He recently agreed a repayment plan for the outstanding balance with his previous supplier. This was to include four monthly payments of £44 for gas and six monthly payments of £56 for electricity. This morning he received a phone call from his previous supplier stating that there had been a mistake in setting up that repayment plan and that the amounts have now increased by £100 for gas and £80 for electricity.
- ▶ An East of Scotland CAB reports of a client with a complaint about her energy supplier who sent her account to a debt collection company although she has a prepayment meter.

Liability for debt

Liability for debt accounted for almost 15 per cent of the fuel debt advice sought in 2014/15. The number of liability for debt issues brought to CAB increased by just under 3 per cent compared with 2013/14 figures. Some clients questioned their liability for debt as they were not using their gas supply and had accrued debt through standing charges. Further issues with standing charges are explored later in the report.

The case below outlines an issue a client has with his gas bill, he is contesting this as he has never used the fuel and his meter has been capped. The client appears to be living in extreme fuel poverty:

- ▶ A West of Scotland CAB reports of a client who has been sent a bill for £738 for gas supply. The client contests the sum as he has never used gas in his home, where he has lived since 2013. The client has no hot water at home and only an electric fire in one room. He cannot afford to heat his home. The client's gas meter was capped, meaning that a yearly gas check is not required. The supplier states that the client will still be liable for the standing charge of £1.97 per week even though he has no supply to his home and no safety checks are required.

Unexpected bills can cause detriment to clients. The cases below highlight issues whereby suppliers have debited large amounts from client's accounts in error and without warning. It appears that these payment anomalies were not flagged by the suppliers own systems:

- ▶ An East of Scotland CAB reports of a client who pays for energy by monthly direct debit payments. The client pays £111 per month but £998 was suddenly debited from his bank account without notice. His dual fuel account has always normally been in credit, which has added to the client's distress.
- ▶ A South of Scotland CAB reports of a client who had £2437.29 deducted from their bank account by their energy supplier. The client is distressed that no one checked whether this was an abnormal direct debit.

Additional Fuel Debt issues

Welfare Reform and social security administration

Interruptions to social security payments caused issues for clients throughout 2014/15 and impacted some peoples' ability to pay for essential services, resulting in the accrual of fuel debt. Some of the clients presenting at bureaux appeared to have fallen through all of the social security safety nets and had been left without any income for extended periods of time. The cases below outline various issues experienced as a result of problems with social security administration:

- ▶ A West of Scotland CAB reports of a client who has had no income for four weeks. He had to come off Jobseeker's Allowance to claim Employment Support Allowance, but this application was refused and a new claim for Jobseeker's Allowance was made, with no backdating. The client was left with no income and as a result he accrued debts. He is now using the income from his Jobseeker's Allowance to pay outstanding debts to his friends and on his prepayment meters.
- ▶ A North of Scotland CAB reports of a client who is father to a two-week old baby. The client has been told that he will have to wait another two weeks for his Universal Credit payment. The client has no money for gas and electricity to heat his home and heat water. His mother is currently looking after the baby while he is trying to sort out the utilities problem. The client has a prepayment meter and does not know who his energy supplier is.
- ▶ An East of Scotland CAB reports of a client who has been sanctioned because he refused to take a job. He made a new Jobseeker's Allowance claim at the beginning of October but is not getting a payment until December. The client has no other source of

income. He has no money, food or electricity and is unable to have his daughter to stay. The client wanted to claim a Crisis Grant as advised by Job Centre.

- ▶ An East of Scotland CAB reports of a client whose Employment Support Allowance payment has stopped. The advisor contacted the Department for Work and Pensions (DWP) who stated that they did not receive the client's sick note, which was sent the previous week. They stated that the client cannot contact them regarding the issue again for another week. The client has a partner and a nine month old baby. The client has no money left for food or gas/electricity. The client requires a food parcel and a referral for a crisis loan.
- ▶ A West of Scotland CAB reports of a client who has been sanctioned. The client has requested a mandatory reconsideration and the DWP have contacted him to make him aware that it may take up until two weeks to inform him of a decision. The client has a standing order due to go out to his energy supplier. The client's sanction will lead him in to arrears with his supplier.

Direct Deductions from Social Security

Issues with direct deductions from social security accounted for almost 5 per cent of fuel debt cases. Although the number of issues in this category dropped in 2014/15, several client case studies revealed that issues with the administration of Fuel Direct stemmed from changes to social security entitlement and resulted in the accrual of fuel debt. The people who rely on Fuel Direct as a method of payment for energy bills are likely to be in vulnerable situations:

- ▶ An East of Scotland CAB reports of a client who has paid for her gas by Fuel Direct for the past ten years. The client has disabilities and is in receipt of income support. The DWP told the client that she had to claim Employment Support Allowance now but did not inform her that consequently the Fuel Direct payments from her Income Support would stop. The client only realised that these payments had stopped after receiving bills from her supplier. She then asked DWP to set up Fuel Direct from her Employment Support Allowance, which they agreed to. The client's supplier refused this application because the client was in arrears and they applied for a warrant to install a prepayment meter. The client is very concerned about this as she is worried she will be unable to pay for gas during winter. The client spends a lot of time in her home owing to her disabilities.
- ▶ A West of Scotland CAB reports of a client who has been receiving Fuel Direct deductions from her Employment Support Allowance, but these do not appear to have been going to her supplier for about eight months. The correspondence that she received has her supplier's reference number but another supplier's name. The supplier is therefore holding her liable for a debt of £567.97. The DWP have promised call backs regarding this situation but have failed to respond.
- ▶ A West of Scotland CAB reports of an elderly client who had previously visited the bureau as he was struggling to pay for his energy bills and associated debt. The client was set up with Fuel Direct which helped him to manage payments. The client recently received a letter to say that the supplier has requested that the client's Fuel Direct payments are terminated as he has now cleared his arrears. There is no need for Fuel Direct to be cancelled under these circumstances as it is the choice of the client to decide if this is how they would like to pay for their energy. However the DWP have acted upon the supplier's request.

- ▶ An East of Scotland CAB reports of a client who has £2569.26 electricity arrears. He was previously using a prepayment meter but it was taking large amounts from his input towards arrears, so he changed to Fuel Direct. This was stopped without notification and he has now received a warrant to have forced entry to his premises and his supply disconnected. He has texted the number given to him but received no response.

Fuel Debt Complaints

The number of complaints issues in the fuel debt category almost doubled in 2014/15 compared with 2013/14 figures. This is notable as the increase was far greater than any other fuel debt advice code. This is likely explained by the increased volume of complaints recorded by consumers as a result of the poor customer service of specific suppliers. However, fuel debt complaints issues remain relatively low and account for just over 1 per cent of all fuel debt issues. As such complaints issues are discussed in greater detail in the regulated fuel section of the report.

Regulated Fuel

Most Scottish homes are heated by mains gas or electricity. The provision of these fuels is regulated and as such the industry must adhere to standards designed to protect the interests of consumers. The regulated fuel category captures the advice provided by CAB on all issues relating to mains gas or electricity accounts. Consumers in Scotland visited their CAB with 17,396 regulated fuel issues in 2014/15. This was an increase of 31.6 per cent from the number of issues in 2013/14.

The advice covered in the regulated fuel category covers a wide range of issues including problems with billing, metering, switching supplier, accessing support schemes, complaints/redress and threatened or actual disconnection. The increased volume of regulated fuel issues is likely explained by a number of factors. These include the poor performance of specific energy suppliers over this period. Ofgem opened investigations into the complaints handling and customer service standards of both N-Power²² and Scottish Power²³ at different points in 2014. Other contributing factors were energy prices and the increased profile of energy on the political agenda and in media channels. The growth in advice is also likely to relate to CAB energy campaigns such as Energy Best Deal which reach out to consumers in their local area.

Billing and meter reading issues remained the most common regulated fuel issue in 2014/15, accounting for almost a fifth of issues, whilst issues with the Warm Home Discount continued to increase and accounted for almost 13 per cent of regulated fuel issues. 'Other' issues were the third most common issue and accounted for almost 12 per cent of total issues, having increased by over 30 per cent since 2013/14. This category relates to a variety of different issues, and in 2014/15 included issues relating to specific supplier policies which CAB advisers queried, the suitability of specific tariffs, issues with information provision and the high price of energy. Advice on energy assistance packages decreased by almost 45 per cent, although this is likely explained by a gap in provision of these schemes before they were replaced by new schemes.

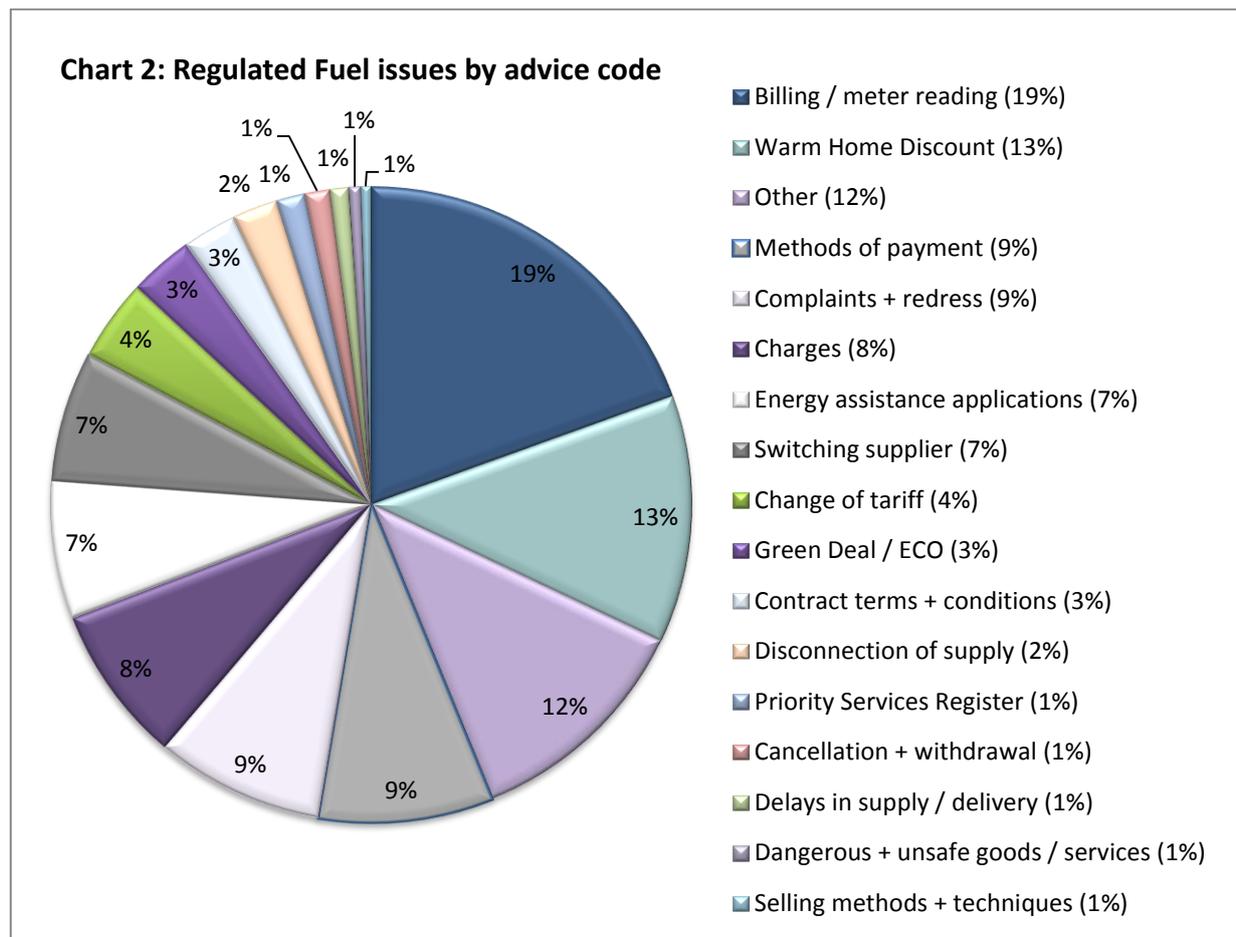
Table 2 presents the number of issues brought to bureaux per regulated fuel category in 2014/15. Categories are listed in descending order, with the regulated fuel category that recorded the highest number of issues listed first.

Table 2: Number of regulated fuel issues

CAB Advice Code	2013/2014	2014/2015	% Change
Billing / meter reading	2165	3387	56%
Warm Homes Discount	1697	2191	29%
Other	1558	2055	32%
Methods of payment	1112	1523	37%
Complaints + redress	840	1489	77%
Charges	1143	1390	22%
Energy assistance applications	1364	1218	-11%
Switching supplier (including unwanted)	843	1152	37%
Change of tariff (with existing supplier)	708	720	2%
Green Deal / Energy Company Obligation	573	567	-1%
Contract terms + conditions	361	474	31%

Disconnection of supply	313	401	28%
Priority Services Register (added to)	129	250	94%
Cancellation + withdrawal	141	221	57%
Delays in supply / delivery	99	164	66%
Dangerous + unsafe goods / services	102	106	4%
Selling methods + techniques	74	88	19%

Chart 2 presents each advice codes as a proportion of the total issues in the regulated fuel category.



For the regulated fuel category, this report looks at key cases in the two most commonly used regulated fuel advice codes (billing/meter reading and Warm Home Discount) before highlighting a selection of further issues from this category.

Case Studies

Billing/meter reading

In 2014/15 the majority (19%) of regulated fuel issues related to billing and meter reading. Billing and meter reading issues increased by 56 per cent from 2,165 to 3,387. Clients seeking advice on billing and metering issues reported a variety of problems such as supplier errors, including administrative errors, incorrect or unclear bills and inaccurate meter readings.

CAB clients and advisers reported a series of specific issues with Scottish Power in 2014/15. These included problems with billing procedures and the excessive call waiting times they encountered when attempting to contact this supplier. Whilst we recognise that clients complained about the service standards of other energy suppliers, we look specifically at Scottish Power in this section owing to the significant increase in volume of cases relating to their customer service standards over this financial year. This qualitative evidence is backed by Citizens Advice supplier complaints figures which demonstrated that in the last quarter of 2014 Scottish Power received the highest number of complaints ever recorded for a GB energy provider over a three-month period. Over this period Scottish Power received twenty times more complaints than the best performing supplier.²⁴

CAB case studies highlight a range of issues that arose from the impact of Scottish Power's poor standards of conduct:

- ▶ A South of Scotland CAB reports of a client attending her local bureau as she has lost her keys, including her front door security key and the key for her prepayment electricity meter. The advisor attempted to solve her issue by contacting her supplier, Scottish Power. She was placed on hold for a total of three hours and cut off three times.
- ▶ A West of Scotland CAB reports of an elderly client with health problems. His electricity key meter is broken. He tried to contact Scottish Power and was kept waiting for three hours. He eventually got through to the supplier. The call cost him £13.60 from his mobile, he was then cut off, without the issue being resolved. He was worried as his meter was very low in credit and he needs to keep medication in the fridge.
- ▶ An East of Scotland CAB reports of a client who has been sanctioned for arriving at an interview without his folder. He has no money for electricity or heat. He attempted to contact Scottish Power regarding his financial situation but owing to the lengthy hold period the call cost the client £15 on his mobile phone.
- ▶ A West of Scotland CAB reports of a client who has been telephoning Scottish Power for over a month to get a refund of an overpayment. The client has telephoned the supplier more than thirteen times. The client was advised that her cheque had been posted but this had not arrived three weeks later.
- ▶ An East of Scotland CAB reports of a client who moved into a new flat and informed Scottish Power that he was the new tenant. The client reported problems with his prepayment meter as he was putting up to £20 per week into the meter and was not getting nearly this amount of credit. The supplier came and changed the meter. Shortly after, the client received a bill for £540.91 for meter interference.
- ▶ A West of Scotland CAB reports of a client who has been issued with an electricity bill for £8,854.90 from Scottish Power. The bill also states that the supplier intends to apply to court for a Warrant of Entry to her property. The client lives alone and has only lived in the property for four months. She could not have amassed such large usage. The client has learning difficulties and is vulnerable.

The Big Six energy suppliers each operate a Priority Services Register (PSR) to provide extra help and support to older people and people with disabilities. Those on the PSR can receive gas safety checks and a free quarterly meter reading if clients are not able to read their meter, amongst other services. CAB evidence highlighted that vulnerable consumers

may be missing out on some of the services offered through the PSR as their supplier is failing to deliver them, even when requested:

- ▶ A West of Scotland CAB reports of an elderly client on Fuel Direct who struggles to pay for his energy bills. The client is on the Priority Services Register yet does not receive quarterly meter readings. The supplier insists that this is only an 'entitlement' not a guarantee.
- ▶ A West of Scotland CAB reports of an elderly client who is registered on their supplier's Priority Services Register. The client's electric storage heating system was recently replaced with gas central heating. The council installed this system but did not inform the client's energy supplier. As a result the client fell into debt arrears based on incorrect calculations. The client contacted their supplier over thirty times requesting that their meter readings were checked. They eventually had to ask a friend to read the meter as the client has poor vision and so unable to do it himself. After submitting the correct readings the client experienced a lengthy delay before he received a correct bill.

The Warm Home Discount

The volume of Warm Home Discount (WHD) issues increased from 1,697 in 2013/14 to 2,191 in 2014/15. This is almost a 30 per cent increase. Clients experienced a number of issues with this scheme, including barriers to access, a lack of clear eligibility criteria out with the core group, which can vary between suppliers, and digital exclusion as a result of online applications. Another issue with the discount is ensuring that hard to reach clients are aware that it is available to them. The CAB service plays a valuable role in securing this scheme for clients.

Energy suppliers started to phase out social tariffs in 2011, to be replaced by the Warm Home Discount. These tariffs will be completely phased out by the end of 2015. For those clients previously on a social tariff CAB evidence demonstrates that the predicted increase in energy costs can be significantly higher than the Warm Home Discount award of £140:

- ▶ A North of Scotland CAB reports of an 82 year old client who has lived on his own since his wife passed away four years ago. The client lives in an owner occupied traditional stone built dwelling house in a sparsely populated rural area. The client uses a wood burning stove and electric heaters. He was previously on a social tariff but was recently informed that he will be switched to a variable price tariff. His energy supplier estimates that based on the previous twelve months energy usage, the client will pay an extra £662 per year. The client is concerned about the increase in energy costs and the impact this will have on his fixed income. The client believes that vulnerable householders will increasingly be pushed in to fuel poverty owing to the lack of social tariffs.

The case studies below highlight some of the key issues clients experienced when accessing the Warm Home Discount.

- ▶ An East of Scotland CAB reports of a client looking for help as she and her husband have been left without heating or hot water, because their gas boiler had broken down. The client was not aware of the various schemes available to vulnerable customers of utility companies. The client had not heard of the Warm Home Discount scheme and therefore has been unable to make a claim in previous years, which has resulted in her losing out on monies to which she was entitled.

- ▶ A South of Scotland CAB reports of a client attempting to apply for the Warm Home Discount. Her energy supplier has given her no other option than to fill in a form online. Like many of our clients she has no computer and cannot use one and has no one nearby who can help.
- ▶ An East of Scotland CAB reports of a client entitled to the Warm Home Discount. His energy supplier attempted to credit the fund to his prepayment meter in September. However the meters credit level was too high, which resulted in the fund being rejected. The supplier did not contact the client to inform them of this and had not attempted to credit the meter since.

Additional Regulated Fuel Issues

Regulated Fuel Complaints

Issues with complaints rose across all CAB energy advice categories. For regulated fuel, these increased by 30 per cent in 2014/15 and accounted for 8.5 per cent of all issues. This may be attributable in part to the increased number of complaints about some suppliers.

The case studies below highlight some issues experienced by consumers making a complaint to their energy supplier or to the Energy Ombudsman:

- ▶ A West of Scotland CAB reports of a client who has raised four complaints with his supplier about billing issues, but has not had a response to any of these. The supplier's online system will not accept his meter readings and keeps on signing him out of his online account.
- ▶ A West of Scotland CAB reports of a client who made a complaint to the Energy Ombudsman four months previously and has yet to receive a response. When the advisor contacted the Energy Ombudsman they were advised that the client's energy supplier had been contacted twice asking them to forward the case to them and that this has not happened.
- ▶ A West of Scotland CAB reports of an elderly client attempting to make a complaint about their supplier. The client does not have internet access but the supplier's official complaints procedure is apparently only available on their website and only allows complaints via email. The client has tried to complain several times over phone and took a written complaint to their office in person, but was refused an address to send it to. She eventually posted it to the supplier's office but it was ignored.

The case studies below highlight issues whereby suppliers have attempted to discourage their customers from escalating a complaint to the Energy Ombudsman.

- ▶ An East of Scotland CAB reports of a client with issues surrounding their energy consumption and arrears, which they contest, and the poor customer service received from their supplier. The client attended CAB for help escalating the complaint to the Energy Ombudsman. Their energy supplier had previously tried to dissuade the client from talking this course of action.
- ▶ An East of Scotland CAB reports of a client who has a complaint regarding their direct debit payments to their energy supplier. The supplier is pressurising the client not to complain to the Energy Ombudsman, which is the course of action the bureau adviser is suggesting the client should take.

Charges

Issues with charges associated with electricity and gas accounts increased by 25 per cent in 2014/15 and account for 8 per cent of the regulated fuel advice. The introduction of standing charges onto regulated fuel tariffs caused a series of issues for clients, some of which are highlighted in the case study below:

- ▶ An East of Scotland CAB reports of a client whose gas bill has increased from just over £4 per quarter to just over £25 per quarter despite his usage decreasing slightly. The client presented a statement for a quarter last year where he used 56.24kWh and was charged £4.26. He then received a statement for the following quarter where he used 56.1kWh and was charged £25.39. The client is confused as to why his bills have increased significantly when his usage has actually decreased slightly. He has coal heating and only uses the gas to heat up meals. This has occurred as a result of new daily standing charges introduced by gas companies.

Issues with standing charges can cause specific problems for clients with prepayment meters. Many households are unaware that standing charges can accrue even if they are not using power. Clients who do not use energy for an extended period of time, such as gas over the summer months, can find they are disconnected when the colder weather starts as they are unable to pay off the debt on their meter. The cases below highlight these issues:

- ▶ An East of Scotland CAB reports of a client who is struggling to heat her home. The client pays for her gas and electricity by prepayment meter and did not pay anything into the meters during the summer months as she was not using gas and was not aware of standing charges. She has now accrued a debt of £200 and is unable to heat her property because of deductions made whenever she tops up her meter. A £10 top up only registers a credit of just over £2.00 for gas which has resulted in her not being able to keep up with additional standing charges or to heat her home.
- ▶ An East of Scotland CAB reports of a client in fuel poverty. The client has been sanctioned and is living on a £43 per week hardship payment. The client pays for his energy with prepayment meters. Standing charges have accrued on both his gas and electricity meters and as a result any money he puts in is used before he gets any heat or power. The client has a hole in the wall of his property which is resulting in significant heat loss.
- ▶ A North of Scotland CAB reports of a client who has debt on his gas prepayment meter. The client moved into his property in March and did not use the heating system until after the summer. He did not know about standing charges. He has paid off some of his debt and has around £25.50 to pay. He recently topped up by £20 and the meter took £18 toward the debt. He cannot afford to put money in his meter, to pay off this debt and eat.

Electric Heating

For consumers of regulated fuel, affordability issues can be particularly pronounced for those reliant on electric space heating. The cases below highlight some of the issues facing consumers with electric heating. A specific issue in the case below suggests that some social housing providers have installed heating systems powered by electric boilers ('wet electric'). Given the high cost of electric space heating these systems can be extremely expensive to run and can cause significant detriment to households:

- ▶ A North of Scotland CAB reports of a client living in a property rented from a housing association. The client lives with her eight month old son and is currently not working. The client has a prepayment meter and the property is heated by a wet electric system. The client has been putting between ninety and a hundred pounds in the meter every week. The wet electric heating system has been installed in many local authority and housing association properties in the area.

Non-Regulated Fuel

The volume of non-regulated fuel issues brought to bureaux is generally quite low. In 2014/15 the volume of non-regulated fuel advice provided by CAB increased by 13.9 per cent from the previous year. There were 394 non-regulated fuel issues in 2014/15 compared with 346 issues in 2013/14. It is estimated that around 20 per cent²⁵ of the Scottish population relies on non-regulated fuels such as heating oil, coal and bottled gas to heat their property. The lower proportion of non-regulated fuel issues may, in part, be attributed to the rurality of many non-regulated fuel households and may also reflect awareness amongst clients of the lack of regulation of these fuel types, discouraging them from seeking advice.

However, the non-regulated fuel cases presented at bureaux often reflect serious issues. Clients commonly report that they struggle to afford to heat their property with non-regulated fuels. Heating oil prices typically follow crude oil prices and whilst this has largely been on a downward trend since the highs of 2012/13 there are seasonal spikes²⁶ and the volatility of prices makes it hard for consumers to budget. The cost of filling an oil tank is often out with a clients' budget, leaving them with limited options for heating. In some instances this may result in households relying on alternative heating sources, such as electric heaters or a coal fire, which may not provide sufficient heat and are an expensive means of heating a property.

In more extreme cases clients may self-disconnect and be left without any form of heating. In these instances there is a lack of sufficient support available to help even vulnerable clients heat their home. An additional issue arises from the costs associated with the upkeep or replacement of heating systems. For many consumers repairing or replacing systems can be unaffordable and 2014/15 cases identified a frustration that consumers felt with the lack of sufficient government support available for non-regulated fuel types.

As seen in previous Energy Advice in Detail reports, the most common non-regulated fuel category reported by CAB in 2014/15 was 'other'. It is likely that a lack of clear support structures and the smaller volume of issues presented at bureaux goes part of the way towards explaining why non-regulated fuel issues are often categorised as 'other'. This code can be explored in part by reviewing the social policy feedback forms submitted by bureaux. These forms include qualitative data which advisers submit to exemplify particularly worrying problems or systematic flaws in the market which disadvantage consumers. In 2014/15 social policy feedback for non-regulated fuel cases categorised as 'other' largely reflected the lack of financial support and access to schemes to help clients that rely on non-regulated fuels for heating to upgrade or replace their system.

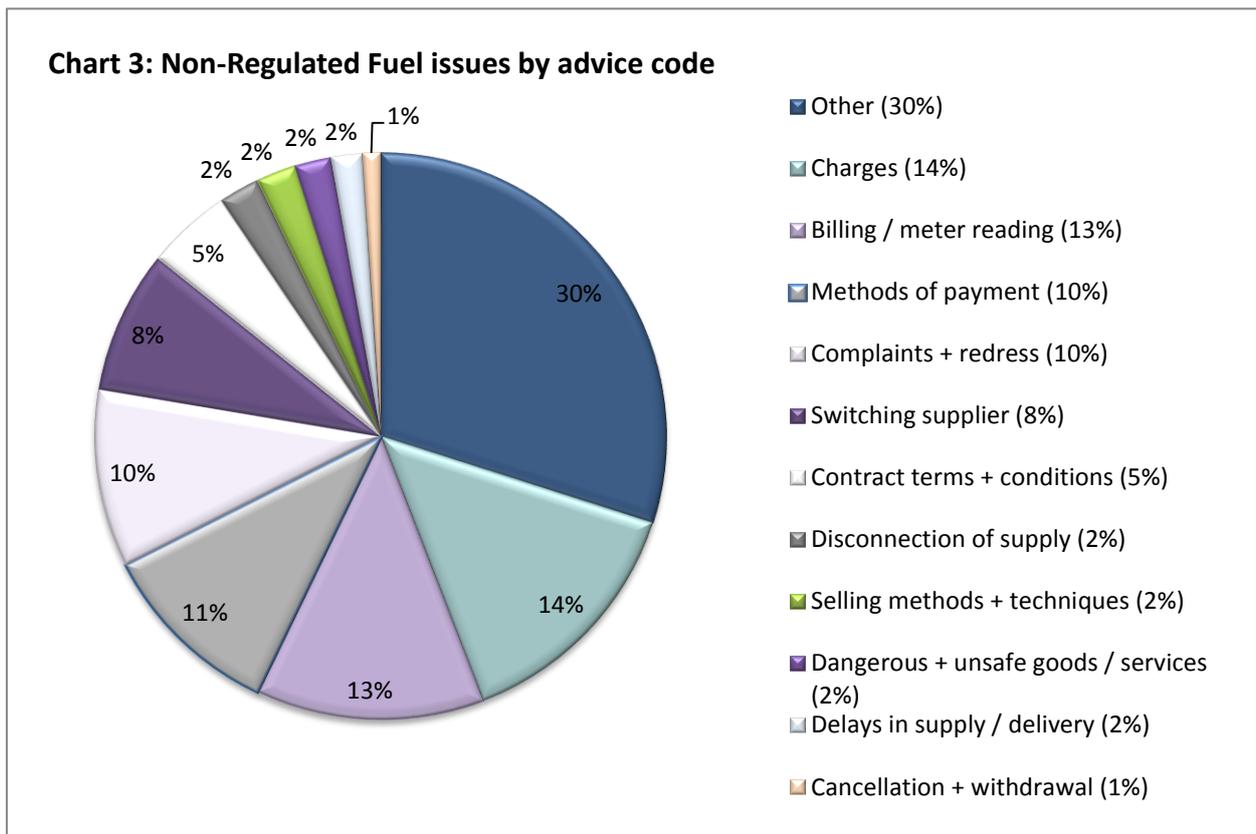
Within the non-regulated fuel category issues categorised as 'other' account for almost 30 per cent of all issues, having increased by almost 27 per cent from 93 to 118. Charges and billing/meter reading issues are the second and third most common non-regulated fuel issues respectively and both recorded the same volume of issues as in 2013/14 (56 and 51 issues). Issues with complaints and redress doubled, increasing from 20 to 40 issues and accounting for 10 per cent of all non-regulated fuel issues.

Table 3 presents the number of issues brought to bureaux per non-regulated fuel category in 2014/15. Categories are listed in descending order, with the non-regulated fuel category that recorded the highest number of issues listed first.

Table 3: Number of non-regulated fuel issues

CAB Advice Code	2013/14	2014/15	% Change
Other	93	118	27%
Charges	56	56	0%
Billing / meter reading	51	51	0%
Methods of payment	42	41	-2%
Complaints + redress	20	40	100%
Switching supplier (including unwanted)	22	32	46%
Contract terms + conditions	15	19	27%
Disconnection of supply	16	9	-43%
Selling methods + techniques	6	9	50%
Dangerous + unsafe goods / services	9	8	-11%
Delays in supply / delivery	4	7	75%
Cancellation + withdrawal	12	4	-67%

Chart 3 presents each advice codes as a proportion of the total issues in the non-regulated fuel category.



Owing to the smaller volume of cases in this category, a selection of non-regulated fuel case studies which typify or present specific policy issues clients presented with at CAB in 2014/15 or which highlight a specific social policy issue are included below.

Case Studies

Affordability

The case studies highlighted below identify issues with the affordability of non-regulated fuels and heating systems and the lack of financial support available to households reliant on these expensive systems:

- ▶ A West of Scotland CAB reports of a client who relies on oil to heat her home. She was recently told that her oil tank is cracked and requires to be renewed at a cost of £800-£1,000. The client attended the bureau to enquire whether there is any financial help available for her to renew the tank.
- ▶ A North of Scotland CAB reports of a client who has no heating or hot water as her boiler recently burst. She applied for assistance from a Scottish Government scheme and her home was duly surveyed by a supplier and a solid fuel installation recommended. As she uses solid fuels she is required to make a contribution of £1,426 to cover the solid fuel aspect and a chimney liner. She lives in a rural area and the only viable option for her is solid fuel as she cannot access mains gas or afford electric heating, but the contribution is financially impossible for her to make. She has had to move in with her daughter.

The case studies below highlight issues that households have experienced as a result of the installation of low carbon heating systems which are not currently regulated:

- ▶ A West of Scotland CAB reports of a client living in a property rented from the local council. The heating system has recently been changed to an air source heat pump. As a result the client's monthly payments were changed from £38.00 per month to £57.00 per month. The client has been paying the increased sums but recently received a bill with a debt of £219. The energy provider advised that the local authority should have notified them of the change to their heating system as the meter requires to be changed.
- ▶ An East of Scotland CAB reports of a client whose landlord is charging a high rate for biomass fuel. The client suspects that the meter might be faulty. The advisor had to advise the client that there is very little regulation limiting the re-sale price of unregulated fuel and renewable energy technologies.
- ▶ A South of Scotland CAB reports of a client who has lived in a rented farm cottage on a short assured tenancy for eight years. The client's landlord is replacing the heating and hot water with a district biomass system. The client is concerned as this is an unregulated market with no protection for the consumer on cost and no standards of service. There is also no access to the Energy Ombudsman. The client is upset that she has lost consumer rights and will effectively be in a monopoly with her only option to look for accommodation elsewhere or be evicted. The farmer asked each tenant how much each tenant paid in coal/logs and now the farmer has decided that each cottage should pay £150 per month for the cost of the hot water supplied to their cottage. On top of these costs, tenants are to remain responsible for any electricity bills.

Helpline Data

The Citizens Advice Consumer Service (referred to as CACS or ‘the helpline’) has eleven main categories relating to energy advice. Each of these categories can be further broken down into a series of advice codes. This report provides an overview of all energy issues brought to the helpline before looking in greater detail at the top five categories which consumers sought advice on³.

- i.** Billing Error
- ii.** Customer Service Failure
- iii.** Debt/Disconnections
- iv.** Distribution/Transportation
- v.** Information
- vi.** Marketing
- vii.** Metering
- viii.** Pre-payment Meters
- ix.** Price Comparison Services
- x.** Smart Meters
- xi.** Transfers

³ Analysis is limited to the Top 5 categories as these comprise the majority of issues brought to the helpline.

Citizens Advice Consumer Service

Consumers in Scotland contacted the helpline with 4,799 issues in 2014/15. This is an increase of 73 per cent from the 2,771 issues advised on in 2013/14. The significant increase in the volume of advice sought from the helpline over this period is explained by a combination of factors. Specific issues, such as the ongoing problems with customer service and billing systems experienced by some suppliers, contributed to increased advice needs. The high profile that energy prices maintained within the media also likely increased the volume of calls received by the helpline, particularly as global prices dipped and throughout the run up to the general election in 2015. Additionally, call volumes increased as the helpline's profile has been raised over the three year period that it has been a part of the Citizens Advice Service, whilst bureaux advisers have made increasing numbers of referrals to the helpline.

Issues with billing errors were the most common helpline enquiry in 2014/15 for the first year since CACS joined the Citizens Advice Service. Billing error issues accounted for 41 per cent of all helpline issues and consumers contacted the helpline with 1,981 issues compared with 802 issues in 2013/14. This was an increase of 147 per cent. A key function of the helpline is to signpost consumers towards the information they require to enable them to resolve issues, clients contacted the helpline with 1,064 information issues. This was an increase of just over 9 per cent. Metering issues presented at the helpline increased from 276 in 2013/14 to 610 in 2014/15.

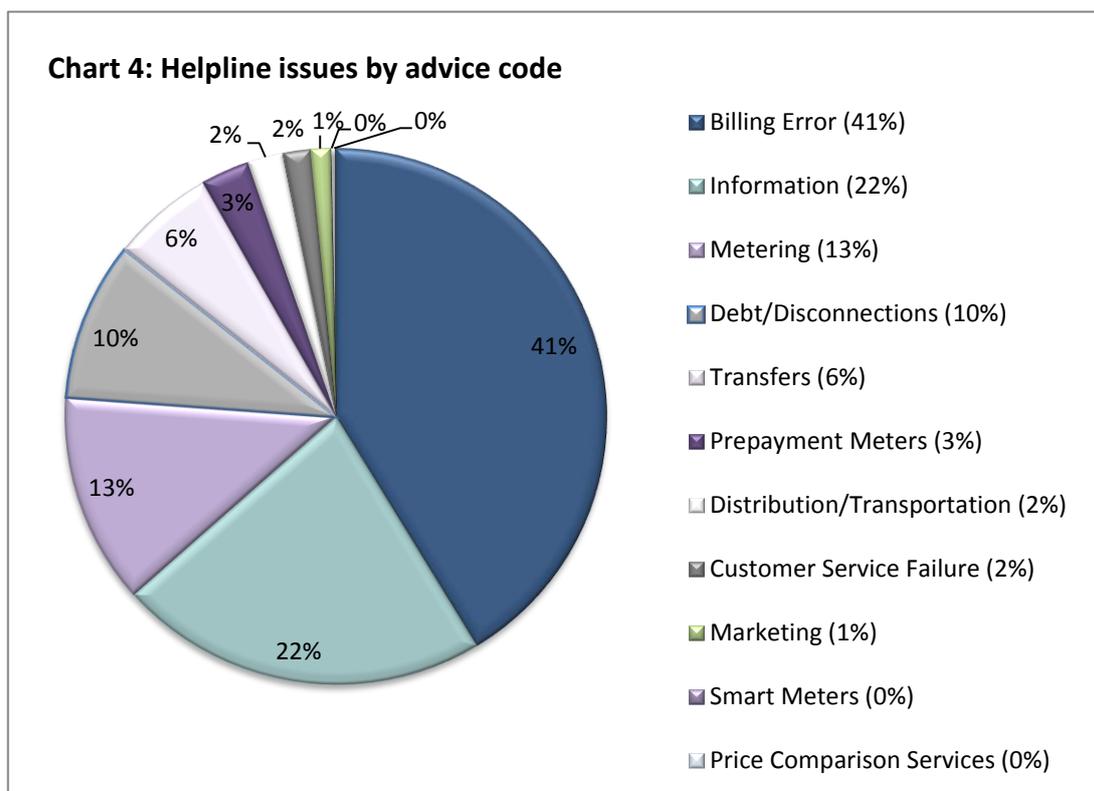
Owing to the nature of the helpline, case notes tend to be recorded in short hand. This enables the advisor to effectively engage with the client and to advise them efficiently. As such, the helpline case studies are generally less detailed than those from CAB and they have been edited from note form to provide a clearer narrative for inclusion in this report.

Table 4 presents the breakdown of CACS issues by category. This report examines the top five helpline categories in greater detail, looking at the type of advice clients sought by presenting the advice codes for each of the helpline categories included in the table below. The statistics are accompanied by case studies from specific calls that highlight typical or notable issues experienced by clients.

Table 4: Number of helpline energy issues

Helpline Advice Code	2013/14	2014/15	% Change
Billing Error	802	1981	147%
Information	975	1064	9%
Metering	276	610	121%
Debt/Disconnections	233	457	96%
Transfers	174	296	70%
Prepayment Meters	70	140	100%
Distribution/Transportation	101	101	0%
Customer Service Failure	87	79	-9%
Marketing	51	56	10%
Smart Meters	1	9	800%
Price Comparison Services	1	6	500%

Chart 4 presents each advice code as a proportion of the total issues brought to the helpline.



Billing Error

Unexpected and/or estimated bills can cause budgeting issues for households and can leave people feeling like they have been short changed by their energy supplier. The most common billing issues related to back-billing and catch up bills which accounted for almost a quarter of all billing error cases. Issues with the clarity of bills were the second most common issue, having nearly doubled since 2013/14.

Table 5 presents the type and volume of billing error issues that clients sought advice on in 2014/15, compared with figures from the previous year.

Table 5: Number of billing error issues

Billing Error	2013/14	2014/15	% Change
Back-Billing/Catchup Bill Received	266	442	66%
Clarity of bill	219	433	98%
Failure to refund	96	293	205%
New Bill Not Received/Frequency of Bills	54	270	400%
Failure to set up DD / DD at incorrect level	38	195	413%
Customer Not Responsible for Bill/Debt	81	183	126%
Final bill not received	17	77	353%
DD unauthorised withdrawal	17	28	65%
Online tariff problem	1	16	1500%
Missing/Misdirected Payments (credit meter)	5	15	200%

Disputed use of premises : Business/Domestic	3	10	233%
Incorrect opening / closing meter reading on transfer	1	10	900%
PPM Statements	3	4	33%
Multiple MPRs/MPANs for one site	0	4	-
Security deposits	0	1	-
Amount on bill does not match smart meter energy display	1	0	-100%

A back-bill or 'catch-up' bill is sent by a gas or electricity supplier when they determine that a customer hasn't been correctly charged for their energy use. Helpline evidence demonstrates the difficulties that arise from estimated bills and consequent back-billing. This is a particular issue when it occurs over an extended period and a client finds that despite paying their monthly bills as requested, they have unwittingly generated an unaffordable debt.

The cases below highlight some of the issues experienced by clients affected by catch up bills, who find that their payments have been incorrect to date and that they are in debt to their supplier:

- ▶ A client called the Citizens Advice Consumer Service for advice. She had received an email stating that her energy bill was in credit by £400.00. The supplier advised the client that they would adjust her monthly direct debit payments to £1.00 a month. When the client contacted her supplier she was informed that it was actually not appropriate to have a direct debit set this low. The supplier then asked the client to take a photograph of her meter and consequently advised her that they had been billing her on the wrong tariff and that she was arrears of £2,000.
- ▶ A client called the Citizens Advice Consumer Service for advice having signed a dual fuel contract with a supplier three years previously. She received a bill last week which stated that she is in arrears of £1810.96. The supplier proceeded to remove this amount from the client's bank account without her prior knowledge or consent. The client had been under the impression that her supplier had been taking her electricity and gas direct debits each month, to a total of £200. It transpired that she was in fact only paying £51.00 as her supplier had not been taking payment for electricity. The client had not received any correspondence despite the supplier stating they had sent letters out.
- ▶ A client called the Citizens Advice Consumer Service for advice as her prepayment meter stopped working last year. The client has received an estimated bill for the period she was without a working prepayment meter. She has been charged £850 for the period of thirty two weeks. The client doesn't feel this is an accurate charge as the bill is 2000 units higher than her previous usage.

Back billing issues can cause particular problems for tenants in shared private rented accommodation. The case below highlights how the issue of responsibility for the debt can be exacerbated when some of the tenants have moved on and others may have moved in by the time that catch up bills are received:

- ▶ A client called the Citizens Advice Consumer Service for advice as their supplier had recently come to check the gas and electricity meters in their property. The clients were consequently sent a bill for £2,000. The clients were unaware that they had been paying

estimated bills since 2011. The clients live in a shared flat and two of the tenants had changed over this period. When the client called their supplier they were told that they could not speak about the account as their names were not on the bill (the names referred to the previous tenants). They therefore had to open a new account which was back-dated to the date one of the tenants moved in. As the supplier had changed the names on the account, they stated that the tenants had to provide proof of all payments from the period that the bill was back dated from. They have not been able to get this evidence from the previous tenants and would like to know if they are obliged to repay this money.

Consumers may contact the helpline with a variety of issues concerning the clarity of their bill. These can include queries as to the authenticity of the sum of a bill or uncertainty over their obligation to pay for a disputed bill. There was also a small number of clarity of bill cases which related to smart meters. In 2014/15 a number of issues related to the introduction of a standing charge onto tariffs that had previously not had one. This shift change was a result of Ofgem's tariff simplification rules. Under these rules it is possible for a supplier to set their tariff standing charge at zero. However, our case evidence suggests that a significant body of consumers were affected by their introduction. This impacted low energy users disproportionately.

The cases below highlight the standing charge issues reported by some households, who are low energy users or who are disconnected from the energy supply but still have a meter installed in their property:

- ▶ A client called the Citizens Advice Consumer Service for advice as he has two electric meters and is being issued standing charges for the one that isn't in use. The client lives in a private rented property and the supplier has said they cannot remove the meter without permission from the landlord. The landlord does not want to get involved.
- ▶ A client called the Citizens Advice Consumer Service for advice. The client has lived at their current property for nearly five years. There is no gas supply at property as the previous owner had dementia and it was deemed unsafe. The client was recently billed £41.06 standing charges for this out-of-use gas meter for the last quarter. The client has not paid this amount and is now receiving final demand notices. The client spoke to their supplier who offered to remove the meter without charge but the client is worried if she ever sells house that this will discourage people from buying.
- ▶ A client called the Citizens Advice Consumer Service for advice as he stopped using his gas supply in 2011 but has recently been billed for a standing charge. The client works away from home for nine months of the year.
- ▶ A client called the Citizens Advice Consumer Service for advice as he has recently received a bill for standing charges and zero usage, for a meter which was disconnected fifteen years ago. The supplier had set up a new account for this meter which records zero usage. The supplier has informed the client that they are liable for paying these standing charges.

The cases below highlight bill clarity issues experienced by clients, who have smart meters but are questioning the format or the amounts requested in their bills:

- ▶ A client called the Citizens Advice Consumer Service for advice. He has a smart meter installed in his property. The supplier has been out to visit the property and read the

meter but the client is still receiving estimated bills and one month his bill did not arrive. He tried to pay his most recent energy bill which stated that he owed £168. However, when he contacted his supplier's automated payment service, the system requested £400. The client's energy supplier has confirmed that £400 is the actual amount owed.

- ▶ A client called the Citizens Advice Consumer Service for advice as she has a smart meter and just received a bill for over £1,000 for one month. The supplier has informed the client that they will have to pay for a technician to come out and check the meter. The client does not know why the bill is so high.

The case below highlights an issue experienced by a client who is trying to determine the accuracy of their bills based on the information provided by their supplier, which does not correlate to the information on their meter, as they work in different metrics:

- ▶ A client called the Citizens Advice Consumer Service for advice as she has a metric gas meter. Her supplier has told them that the digits on the meter do not correspond to a kilowatt hour. The supplier has charged the client for an annual use of 8,161 units. When the client counted the units used on her meter they totalled 709 for the year. As the client has been issued with a large bill she would like confirmation that the usage is correct as she is unable to calculate this.

Information

There were 1,064 consumers who contacted the helpline looking for information in 2014/15. This is an increase of 9.1 per cent from 2013/14 when 975 issues were recorded. The types of information consumers sought from the helpline in 2014/15 related primarily to pricing, for example, how to access a price comparison service or to decide whether to go with the supplier advertising the cheapest rates of energy. People also contacted the helpline to ask how to switch their supplier, this category grew by 230 per cent since 2013/14 figures. This is likely partly a result of the increase media coverage surrounding energy prices and also suggests that information about potential savings from switching may be reaching certain groups of consumers.

Table 6 presents the type and volume of information issues that clients sought advice on in 2014/15, compared with figures from the previous year.

Table 6: Number of information issues

Information	2013/14	2014/15	% Change
Pricing Information	511	534	5%
How to change supplier	65	215	231%
Unable to categorise (UTC)	25	148	492%
Non domestic contract issues	58	65	12%
Supply point number information	40	54	35%
Energy Efficiency advice	61	33	-46%
Maximum resale price	4	6	50%
Priority Services Register	1	5	400%
Smart Metering information	2	4	100%
Company Contact Details (non compliant purposes)	197	0	-100%
Complaint About Price Comparison Provider	11	0	-100%

Clients regularly contact the helpline for impartial advice on issues relating to pricing. Common issues may involve consumers questioning whether they are on the cheapest tariff available to them, in this instance they are referred to accredited price comparison websites. In 2014/15 a number of pricing information cases also related to the standing charge issues covered in the previous section of this report.

Clients at the end of their tariff may be concerned about pending price increases. The cases below outline a number of concerns that consumers in this position had, some of whom face significant increases to their annual energy costs:

- ▶ A client called the Citizens Advice Consumer Service for advice as his current tariff is coming to an end. The client is a pensioner with disabilities and has been informed that his energy prices will increase by £398 per year, which represents a 33 per cent increase on what he currently pays.
- ▶ A client called the Citizens Advice Consumer Service for advice as he is worried about fuel poverty. The client has a lung condition and is 82 years old. He has received a letter informing him that his tariff is being discontinued. The client is not sure about switching his supplier or trying to use price comparison information so was advised to attend his local CAB.
- ▶ A client called the Citizens Advice Consumer Service for advice. The client has varied energy usage and builds up credit during the summer. The supplier has informed the client that their tariff is coming to an end. They have notified the client that their bill will increase by £429 per year as a result.

Other clients reported that they were aware of cheaper tariffs but were not able to access these for various reasons. The client below reports that she is not eligible for a tariff as the tariff requires a bank account:

- ▶ A client called the Citizens Advice Consumer Service for advice. She pays her bills fortnightly and always in advance. She is currently looking for a new tariff. The client had spoken with her supplier this morning. The client was advised of new tariff but was unable to sign up to this as she does not have a bank account. The client thinks that this is unfair.

Further issues that clients commonly sought advice on in 2014/15 related to the various time of use tariffs. These variable rate tariffs are suited to heating systems such as storage heaters and provide two different rates of power: peak and off peak. The cases below highlight some of the issues experienced by consumers who are unable to compare prices for their variable rate tariff and experience difficulties trying to switch supplier whilst on these tariffs:

- ▶ A client called the Citizens Advice Consumer Service for advice regarding her Economy 10 tariff. She would like to know which supplier is best for her. The client has attempted to use online comparison services but they were not able to provide her with information.
- ▶ A client called the Citizens Advice Consumer Service for advice. The client has received a letter informing her that her current energy tariff is coming to an end. This means that she will have to pay more. The client has been trying to shop around for a cheaper deal

but was told by another supplier that they cannot take over her supply because she is currently on the Economy 10 tariff.

- ▶ A client called the Citizens Advice Consumer Service for advice as he has been trying to change his electricity tariff from Economy 7 to Economy 2000. His supplier have said that the client does not qualify for Economy 2000, however the client has read the requirements for this tariff and is certain that his new heating system is eligible. The client installed this system as they have no access to mains gas and do not want to rely on expensive heating oil. The supplier has taken months to respond to emails and will not come and assess the system properly. The issue has been ongoing for a year. The supplier has placed the client on the Economy 7 tariff which means they can only afford to heat the house during the off peak night time hours. The Economy 7 tariff is suitable for storage heating but the client has installed a wet electric heating system so requires power during peak times.

Metering

Metering issues accounted for 12.7 per cent of the energy issues that clients contacted the helpline with throughout 2014/15. The top advice code was meter reading/data collection. Issues relating to this advice code included problems experienced by vulnerable consumers requesting a visit from their supplier as they were unable to read their meters or issues with incorrect data. Additional meter issues that clients reported ranged from consumers seeking advice on how to gain a prepayment meter, to replacing old and/or faulty meters and understanding associated tariffs.

Table 7 presents the type and volume of metering issues that clients sought advice on in 2014/15, compared with figures from the previous year.

Table 7: Number of metering issues

Metering	2013/14	2014/15	% Change
Meter reading/data collection	56	149	166%
Meter Provision or Exchange	84	148	76%
Meter accuracy	76	134	76%
Supply Point Administration Query (MPRN/MPR)	30	130	333%
Suspected Meter Tampering	12	28	133%
Meter Positioning	18	21	17%

Clients rely on their supplier to accurately record their meter readings. When meters are read incorrectly, this can result in problems for consumers who are reliant on the data recorded by their supplier. This can be a particular issue for vulnerable clients. The cases below outline instances where a supplier has not read their customers meter correctly and the issues this can cause:

- ▶ A client called the Citizens Advice Consumer Service for advice on behalf of his mother in law who lives with her husband, who requires 24 hour care. Their supplier installed a new meter a year ago and has visited the property three times to check the meter. His mother in law has also contacted them to submit the correct meter readings. She was informed that she was in credit by £400 with the supplier. She was then informed that her direct debit payments would be reviewed, and upon reviewing the credit on her

account she was told that her supplier had made a mistake recording her meter readings. Furthermore, the person visiting the property had taken incorrect readings.

- ▶ A client called the Citizens Advice Consumer Service for advice as her supplier read her meter three weeks ago. The supplier was unable to read it properly so the client confirmed the readings that they took whilst they were in her property. The client did not receive a statement for some time and was unable to get through to her supplier. She finally received the statement which had completely different readings to those which she had confirmed at the visit. The client has sent an email which was acknowledged but is worried about building arrears.

The cases below outline issues experienced by clients seeking to have a meter installed or replaced. In some cases this results in delays and the accrual of debt. In other cases there is uncertainty over the process for replacing broken or damaged meters or who is liable to pay for this service:

- ▶ A client called the Citizens Advice Consumer Service for advice as she has been attempting to have her meter changed. She contacted her supplier more than six months ago to request that the name on the account was changed back to her maiden name and requested a prepayment meter to enable her to budget for her energy. The supplier arranged two meetings but neither meeting took place and the client has continued to receive bills that she cannot afford. The client has a child with a disability and is struggling to afford to heat her property and afford food on her limited income. The client has received a letter which adds £250 for court fees and threat of disconnection within seven days if she does not pay £54.
- ▶ A client called the Citizens Advice Consumer Service for advice as their electricity prepayment meter is outside of their property and was vandalised whilst the client was out. Their supplier has charged the client £483 to have the meter replaced and have also put £135 debt onto the clients account. The client is not sure what to do.
- ▶ A client called the Citizens Advice Consumer Service for advice as his electricity meter was removed by revenue protection due to safety reasons. Revenue protection said that the client just has to register the meter again but the client cannot get through to them when he wants to query this. He has not had any power for a week. The client lives in rented accommodation and has two young children.

The case below highlights a situation where the accuracy of a meter is questioned but the supplier has stated that they will expect the client to pay for an engineer visit if it is decided that the meter is in fact accurate:

- ▶ A client called the Citizens Advice Consumer Helpline in Scotland for advice regarding their gas meter. The client is in debt arrears by £1,000. The client had a new gas meter fitted recently and the supplier has advised them that the gas meter might need recalibrated. However they have stated that if they send someone and the meter is working correctly, the client would need to pay £170.00.

The case below highlights an issue where a client has been informed of a problem with his meter but is not sure how to resolve the issue:

- ▶ A client called the Citizens Advice Consumer Helpline in Scotland for advice regarding their gas meter. The client is paying £300 per month direct debit. The client has

contacted the gas distributor in their local area who said there is an issue with the regulator on the meter. They have said that this will be the cause of the high gas usage as too much gas is entering the property. The client wants to know how he can resolve this issue with his energy supplier.

A Meter Point Administration Number, also known as MPAN is a 21-digit reference number used to uniquely identify electricity supply points in people’s homes. The gas equivalent is the Meter Point Reference Number. Consumers require these numbers to switch their supplier. The case below highlights an issue experienced by a consumer who has been billed for usage from a gas meter that serves another property for years and is unable to resolve this issue:

- ▶ A client called the Citizens Advice Consumer Helpline in Scotland for advice as he has been being charged for the wrong gas account or seven years. The client states that his meter is easy to access but that this has never been picked up. The MPRN which they have used is wrong. The client keeps being told to wait four - six weeks and is getting passed from pillar to post. The client is owed £580 and has complained three times without resolution.

Debt/Disconnections

CACS dealt with 457 debt/disconnection cases in 2014/15. Issues with debt/disconnections account for 9.5 per cent of helpline cases. Issues relating to this advice code increased by 96 per cent from 2013/14 figures. The type of debt and disconnection issues that clients sought advice on included debt recovery practices, unaffordable debt repayments and properties disconnected under warrant. Debt and disconnection issues can cause significant stress and detriment to clients.

Vulnerable consumers who contact the helpline with complex cases referring to disconnection or threatened disconnection and/or significant debt are referred to the Extra Help Unit for further, in-depth support.

Table 8 presents the type and volume of debt/disconnection issues that clients sought advice on in 2014/15, compared with figures from the previous year.

Table 8: Number of debt/disconnection issues

Debt/Disconnections	2013/14	2014/15	% Change
Debt recovery practices	76	125	65%
PPM self disconnection (unable to credit meter)	23	97	322%
Unsuitable or unaffordable payment scheme to cover debt	42	94	124%
Disconnection following due process	43	47	9%
Disconnection/Forced PPM Without Proper Process	16	29	81%
Vulnerable Consumer disconnected	17	25	47%
Disconnection/Forced PPM in Error	6	19	217%
Unable to Request Suitable Payment Methods (Fuel Direct, PPM)	9	13	44%
Disputed Rights of Entry	1	8	700%

Debt recovery can be a highly stressful process for households, particularly if not managed to suit their individual budgets. Clients may be asked to repay a debt at an unaffordable

rate, and the level of repayment may be set without consultation. Consumers contacting the helpline with debt or disconnection issues may not be clear about what to expect from their supplier or of their consumer rights. A number of key issues resulting from suppliers' debt recovery practices are highlighted in the cases below:

- ▶ A client called the Citizens Advice Consumer Service for advice. The client stated that he is in arrears with his supplier of £650. The supplier has sent his information to debt collectors. The client is not happy about this because he had been attempting to resolve the issues with his energy supplier. The supplier is now threatening to obtain a warrant to gain entry to fit a prepayment meter. The client is concerned about this as he doesn't think he will be able to keep it topped up because of his current situation. The client lives with his partner and two children; his youngest child is severely disabled.
- ▶ A client called the Citizens Advice Consumer Service for advice with her energy bills. The client switched to a new supplier over a year ago and regularly provided her meter readings but kept receiving very high bills. When she queried these, her supplier they admitted that they had been incorrectly recording the readings and that the client was owed £500 due to this. The client agreed for the credit to be put towards bills, and she stopped sending payments for five months. The client then continued sending her readings again regularly. Her supplier then contacted her to say that there may have been another mistake as the bills were 'not looking right'. The complaints department informed her that they have recalculated the bills from the first reading the client ever gave and she now owes £875. The client has been told she will now be paying £150-£170pm and that they would want an extra £100 on top of this towards her debt. Or the client can pay back £50pm for a few years, but she would have to stay with this suppliers until everything has been paid off. She cannot afford this as she lives on her own but the client said she would try to make the payments. The supplier then started asking about an internet account, which she doesn't have. They stated that she has had smart energy since August. The client is not aware of this and has had nothing in writing about it. The supplier said they would wipe this service off the account but the client is worried they have made incorrect calculations again.
- ▶ A client called the Citizens Advice Consumer Service for advice as he has been trying to switch from his supplier. The supplier would not allow this as they say there is an error in their system. The supplier said the system would not allow the switch due to an outstanding bill but they agreed to wipe the balance with no amount payable to allow the switch. The account is only in debt due to the issues encountered during the time period where the supplier would not allow the switch and during the proceeding complaints process. The client has had two deadlock letters which they have passed onto the Energy Ombudsman. The client feels he is being aggressively pursued for the balance. He estimates that he owes approximately £200 but the client is claiming £314.00. The supplier is offering £50.00 off the bill.

Households that rely on pre-payment meters can find themselves without power if they are unable to top up their meter for technical reasons. If a meter key becomes faulty or is missing when entering a new property then a household is effectively disconnected from their energy supply unless the situation is resolved before their credit runs out. The cases below demonstrate the difficulties people experience when this is not resolved efficiently:

- ▶ A client called the Citizens Advice Consumer Service for advice as she currently has no electricity as the meter key that she was supplied with is faulty. The client had been told that an engineer would come to resolve the issue but this has not happened. The client

is on social security and has a limited income. As a result of not having any electricity her freezer has defrosted and she now has no food for next two weeks. The client lives in a rented property and is now disconnected as the credit in her meter has run out.

- ▶ A client called the Citizens Advice Consumer Service for advice as he has recently moved into a property but has not been issued with a key for his prepayment meter. The client has not had power since moving in. The supplier has not yet sent out a key, despite the client having requested this multiple times. The client has three young children and his wife is pregnant. One of his daughters has disabilities.
- ▶ A client called the Citizens Advice Consumer Service for advice as she moved into a new property two weeks ago and there was outstanding debt of £55.00 on the prepayment meter. The supplier cleared this and put an emergency credit of £10.00 into the meter and confirmed that they would send two cards. The client checked the meter and £13.00 of debt has accrued on the meter already. The client only has 30p credit left and has still not received the top up cards. The client has a young daughter.

Several cases highlighted major oversights by suppliers who gained a warrant to enter a property and replace a meter with a prepayment meter to recoup a debt from a previous tenant. This can result in significant distress for the clients living in a property who have had someone enter their home without prior warning. The situation can be exacerbated if a supplier is not willing to engage with the consumer over the issues, or replace the meter free of charge. The cases below highlight examples of extremely poor practice from suppliers in this situation:

- ▶ A client called the Citizens Advice Consumer Service for advice as she is in the process of moving into a new property but the previous occupant's energy supplier entered her new home yesterday and fitted a prepayment meter. The previous tenant had an outstanding bill of £973.00. The supplier left a letter addressed to previous tenant explaining why the prepayment meter had been installed. The client has sent the supplier her tenancy agreement which has been accepted and the debt voided. However, the supplier will not replace the meter back to credit for few weeks and they have said that the client may be charged for the installation of a new meter. The client has two small children and her partner, who is on medication for severe anxiety, is highly distressed by the situation and wants to halt the move-in process.
- ▶ A client called the Citizens Advice Consumer Service for advice as he received a letter from a debt collection agency on behalf of his previous energy supplier stating that he owed £43.55. This amount was paid. The client returned home at a later date to find that a pre-payment meter had been installed. The supplier had left a card in someone else's name. The client has not used the meter since it was installed and has heard nothing from the supplier. The client has been without gas since the installation, when he phoned the supplier to issue a card for the meter in his name he was told there was still an outstanding debt at the address. The supplier wouldn't tell him when this debt dated back to, the name of the person the debt was owed by or how much it was.

Transfers

Transfers accounted for 6.2 per cent of helpline issues in 2014/15. The volume of issues in this category increased from 176 cases in 2013/14 to 294 in 2014/15. Although the number of transfer issues handled by the helpline is relatively small, they can concern serious issues. The most common transfer issues related to breaches of the erroneous transfer

charter. Issues with erroneous transfers increased by 50 per cent in 2014/15 and can be difficult for households to resolve. Issues with problems arising from contracts increased by almost 50 per cent this year too and a number of contracts issues were reported by small businesses,

Table 9 presents the type and volume of transfers issues that clients sought advice on in 2014/15, compared with figures from the previous year.

Table 9: Number of debt/disconnection issues

Transfers	2013/14	2014/15	% Change
Breach of Erroneous Transfer Charter	57	86	51%
Problems arising from Contracts	50	73	46%
Transfer windows	19	43	126%
Failure to correctly apply for transfer	6	24	300%
Cancelled contract not actioned	9	21	133%
Supplier Objection - reasons unknown	17	16	-6%
Transfer in error due to incorrect supply point information	1	11	1000%
Supplier unable to supply	5	9	80%
Supplier Objection to Transfer on Grounds of Contract Terms (deemed contacts)	4	9	125%
Supplier objection to transfer on grounds of debt	5	4	-20%
Transfer Not Actioned After Price Notification Received	1	0	-100%

Erroneous transfers can cause significant issues for clients as they can be difficult and time-consuming to resolve, as people may be passed between two suppliers. One of the most serious issues caused by erroneous transfers which can happen without the client's knowledge is the accrual of debt. The cases below outline two instances where an erroneous transfer has taken place and is not easily resolved:

- ▶ A client called the Citizens Advice Consumer Service for advice on an erroneous transfer. The client moved into their property a year ago, four months after moving in the client received a letter from a new energy supplier stating that they now supplied the property. The client stated that she wanted to remain with the supplier she had signed up with however the new supplier ignored this request and continued to bill the client. The client's letting agent has confirmed that the property should be registered with the original supplier.
- ▶ A client called the Citizens Advice Consumer Service for advice. She is a pensioner and is very careful to pay her bills on time as she has no way of paying for any shortfalls. The client recently received a refund on her electricity account. The client had been receiving treatment for cancer and didn't check her account for a few weeks. When she managed to check her account she found that no payments had been taken for electricity for seven months. When she contacted her supplier she was notified that an erroneous transfer had occurred and that her supply had been taken over by a different energy company. The client has been trying to resolve this issue for over a month but has not been able to get the supply returned. The client doesn't know what to do. She is having sleepless nights and has become very distressed by situation as she is now in debt.

The contractual agreement between a customer and their energy supplier is protected by law. Issues with energy supply contracts can often affect small businesses disproportionately as they do not have the same protections as households within the energy market. For example, they may be affected by high prices through deemed contracts or by the lack of a cooling off period for agreed business contracts. The cases below highlight some issues experienced by businesses as energy consumers:

- ▶ A client called the Citizens Advice Consumer Service for advice. The client runs several care homes. The client's company bought five sites to develop into care homes four months ago, prior to the purchase these sites were in administration. All relevant utility companies were informed that the client had taken over from the given dates. His energy supplier has refused to accept that the properties were sold to the client's company and has maintained their contract. He has requested a final bill and the supplier have now threatened to cut off the supply to the properties. The client could not get any competitive supplier to supply the site as the current supplier refused to allow the supply to go. The client does not feel that it is fair that he had to pay a bill for the period when the administrators were in, he has also been charged out of contract rates for this period. The supplier has refused to change these rates but have offered him £250 compensation.
- ▶ A client called the Citizens Advice Consumer Service for advice as she was recently contacted by an energy supplier who provided him with a quote for the energy supply at his new business. However, when the contractual paperwork was sent out it didn't match up what was offered by broker. The client she didn't want to go ahead and is being told by the supplier that she cannot leave the contract as this was taken out over the phone and has no cooling off period.
- ▶ A client called the Citizens Advice Consumer Service for advice as she just bought a property and shortly after the existing company in the property contacted the client and signed them into a new contract. The client would like to know whether a business to business contract has a cooling off period.

The Extra Help Unit

The Extra Help Unit (EHU) exercises Citizens Advice Scotland's statutory duty to help vulnerable energy consumers, by investigating their complaints with the relevant service providers. The EHU works closely with the policy units within the Citizens Advice Service, the regulator and energy suppliers. Management of the Extra Help Unit was transferred to Citizens Advice Scotland in April 2014.

The majority of consumers are referred to the EHU via the Citizens Advice Consumer Service and, increasingly, by bureau advisers. However referrals are also received from the Energy Ombudsman, Ofgem, advice agencies and elected representatives. Consumers transferred to the EHU can be very distressed, living on very low incomes and in desperate need of representation. Many clients suffer from health problems and often there are young children or elderly people living in the home.

The EHU regards consumers as vulnerable when they are unable to resolve a complaint for themselves due to:

- ▶ Their personal circumstances
- ▶ The urgency of the situation
- ▶ The complexity of the case

The EHU also has a duty to investigate cases where any consumer:

- ▶ Has been disconnected
- ▶ Is threatened with disconnection
- ▶ Has experienced a failure in a prepayment meter system

In addition to case handling energy complaints, the EHU also provide advice via the 'Ask the Adviser' service. This service supports other advice providers to obtain the information they need to resolve their client's complaint. Senior Caseworkers are able to provide advisers with guidance on complex energy questions.

Throughout 2014/15 billing migration issues dominated the complaints received by the Extra Help Unit. The EHU were able to resolve some of the issues this caused for vulnerable consumers by working with the relevant energy supplier. However, a large number of issues exposed complex problems, which energy suppliers were unable to fix. As the affected suppliers were unable to resolve many of the complex issues facing consumers, the EHU implemented a medium term solution to protect the vulnerable consumers they represented. It was agreed that whilst the suppliers involved were unable to rectify specific cases, any unbilled energy consumption would be written off until a suitable resolution could be found.

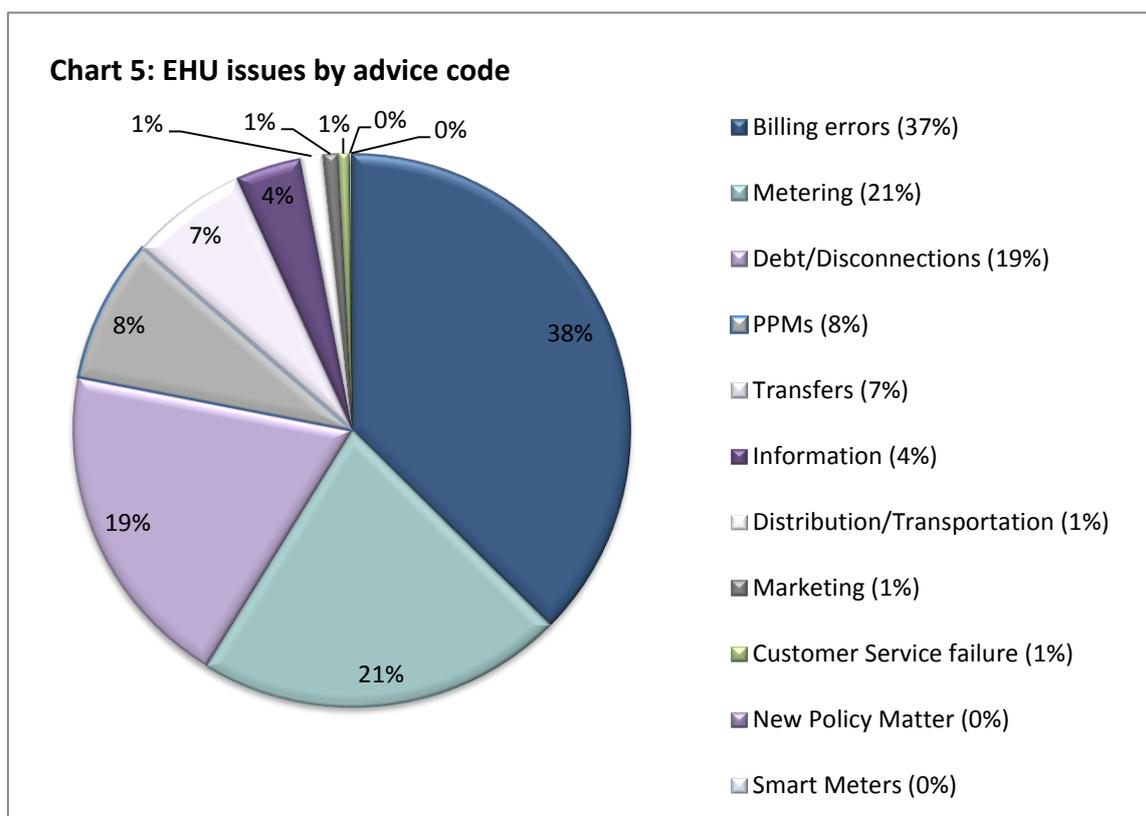
Many of the cases handled by the EHU in 2014/15 related to welfare reform and consumers living in fuel poverty, many of whom had been affected by sanctions or changes to their social security. Consumers commonly reported having self-disconnected from their prepayment meters, for reasons such as low income. Consumers in fuel poverty were also disproportionately affected by the removal of nearly all zero standing charge tariffs. For most of the standing charges issue taken to the EHU, an amicable resolution was reached with the relevant supplier, who either wrote off historical debt or looked at other solutions.

Table 10 presents the breakdown of EHU issues by advice code. This report examines the top five EHU categories in greater detail by presenting some detailed case studies which highlight typical or notable issues experienced by consumers.

Table 10: Number and proportion of EHU energy issues

Advice code	No of issues	% of total
Billing errors	430	37%
Metering	246	21%
Debt/Disconnections	222	19%
PPMs	96	8%
Transfers	78	7%
Information	44	4%
Distribution/Transportation	15	1%
Marketing	10	1%
Customer Service failure	7	1%
New Policy Matter	2	0.2%
Smart Meters	0	0%

Chart 5 presents each advice code as a proportion of the total issues brought to the EHU.



The EHU provides in-depth support and advice to vulnerable consumers with a focus on resolving all aspects of their case. As such EHU case studies usually contain significant detail. We include a small number of cases studies for each of the top 5 advice codes and present these in two parts. The first paragraph outlines the consumer issue in detail whilst the second identifies the support and any outcomes secured by the EHU for that particular

household. As 2014/15 was the first year that the EHU operated as part of Citizens Advice Scotland, we do not include a comparison with figures from the previous year.

Billing Errors

The EHU handled 430 billing error cases in 2014/15 and these accounted for the majority of issues brought to the service. Billing error issues cover a wide range of problems. Typical billing errors cases can include issues with the administration of bills, questions over the sum that has been requested, issues with complex billing procedures or difficulties experienced when attempting to obtain a final bill. The billing issues which arose as a consequence of some suppliers making changes to their billing systems affected many of the vulnerable consumers supported by the EHU throughout 2014/15.

Case Studies

The case below highlights how difficult and lengthy a process it can be for a consumer attempting to resolve a billing error. In this particular instance both the consumer's supplier and the Energy Ombudsman had been unable to identify any error with their bills, leaving them with very few options to pursue the issue:

- ▶ A consumer was referred to the EHU as they had been experiencing issues with their supplier since moving into a new property in 2012. Despite repeatedly contacting their supplier to correct the information, bills kept arriving displaying an incorrect name, billing address, billing period and meter readings. Various amendments were made and the account was highlighted to various departments to fix. The consumer eventually approached the Energy Ombudsman a year later as there had been no progress since they initially raised concerns with the supplier. The Energy Ombudsman ruled that the supplier should arrange a site visit to confirm the metering information, provide an accurate bill, review the tariff information and offer a suitable payment arrangement and goodwill. However, the resulting bill was for approximately £5,800. The consumer had continued to contact both the supplier and Energy Ombudsman to highlight that this is an error, but both parties stated that the bill appeared correct.

The EHU identified that the opening reading did not correspond with subsequent actual readings. We asked the supplier to review the opening reading, as this was something that had initially been disputed yet appeared to remain on file. The supplier acknowledged the role of the EHU and the gravity of the error presented to them. The supplier confirmed that there was a clear discrepancy with the billing and agreed to investigate further. A further visit was arranged which again confirmed the disputed reading did not correspond with subsequent readings. The account has since been rebilled, resulting in an actual balance of approximately £410.00 – this was a reduction of approximately £5,422.00. This balance has been cleared by the consumer following the back-billing reduction.

The case below highlights the problems a consumer can encounter when attempting to gain a refund for the credit on their energy account. For this consumer, the supplier refused to provide a refund as they thought they might be applying the dual tariff rates the wrong way round so she was receiving off-peak unit rates when she should have been charged for peak ('transposed'). The resolution offered by the supplier placed all of the responsibility for the issue onto the consumer:

- ▶ A consumer was referred to the EHU as she recently contacted her supplier to request a refund, as her energy account was in credit by £200. However the supplier stated that

she couldn't have the refund as they thought the meter readings may have been transposed. The consumer was told she would have to carry out a "kettle test". The consumer wasn't sure about what she was supposed to do and asked the supplier to send someone out to investigate the issue. The supplier stated they could arrange a visit but the consumer would have to pay for this.

The EHU helped arrange a free appointment and was given assurances that if the readings were transposed then back billing would be applied.

The case below outlines the difficulties experienced by a consumer who is attempting to obtain a final bill from their previous supplier. This particular issue highlights how difficult it can be for a consumer to resolve an issue directly with their supplier. In this instance the consumer had been pursuing the issue for over six months:

- ▶ A consumer was referred to the EHU having previously attempted to switch supplier. She had provided meter readings to both her new supplier and current supplier on the transfer date. Her current supplier advised that the consumer would receive her final bill within six weeks. The final bill did not arrive and she then received a bill with incorrect readings requesting £435. The consumer had spent six months attempting to get the correct bill by the time she contacted the EHU. As a direct debit consumer she knew that this bill would not be large, however the consumer was on Employment Support Allowance due to Chronic Fatigue Syndrome and was understandably finding the situation both concerning and stressful.

Once the EHU contacted her supplier they arranged for a correct invoice to be produced within ten days. The final balance was waived, plus a goodwill payment of £50 was paid due to the distress caused to the consumer.

Metering

The EHU handled 246 metering cases in 2014/15, these accounted for over a fifth of the cases handled by the service. Issues recorded in the metering category commonly relate to problems with prepayment meters, including faulty meters. Metering issues can also identify consumers who have self-disconnected from their supply due to a low income. In 2014/15 the reason for self-disconnection was often cited as a result of issues such as standing charges, sanctions or changes to social security payments.

Case Studies

The cases below detail issues experienced by consumers owing to faulty equipment in their property. These cases demonstrate that suppliers are not necessarily providing the checks to ensure that consumers are protected from being overcharged because of faulty equipment:

- ▶ A consumer was referred to the EHU as she had very high bills since moving into a new property in 2009 and she was finding them unaffordable. Due to the large bills, the consumer was struggling to make adequate repayments and as such, a large debt accrued on her energy account. The consumer found it difficult to afford this due to a limited income from her benefits and there were young children also living at the property. Despite arranging payment plans, the consumer's debt was increasing due to

the large usage recorded and the consumer could not understand why this was happening.

The Extra Help Unit contacted the relevant supplier to initiate investigations into the circumstances regarding the large bills. The supplier agreed to send a “Community Liaison Officer” to attend the property and test the utilities and hopefully identify any faults. It was found that the consumer had a faulty immersion heater which meant that the heating was operating at times it was not scheduled to. It appeared that this was the cause for the large amount of electricity consumed. The EHU requested a meter accuracy test at no additional cost to the consumer, with the aim of eliminating any other reasons for the exceptionally high bills. A response was received from the supplier stating that the meter was recording usage 54% quicker than it should. The consumer was unaware that the meter had been faulty and was satisfied that the matter would have been resolved when the initial fault with the immersion heater was discovered. Due to the rebilling of the account, the consumer is due a substantial refund of money that will clear the balance in full and will likely leave her with a large refund on top of the zero balance.

- ▶ A consumer was referred to the EHU having previously paid £350 per quarter for her energy. She had recently changed supplier and found that her bills shot up to £250 a week. She raised a complaint, thinking that her meter was faulty but the bills remained high even after her meter was investigated by the independent meter examiner. Extremely high balances arose on the account, despite the consumer making regular payments. The debt was passed to a debt collection agency. The customer had recently lost both her mother and daughter and was finding the situation incredibly difficult to deal with. Her doctor had prescribed medication and she felt that the problem with her account had contributed to her stress and anxiety. In desperation, she took out a loan to pay a balance of £3,400 and decided to transfer supplier again. Her final bill was for a further £500 and she approached Ofgem for help, who referred her complaint to the EHU. Her complaint had been ongoing for five years by that point.

The EHU asked her supplier to provide information on previous investigations and help find an explanation for the high consumption at the property. Although the meter had been accurate it turned out that the timeswitch had been faulty and the EHU were able to secure a write off and refund of over £1,300 for the customer. This was a great relief for her and she felt that after years of fighting with the supplier that her concerns had finally been listened to.

The impact of standing charges was seen across EHU cases in 2014/15. The case below highlights how this issue created affordability problems for vulnerable consumers. The consumer below had self-disconnected from his energy supply because he found he was unable to afford standing charge payments. This case further identifies a lack of compassion from a supplier towards a consumer’s personal situation, which made it difficult for him to communicate with the company:

- ▶ A consumer was referred to the EHU as he has mental health concerns and had been unable to use his gas supply for over two years. A prepayment meter had been fitted to recover a debt, however the size of the standing charge was unaffordable and the consumer was self-disconnecting. An advocate at the time recommended that the housing association cap the meter to prevent the standing charge debt increasing when the consumer couldn’t afford to purchase gas, although this left the vulnerable consumer with no heating or hot water.

A friend of the consumer spoke to the Citizens Advice Consumer Service and as a result the case was referred to the Extra Help Unit. There had been no contact with the supplier prior to the Extra Help Unit's involvement so the first step carried out by the caseworker was to set up an enquiry so that the supplier had an opportunity to resolve the issue. They confirmed that the meter had been capped by the housing association and therefore they would need to arrange to uncapped the supply; however they also stated that the debt was now approximately £700 as the consumer hadn't informed the supplier that the supply was capped and therefore they were continuing to add standing charges. The supplier stated they had sent letters to the consumer asking him to get in touch, but he was not able to communicate due to his health condition. As a result they were unwilling to remove the standing charges from the account, which meant that the debt recovery on the reinstated meter was likely to be high. Due to the unwillingness of the supplier to remove the standing charges, a further complaint was raised. Details of a recent letter from Ofgem about the principles suppliers should follow when dealing with vulnerable consumers who use little or no gas, was included in the complaint letter. After the issue was escalated internally within the supplier, standing charges worth £718 were removed from the consumer's balance, leaving a debt of £161 that was owed from the period before the prepayment meter was fitted. This was to be collected at a rate of £3.60 a week in line with Fuel Direct deductions.

Debt/Disconnections

The EHU dealt with 222 debt/disconnection cases in 2014/15, these accounted for almost a fifth of cases handled by the service. The type of debt/disconnection issues that the EHU handled in 2014/15 identified a number of situations when energy companies had pursued debt in an unsympathetic and improper manner. In some cases this may place the consumer at threat of disconnecting.

Case Studies

The following cases provide examples of situations where it appears that a supplier has pursued a debt with complete disregard for their customers' ability to pay. It is particularly alarming that in the case studies mentioned the supplier was at fault for causing the debt:

- ▶ A consumer was referred to the EHU as his direct debit payments had increased dramatically. He had received a refund from his energy supplier for overpayments of £700. It was later realised that this was an error on the supplier's part. As a result the direct debit was to be increased from £50 per month to £290 per month. The consumer is 71 years old and suffers from high blood pressure. The issue was reported to the EHU by his grand daughter.

The EHU caseworker wrote to the supplier and they immediately offered to lower the monthly payment plan to £150, a reduction of £140 each month.

- ▶ A consumer was referred to the EHU with a debt of £900 which had accrued because their supplier had failed to complete a change of tenancy. The consumer was in receipt of Employment Support Allowance, and was told she needed to pay £160 per month over twelve months to pay off the debt alone – not including consumption. The supplier's debt team insisted that the payment plan was non-negotiable unless a large upfront payment was made and that they would apply for a warrant to fit a prepayment meter.

The EHU Caseworker discovered that the consumer's ongoing consumption cost only £75 per month, and used this as a starting point to negotiate a fairer and more realistic payment plan.

The case below highlights the difficulties that arose as a result of incorrect direct debit payments which were set too low and resulted in the accrual of debt. The cases below further identify problems with communication between suppliers and their customers:

- ▶ A consumer was referred to the EHU as he had purchased a property in July 2014 and moved in during November. At this point he set up a direct debit with his energy supplier for £54. This was too low and a series of confused letters were sent over a short period of time. The consumer was not sure what was to be taken via direct debit and what wasn't. A warrant was granted in early January for prepayment meters to be fitted, however the debt figure used to obtain the warrant was misleading and the consumer had not defaulted on agreed payments. The supplier then took £850 from the consumer's bank account by direct debit at the end of January without any notice being provided. The consumer was able to recover this money via an indemnity claim.

When the EHU received a breakdown of the charges we established that £750 of the balance was for debt charges. Our caseworker challenged these, in three separate rounds of correspondence, providing evidence as to why the debt action and charges were inappropriate. The supplier eventually agreed to remove these debt charges and stated that they would install credit meters after the debts were paid off.

Prepayment Meters

The EHU supported consumers with 96 cases related to prepayment meters in 2014/15. The type of prepayment meter issues that the EHU handled in 2014/15 included meter faults. Faulty meters can lead to a consumer going off supply or being at risk of going off supply. The Extra Help Unit is frequently contacted by consumers who have self-disconnected due to having little or no income, or for other issues such as the debt recovery setting on their prepayment meter being set at a rate which is not realistic or appropriate. This can affect consumers who have moved into properties with prepayment meters already fitted, requested prepayment meters to help them budget or have had prepayment meters force fitted to recover debt:

Case Studies

The case below identifies the difficulties experienced by a consumer whose social security payment has been delayed. This consumer is unable to afford to heat their home but is offered no support from their supplier after outlining their situation to them:

- ▶ A consumer was referred to the EHU as they had self-disconnected from their energy supply. The consumer's social security payments had been suspended then restarted but they had been informed that there was going to be a delay of around two weeks before any payment was made. The consumer had self-disconnected as he could not afford to top up his prepayment meter. He contacted his energy supplier who initially refused to assist. There was a one year old and also a baby at the property.

When the EHU contacted the supplier they agreed to provide £49 in emergency credit to last until the social security payment was received.

The case below highlights a problem experienced by a vulnerable consumer with a faulty meter:

- ▶ A consumer was referred to the EHU. The consumer was 85 years old with some hearing problems, COPD and he often needed to use an inhaler. The screen on his meter had gone completely blank and therefore he was unaware of when he would need to top up. The consumer preferred having a prepayment meter as it helped him budget.

The EHU raised the matter with the supplier on the 22nd May and we were told the earliest appointment for changing the meter was the 5th June as the consumer still had credit and was therefore not off supply. The elderly consumer had initially accepted the appointment but after we escalated the matter and the supplier contacted him again he admitted that he was concerned and wanted an appointment as soon as possible. The supplier in question then arranged for a meter exchange the same day.

Transfers

The EHU dealt with 78 transfers issues in 2014/15. The type of transfer issues that the EHU handled in 2014/15 included problems consumers' experienced when attempting to switch to a new supplier. In this instance some consumers' found that their application was being blocked or that the incorrect supply had been taken over. Further issues arose from erroneous transfers, which could leave consumers in significant debt, or without power.

The case below outlines the difficulties experienced by a consumer who attempted to switch. The consumer's supplier prevented her from switching owing to an administrative error on their part. This resulted in a series of issues for the consumer who was unable to resolve the issue:

- ▶ A consumer was referred to the EHU as she had encountered an issue when attempting to switch supplier and was advised that her supplier had raised an objection. The consumer made numerous efforts to contact the company over the phone, but long hold times (sometimes holding for longer than an hour) meant that she had little success. The consumer sought assistance from her housing association, who were advised by the supplier that the objection was on the grounds of debt. The consumer was aware there had been a debt in 2012, but was unaware that the balance remained outstanding. The housing association had also visited the consumer and identified that there were no debt settings on the meter. It transpired that her supplier had failed to load the debt to the meter since its installation in September 2012 and that they had notes on their system confirming an agreed recovery rate. Additionally, her supplier had been made aware that she no longer required a variable rate meter, but had taken no action to replace this.

The supplier confirmed to the EHU that it had failed to load the debt despite having had a conversation with the consumer about the debt recovery rate. It was determined that with the Warm Home Discount scheme credit, the majority of the debt would have been paid off. The supplier provided a £50.00 goodwill gesture. But as this did not correspond with the latest version of the Energy UK back billing agreement, the EHU asked that this

be reviewed. Despite being escalated and raised at a meeting, the supplier failed to respond and the EHU continue to pursue this issue.

The cases below highlight the detriment that can be caused by erroneous transfers, which can place consumers in significant debt or leave them without power for extended periods of time:

- ▶ A consumer was referred to the EHU having been disconnected from her gas supply. The consumer was pregnant and also had a six year old child living in the property. The reason for disconnection was due to a faulty prepayment meter. When the consumer contacted her chosen supplier she was told that she was now being supplied by another company. She had never heard of this new small supplier and was unable to locate any details to contact them, meaning she was left without any power.

The EHU contacted the company who had taken the supply over without authorisation and they were able to arrange for the gas prepayment meter to be rectified. The EHU also arranged for them to erroneously transfer the supply back to the original supplier and they provided a key with £30 as a goodwill gesture due to taking over the supply in error.

- ▶ A consumer was referred to the EHU. The consumer had lived in this property for ten years and had paid a supplier for his gas and electricity consumption since moving in. He recently received a letter from a different supplier pursuing a debt of around £5,500 for his gas supply. He had never previously received a bill or contact from this other supplier. It has subsequently transpired that the other supplier took over the gas supply without the consumer's consent in 2007. However he was not informed of this until the debt letter arrived over six years later. The consumer has tried to resolve this issue with both suppliers himself, but has been unable to reach a satisfactory resolution. The supplier pursuing the debt had started threatening warrant action when the consumer was referred to the EHU. The original supplier advised that they were the correct supplier as it had been erroneously transferred back to them in 2007 despite the gas transporters records showing the other company as the supplier.

After intervention from the EHU, it was discovered that the supply had actually never been returned and therefore this was incorrect. The original supplier who the consumer had been paying had to refund the consumer all payments in order to pay the registered company as it was too late to process another erroneous transfer.

Conclusion

It is clear from the range of issues consumers presented at Citizens Advice Bureaux, the Citizens Advice Consumer Service and the Extra Help Unit that a variety of external pressures and energy market problems impacted Scottish consumers' ability to effectively heat their homes in 2014/15. The Citizens Advice Service in Scotland is uniquely positioned to reach and provide advice and support to energy consumers throughout the country. This position has been strengthened by the addition of the Extra Help Unit to the service which, delivered alongside the longstanding advice offered by local CAB, our consumer helpline and online self-help advice resources, enables us to reach and deliver significant outcomes to consumers, particularly those in vulnerable situations.

The advice provided by the Citizens Advice Service in Scotland increased throughout 2014/15. Overall the service advised on 33 per cent more energy issues than in the previous year and secured significant additional client financial gain. The increased volume of energy advice can be explained in part by the growing reach of the service. It is also attributable to an increased demand for advice as a result of a variety of factors including the rising costs of energy and lower incomes. This is partly as a result of policy changes, in particular changes and cuts to the social security system and issues with its administration, which negatively impacted many people's budgets and lives. Another key factor which influenced energy advice needs was directly attributable to energy suppliers and the continuing failure of some suppliers to provide acceptable levels of customer service. This caused a host of issues and detriment for consumers who often found they were unable to resolve their issues without support and advice.

The case evidence in 2014/15 demonstrates that energy issues may impact specific groups of consumers more than others. The costs associated with contacting a supplier, with resolving debt issues (e.g. through installation of a pre-payment meter) disproportionately affect poorer consumers. Cases further identify that vulnerable clients are not always receiving sufficient support. Those registered on a Priority Services Register do not necessarily benefit from this service in the form of additional support, such as meter readings. A lack of support for vulnerable consumers can result in severe detriment for those households. This is a particular issue for those who are unable to engage with aspects of the market owing to their vulnerability or who are managing an extremely limited income and are not able to budget for fluctuations in their outgoings. Whilst consumers living off the gas grid are likely to pay more for their energy and many not able to access financial support schemes.

From the body of evidence presented in this report, CAS highlights ten key areas where it appears that the energy market is not serving consumers effectively, or where it is clear additional support is required to ensure that consumers are not disadvantaged by an inability to engage with the market and/or to heat their home.

1. Customer Service standards

Service Standards are too often below the reasonable expectations of consumers. Throughout our evidence it is clear that recurring issues such as long call waiting times and billing errors cause significant detriment to those affected.

2. Welfare reform and social security administration

Throughout our case studies, the impact of reforms to the social security system is tied intrinsically to a household's ability to sufficiently heat their home. Those who

have been sanctioned or had their social security payments altered may be additionally disadvantaged by accruing debt or becoming disconnected from their energy supply.

3. Vulnerability

Case evidence presented to our service suggests that people in vulnerable situations are not always receiving the support they require. Furthermore, the services that can be made available through Priority Services Registers are not always delivered.

4. Accessible support/schemes

Schemes such as the Warm Home Discount are not accessible to all eligible consumers. Our evidence shows that barriers such as online registration, annual applications or limited windows for registration can prevent certain households from accessing this support.

5. Parity of service

Our case studies highlight that certain groups of consumers may receive a second class service for their energy account, owing to factors such as the meter their household uses or the way the heat their property. In particular, people with pre-payment meters, time-of-use meters, electric heating or non-regulated heating systems may not be able to access the same pricing, ability to switch, support or protections that are available to other consumers.

6. Debt repayment

Our case evidence highlights a number of issues with debt collection processes. Repayments are often set too high for consumers to afford and implemented without due consultation. If a debt is transferred to a collection agency, the additional costs added can be disproportionate and unaffordable.

7. Off-gas consumers

Households who do not heat their home with mains gas require greater financial support. Consumers attending CAB reported that they were unable to afford to fix their off-gas heating systems if they become faulty or broke down and were frustrated to find that they could not access support owing to the type of heating system available to them.

8. Smart meter

Some of the early adopters of smart meters report issues have found that they are unable to realise the benefits of these systems. Conversely certain groups of consumers are aware of the benefits that they may offer to them but are not yet able to access the technology.

9. Changes to energy market

Well intended changes to the energy market such as changes to the rules around standing charges have had some adverse effects on households. A significant body of our evidence suggests that changes to the rules are often implemented in a manner that disadvantages consumers.

10. Small businesses

Small businesses contacting our service may be disadvantaged by the rules surrounding business energy contracts, such as a lack of a cooling off period for them to confirm whether they have received suitable terms of service.

Glossary

The top level categories relating to energy issues in citizens advice bureaux are;

- **Fuel debt** refers to issues around debt including when clients have trouble paying off energy debts or when they dispute liability for a debt.
- **Fuel – regulated** refers to the most common energy sources such as mains gas and electricity, regulated by Ofgem. Billing and charges are some of the most common issues in this category.
- **Fuel – non-regulated** generally refers to off-grid energy sources such as heating oil, bottled gas and coal which are not regulated in the same way as mains gas and electricity. The issues brought to bureaux in this category mostly concern billing, additional charges and methods of payment.

The top level helpline and EHU categories are;

- **Billing Error** – this category refers to issues with consumers’ energy bills. The most common “billing error” issues raised with the helpline concern the clarity of an energy bill or with consumers receiving a ‘back-bill’ or ‘catch-up’ bill requesting funds they may not have realised they owed.
- **Customer Service Failure** – this category refers to issues with the customer service provided by energy suppliers. Common “customer service failure” issues relate to consumer complaints not being registered or the length of time consumers are required to wait in a phone queue.
- **Debt/Disconnections** – this category refers to any issues a consumer may have with energy debt and imposed or self disconnection. The most common issues in this category relate to debt recovery practices, disconnection and unaffordable payment schemes.
- **Distribution/Transportation** – this category refers to issues with connections, supply and supply safety. The most common “distribution/transportation” issues concern connections and alterations of supply.
- **Information** – this category refers to any issues consumers may have in gaining access to information about their energy supply/supplier. The most common “information” issues raised concerned pricing information, company contact details and energy efficiency advice.
- **Marketing** – this category refers to any issues consumers may have with an energy company’s marketing, their staff or issues with fraud. The most common “marketing” issue is misrepresentation, with consumers perceiving that they have been given false or misleading information.
- **Metering** – this category refers to any issues consumers may have with their energy meters. The most common “metering” issues refer to provision or exchange of a meter, meter accuracy and meter reading.
- **Pre-payment Meters** – “pre-payment meter” issues most commonly relate to incorrect tariffs and incorrect debt repayment rates, or with issues in changing to or from the pre-payment meter method.
- **Price Comparison Services** – this category refers to any issues that consumers may have with price comparison providers.
- **Smart Meters** – this category refers to any issues that consumers may have with smart meter installation.
- **Transfers** – this category refers to any issues consumers may have with transferring from one energy supplier to another. The most common “transfer” issues refer to contracts, supplier objections (for unknown reasons) and issues with transfer times or transfers not being completed.

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Citizens Advice Scotland and its member bureaux form Scotland's largest independent advice network. CAB advice services are delivered using service points throughout Scotland, from the islands to city centres.

The CAB Service aims:

to ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively

and equally

to exercise a responsible influence on the development of social policies and services, both locally and nationally.

The CAB Service is independent and provides free, confidential and impartial advice to everybody regardless of age, disability, gender, race, religion and belief and sexual orientation.

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