

# Advice in Detail: Energy

Energy issues brought to citizens advice bureaux in 2011/12



based on the evidence of  
Citizens Advice Bureau  
clients across Scotland

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## What we do

- Citizens Advice Scotland and its 61 member bureaux form Scotland's largest independent advice network. CAB advice services are delivered using over 250 service points throughout Scotland, from the islands to city centres.

The Scottish CAB Service has long helped energy consumers with their problems, giving face to face, online and phone advice on issues such as energy efficiency, dealing with arrears and accessing additional support such as the UK Government's Warm Homes Discount or the Scottish Government's Energy Assistance Package.

Since 2011, we have run the Energy Best Deal campaign, delivering advice on energy to front line advisers and consumers through 140 training sessions. In summer 2012 we ran a pilot called Energy Best Deal+ which ran in nine bureaux. The pilot, funded by energy companies, supported nearly 600 people in or at risk of fuel poverty by ensuring they were getting the best possible energy deal for them. The pilot project secured well over £72,000 of client financial gain and is now set to roll out across Scotland.

The Scottish CAB Service took part in the UK-wide Big Energy Week in January 2012 with the aim of helping energy customers to cut their bills by switching, saving and insulating. Over 130 advice events took place across Scotland, England and Wales, including three flagship events in Edinburgh, London and Cardiff. The Scottish campaign was well publicised and the target figure of 50,000 people in Scotland was exceeded through newspaper coverage alone. An early signifier of the success of the campaign was a 50% rise in fuel enquiries over the two weeks following Big Energy Week in selected bureaux.

In April 2012 the Consumer Direct helpline moved from the Office of Fair Trading to Citizens Advice Scotland and Citizens Advice (England and Wales). Now known as the Citizens Advice consumer helpline, the line has a dedicated energy team which supports clients with all of their energy problems from switching to billing and much more.

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 benefits and debt to housing, employment and a growing array of consumer issues.

This report examines the issues raised by CAB clients in relation to energy in 2011/12.

# This report

The Scottish CAB Service uses three top level categories to record energy issues brought to bureaux. These are;

1. Fuel debts
2. Fuel – regulated
3. Fuel – non-regulated

“Fuel debts”, as the name suggests 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, charges and energy assistance applications 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.

As each of these categories is quite distinct due to the types of issues raised, they are analysed separately in this report.

With help from the Scottish Government, we have recently been able to look not just at who comes to a CAB for advice, but who comes to a CAB for advice on what issue. That means that we are now able to examine the “client profile” under the three energy-related categories of Fuel Debt, Regulated Fuel and Non-Regulated Fuel.

# Executive summary

By 2011/12, the average annual household energy bill was double what it had been just eight years earlier. At £1250 per year, and set to top the £1500 mark within the next three years, the cost of heating and electricity is an increasing worry for consumers across Scotland.

In addition, the Scottish Government estimates that around a third of all Scottish households are in fuel poverty, spending more than 10% of their disposable income on heating their home to an adequate temperature.

Against that back drop then, it comes as no surprise that demand for advice and support on energy issues remains high amongst Scottish consumers. The Scottish CAB Service helped nearly 7,400 people with 9,500 different energy issues in 2011/12.

The energy advice and support given by CAB advisers secured an estimated £211,470 of financial gain for clients over the year<sup>1</sup>. This financial gain relates to a wide range of actions by bureaux, from ensuring clients are claiming support they are entitled to such as the Warm Homes Discount, to ensuring clients are on the best tariff for them and accessing services such as free insulation and discounted central heating.

The number of issues brought to bureaux in 2011/12 was slightly down on 2010/11, when the service supported clients with 10,400 issues. This can be partly explained by changes in recording but also by the particularly harsh winter of 2010/11 compared with the following year.

## Key changes from 2010/11 to 2011/12

The proportion of issues raised within the fuel debt category where clients were having difficulty paying rose from 80% to 83%. In addition, complaints about charges in the non-regulated fuel sector were up 4.5% on the previous year and enquiries about the Energy Assistance Package were up 5.6% within the regulated fuel category.

Meanwhile, billing and meter reading problems fell as a proportion of total issues within the regulated energy sector, indicating that energy suppliers may be improving their systems. In the non-regulated sector, issues around suppliers' handling of complaints and issues concerning delays in supply both fell as a proportion of total issues from 2010/11 to 2011/12.

## Who needs advice?

We can now examine the client profile of the people seeking help with energy issues through the Scottish CAB Service. It is possible to compare this information with the profile of the average CAB client and much of the data is directly comparable with the Scottish Household Survey.

This client profile information tells us that, compared with all CAB clients and with all Scottish households, the people seeking help with **fuel debts** are more likely to;

- Be young
- Be female
- Be White Scottish
- Be single
- Have caring responsibilities, particularly for children
- Be unemployed or unable to work due to illness or disability
- Live in social rented or private rented housing
- Get their only income from benefits

This profile has clear policy implications and suggests a target group for both policy makers in government and energy suppliers in the support that they provide to consumers.

Clients seeking help with **regulated fuel issues** are more likely to;

- Be over 60
- Be female
- Be White Scottish
- Be single, widowed or divorced
- Have fewer caring responsibilities than the average client
- Be retired, unemployed or unable to work due to illness or disability
- Live in council rented housing
- Get their only income from a pension or other benefits

And for clients with issues around **non-regulated fuel**, they are more likely to;

- Be over 60
- Be single, widowed or divorced
- Have fewer caring responsibilities
- Be retired, unemployed or unable to work due to illness or disability
- Be an owner-occupier

Again, this data suggests that older consumers may be particularly at risk of having problems with their energy supply and may benefit from targeted support.

## Issues raised by bureaux

The biggest issues being raised by bureaux in 2011/12 were around difficulty paying, problems with switching and incorrect billing.

Difficulty paying for energy cuts across all three categories but has slightly different implications and manifestations in each one. Under fuel debt, for example, the cases highlighted by bureaux regarding difficulty paying are most commonly with regards to prepayment meters recouping an unaffordable amount for arrears every time the consumer tops up.

Within the regulated fuel category, issues with delays in receiving benefits can make paying for energy very difficult, as can sudden unexpected increases in bills.

And in the non-regulated category, the biggest issue is around the cost of heating oil and the fact that suppliers will often only deliver a large order, often costing the consumer several hundred pounds at once.

Problems with switching were particularly prominent in the regulated fuel sector, with consumers attracted to new companies with promises of lower bills, only to be hit with much higher bills several months into a new contract.

Incorrect billing also caused a great deal of confusion and stress amongst regulated fuel customers, most commonly because of inconsistencies between actual and estimated usage but in some cases, this confusion appears to be due to faulty meters.

## Recommendations

It is clear from the experiences of CAB clients in 2011/12 that the high cost of energy is causing detriment to consumers across Scotland. Problems with energy often exacerbate existing issues such as difficulties with benefits, low incomes and ill health. Energy issues can therefore push citizens into debt, worsen existing health conditions and add to the stresses and strains of everyday life at a particularly difficult economic time.

Our evidence shows that there are certain problems affecting particular groups of society disproportionately, and suggests that targeted intervention to help these groups could therefore have a disproportionately positive effect. These groups are detailed throughout the report and summarised above and we would urge policy makers to examine ways in which these groups could be helped.

We have some specific recommendations for various stakeholders, including energy companies, support agencies and governments in both Edinburgh and London.



## For energy suppliers

- Prepayment meters should be fixed at the cheapest tariff the supplier offers. This would help to ensure that customers who have difficulty paying for energy and use prepayment meters as a budgeting tool are not penalised for doing so and that customers with arrears are not pushed further into debt by the additional costs of installing a prepayment meter and of paying a higher tariff.
- Where customers are in receipt of benefits, energy suppliers should recognise that customers may face additional difficulties in paying for electricity and take action to support them. With several years of upheaval ahead for the benefits system, suppliers should be proactive in monitoring usage, particularly amongst prepayment customers. Where customers are self-disconnecting, suppliers should proactively contact these customers to ensure they have access to all the support they need.
- Arrears should be identified quickly by suppliers and communicated to customers to allow them to address the issue before the debt becomes unaffordable.
- Repayment plans should be established quickly and in consultation with the customer if they fall into arrears.
- In line with the requirements of existing license conditions, suppliers must ensure that any marketing and sales practices encouraging customers to switch suppliers give customers full and accurate information to allow them to make an informed decision. This information should be based on the customer's current and expected usage.
- Support such as the Warm Homes Discount should be made as accessible as possible to consumers. For example, online only applications can act as a barrier to vulnerable people accessing the vital support they need.
- Suppliers' criteria for the broader group eligible for the Warm Homes Discount should be as broad as possible and should not be capped. The existing cap on the number of customers able to access this support means that some vulnerable people are paying £130 more than others in the same position, simply because of an arbitrary cap.
- Suppliers in the non-regulated sector should explore the possibility of allowing customers to pay for energy over a longer period of time to make the cost of heating their home more affordable.

## For government and other bodies supporting consumers

- Future support programmes for vulnerable customers should take into account the client profiles of citizens who access their CAB for help with energy and ensure support is targeted towards these groups.
- Government should extend the support available to consumers who are not the direct bill payer such as residents of park homes or private estates.
- The Scottish Government and local authorities should take into account the rising cost of energy when designing crisis grants and other support available through the social fund.

# Fuel Debts

A total of 2894 clients accessed their local CAB for help with 3712 fuel debt issues in 2011/12. The proportion of issues is as follows:

Fuel debts	%	Change from 2010/11 (%)
Difficulty making payments	83.2	3.0+
Liability for debt	17.7	0.7+
Other	5.6	0.7 -
Direct deductions from benefit	5.4	0.1 -
Threatened and actual disconnection of supply	5.3	0.3 -
Creditor harassment	2.3	0.4 -
Complaints	1.8	0.2+
Court claim + enforcement	1.6	0.3+

*\* percentages do not sum to 100 as clients can have more than one issue*

By far the largest proportion of issues brought to bureaux around fuel debts was to do with difficulty making payments, accounting for 83.2% of all fuel debt issues. The combination of rising energy prices and low income, whether in the form of benefits or low wages, appears to be creating a growing issue for energy consumers in Scotland as this case study reflects.

- ▶ A West of Scotland CAB reports of a client who has not eaten for several days. He applied for a crisis loan but was refused as he already had three loans. He suffers from depression, anxiety and agoraphobia. The reason he is short of money is that his gas seems to be costing him a lot and he has arrears which he is paying back.
- ▶ A West of Scotland CAB reports of a client who had received her final bill from her energy supplier for £94 and was unable to afford to pay it off in one payment. The client was in a homeless unit and was waiting to be housed. The client had a daughter at nursery and did not receive any money from her child's father as he was in prison.

The installation of a prepayment meter is a common step taken by energy suppliers when a customer on a credit account falls into arrears. Debt is then reclaimed every time the customer tops up the meter. The costs of installation can also be added to this debt, meaning that customers are pushed further into debt.

While most of the main gas and electricity suppliers set their prepayment meters at their "standard tariff", this is not always the cheapest, meaning that prepayment

customers pay more than other customers. This means that customers who were already struggling to keep up with payments on the cheapest tariff – perhaps an online tariff and paying by direct debit – are moved to a more expensive one.

Once a prepayment meter is installed in order to reclaim arrears, many customers find that repayments are set at a rate which they find is unaffordable.

- ▶ An East of Scotland CAB reports of a client who has arrears on his gas account and has had a pre-payment meter installed. Every time he puts £10 on his meter it takes £7 towards the arrears. He has been trying for months now to get this amount reduced but with no luck. The Jobcentre Plus office faxed proof to his energy supplier that he was on Jobseekers Allowance and they agreed to reduce the amount taken towards arrears down to £3. This reduction has not yet taken effect, however and as a result the last time he put the card in it still took £7 toward the arrears.
- ▶ An East of Scotland CAB reports of a client who is a single parent with two children. She currently has to lose £7 towards arrears every time she puts £10 in the gas meter. The £3 supply is entirely insufficient to heat her home, and additionally she has two small children who suffer from asthma. She does not know the amount of fuel debt but was told at one time that she must pay a minimum of £15 per week.

The next most common issue was liability for debt, with almost a fifth of issues relating to clients questioning whether the debt they were accused of was attributable to them. This is a particularly common issue amongst energy customers on pre-payment meters when they first move into a property.

In addition, some customers seem to be caught unawares by the standing charge which they are required to pay. This means that when they go for a period of using very little gas or electricity, perhaps over the summer months, they build up arrears which they then have to repay when they start using energy again. This can lead to hardship, as the following case study shows.

- ▶ A West of Scotland CAB reports of a client who receives Job Seekers Allowance and lives alone. The client is having problems with his gas meter; every time he tops up the meter it is taking 70% of the value of his card. It has now got to the stage that he cannot afford to heat his house and he lives in a very rural area which experiences very harsh winters. The client discovered that although there are no arrears on the meter, the charge of 70% is for a £2.61 weekly charge that was not paid between June and November when he didn't use the heating. The amount outstanding has now accumulated and the meter will continue at 70% until this is paid off.

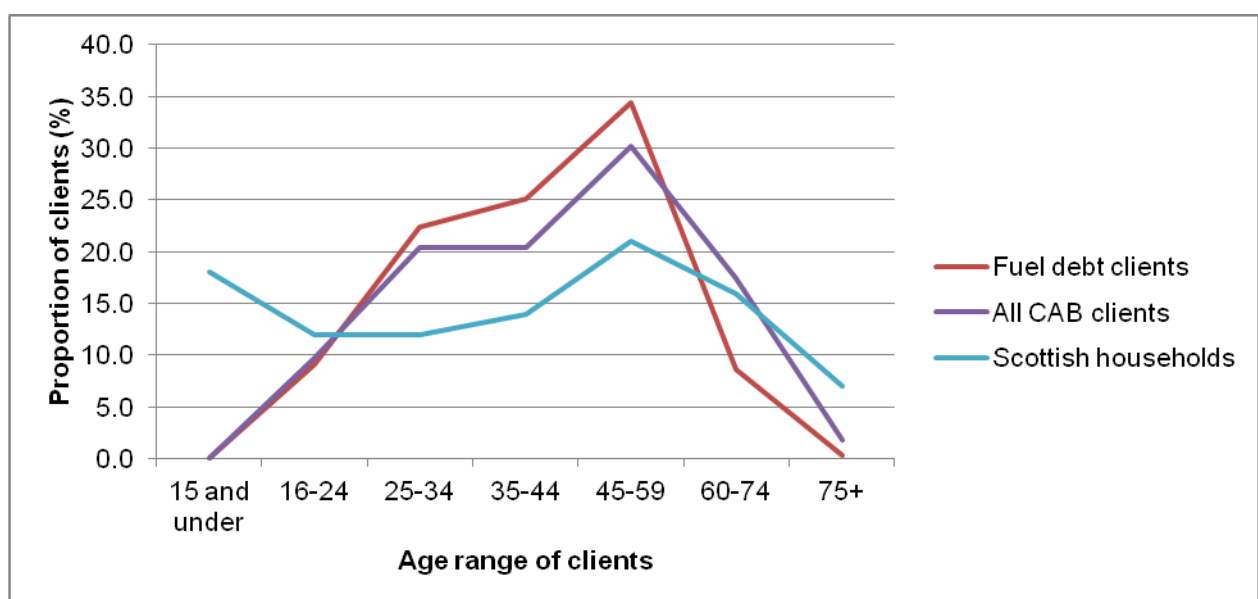
# Who needed help with fuel debt?

Citizens Advice Bureaux record a “client profile” for each client, detailing a wide range of information about the individual, including their age, gender, ethnicity, their housing and employment status and whether they have any caring responsibilities.

This information can then be compared with the client profile of the average CAB client and with data from the Scottish Household Survey which tells us how typical our clients are compared with Scottish households.

## Age

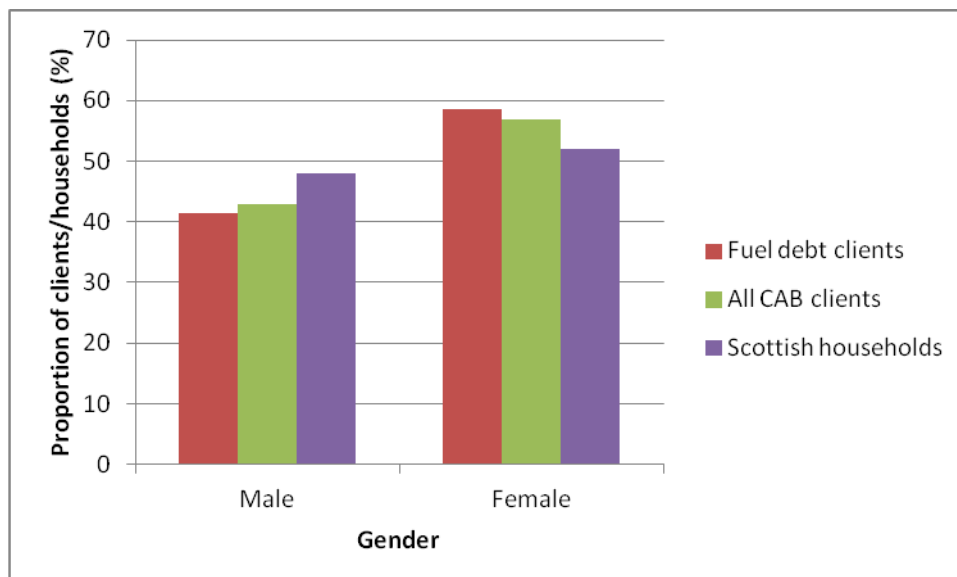
The age profile of fuel debt clients is younger than that of the average CAB client and of the Scottish population as a whole, with a large proportion of fuel debt clients coming from the 25-34, 35-44 and 45-59 age ranges.



Conversely, a much smaller percentage of fuel debt clients were in the 60-74 age range compared with both the average CAB client and the broader population.

## Gender

More women than men accessed advice on fuel debt, broadly in line with the average CAB client. However at 42% men to 58% women, this ratio is higher than we would expect from the wider Scottish population of 48% men to 52% women.



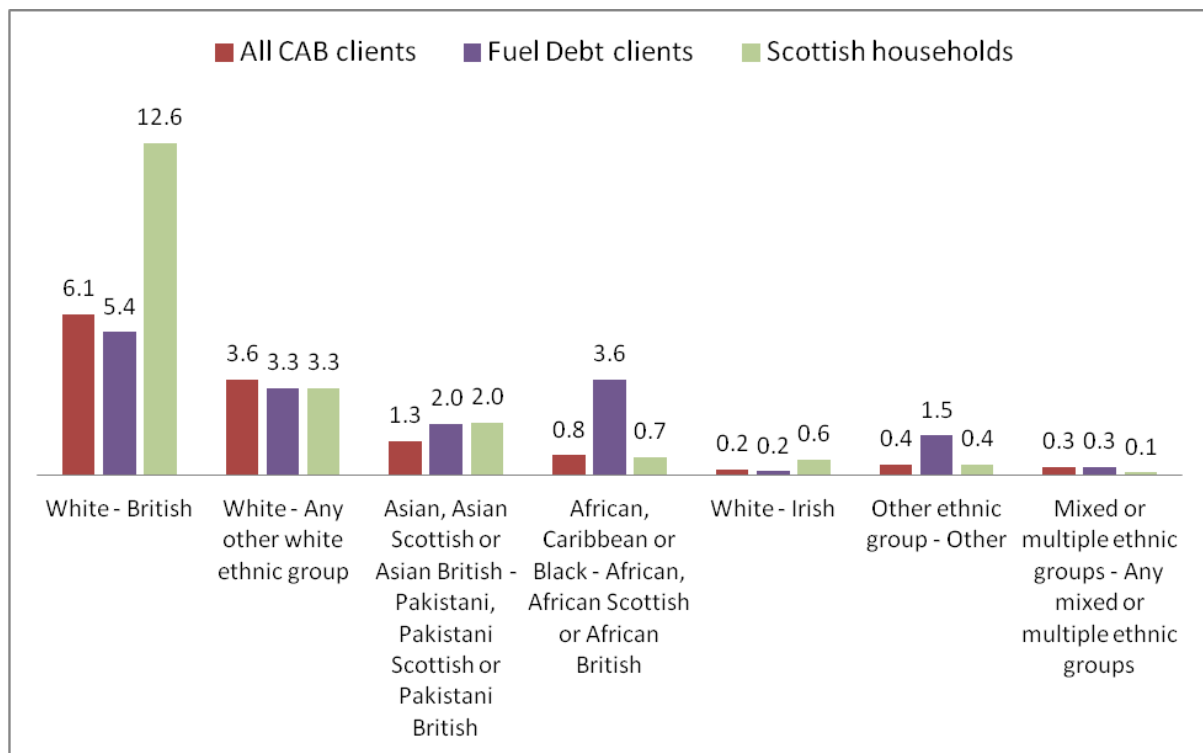
## Ethnicity

The proportion of fuel debt clients from different ethnic groups is broadly reflective of the ethnic make-up of Scotland, with one or two exceptions.

The largest group within fuel debt clients is “white Scottish” at 83.7%, just above the Scottish Household Survey figure of 80.3%. The next largest group is “white British” which includes white English, Welsh and Northern Irish as well as those who identify as white British. Across all Scottish households, this figure is 12.6%, whereas for CAB clients it is just 6.1% and for fuel debt clients, the figure is 5.4%.

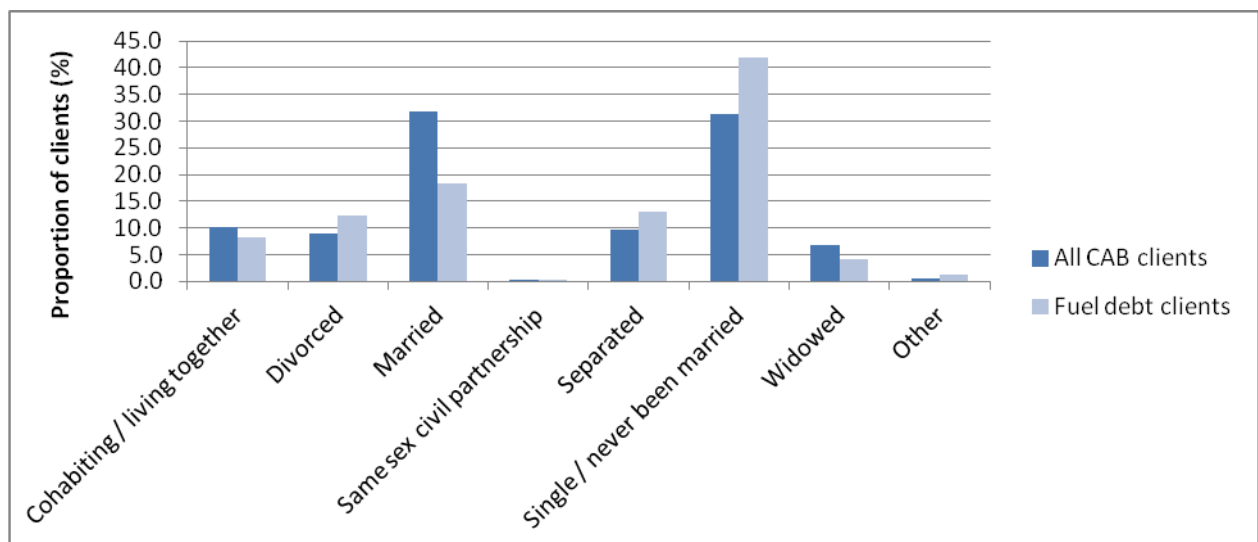
Other notable differences include the figures for clients in the “African, Caribbean and Black including Scottish/British” category. Across Scotland, this group makes up just 0.7% of households, but accounts for 3.6% of all clients with fuel debts. This is an interesting finding but there is little indication in the bureaux evidence as to the reasons for this difference.

The figures for “other ethnic groups” and “mixed or multiple ethnic groups” are both higher for fuel debt clients than one might expect from the population share. For example, 1.5% of fuel debt clients are from other ethnic groups, compared with 0.4% of Scottish households, and 0.3% of fuel debt clients are from mixed or multiple ethnic groups, compared with 0.1% of the Scottish population. The chart below shows the ethnicity of fuel debt clients but leaves out White Scottish to avoid distorting the chart.



## Relationship status

The Scottish Household Survey records details of relationship and marital status differently from the Scottish CAB Service so it is not possible to compare the two. However, we can see that fuel debt clients are much more likely to be single than the average CAB client with 42% of fuel debt clients fitting that category, as opposed to 31.4% of all CAB clients.

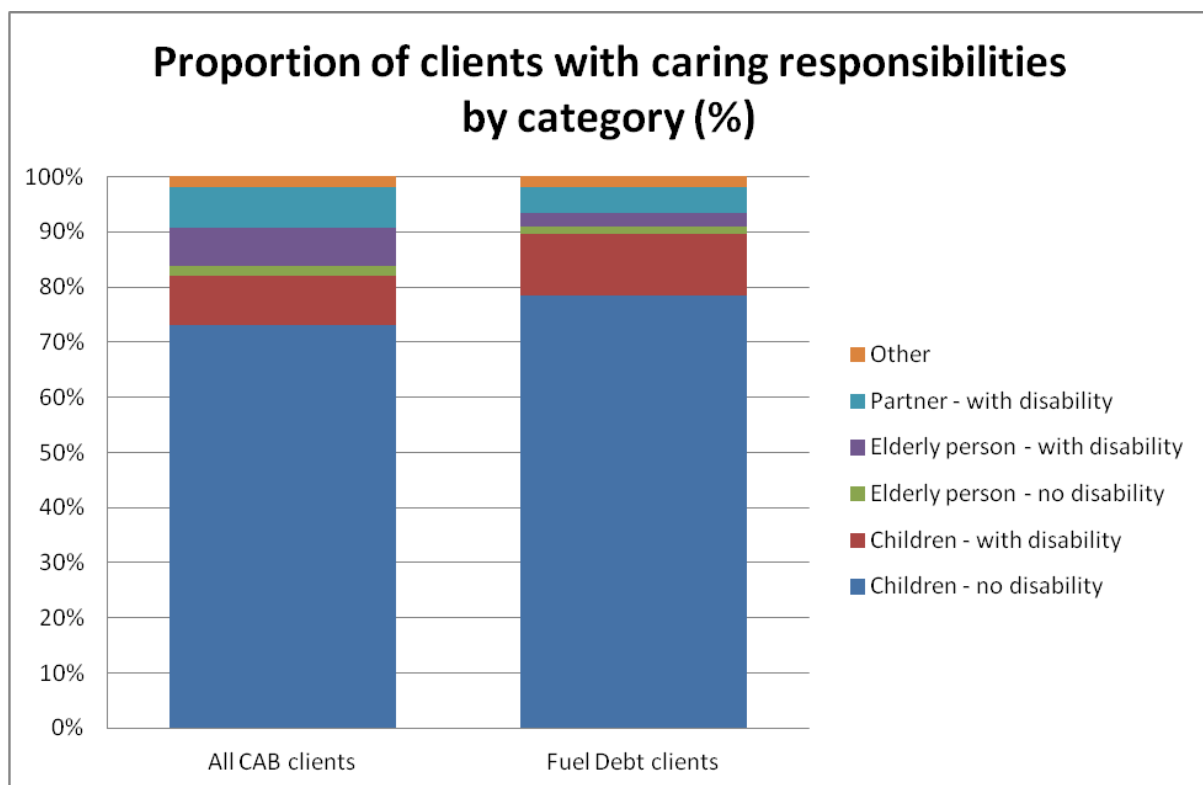


Fuel debt clients are also more likely to be divorced or separated than the average CAB client. The proportion of clients with fuel debt who were divorced stood at 12.4% in 2011/12 compared with 9% for all CAB clients, and those who were separated accounted for 13.2% of fuel debt clients compared with 9.8% of all CAB clients.

## Caring responsibilities

Clients in fuel debt were more likely to have caring responsibilities than the average CAB client. Such responsibilities include caring for children, children with a disability, elderly people including those with disabilities, a partner with a disability and any other caring duties.

For both fuel debt clients and the average CAB client, the majority had no caring responsibilities at all. This figure was **61%** across all CAB clients and **52.3%** for fuel debt clients. The chart below focuses on those clients in both categories who *did* have caring responsibilities.



From this chart it is clear that clients in fuel debt were more likely than the average client to have children, and to have children with a disability, but less likely to care for



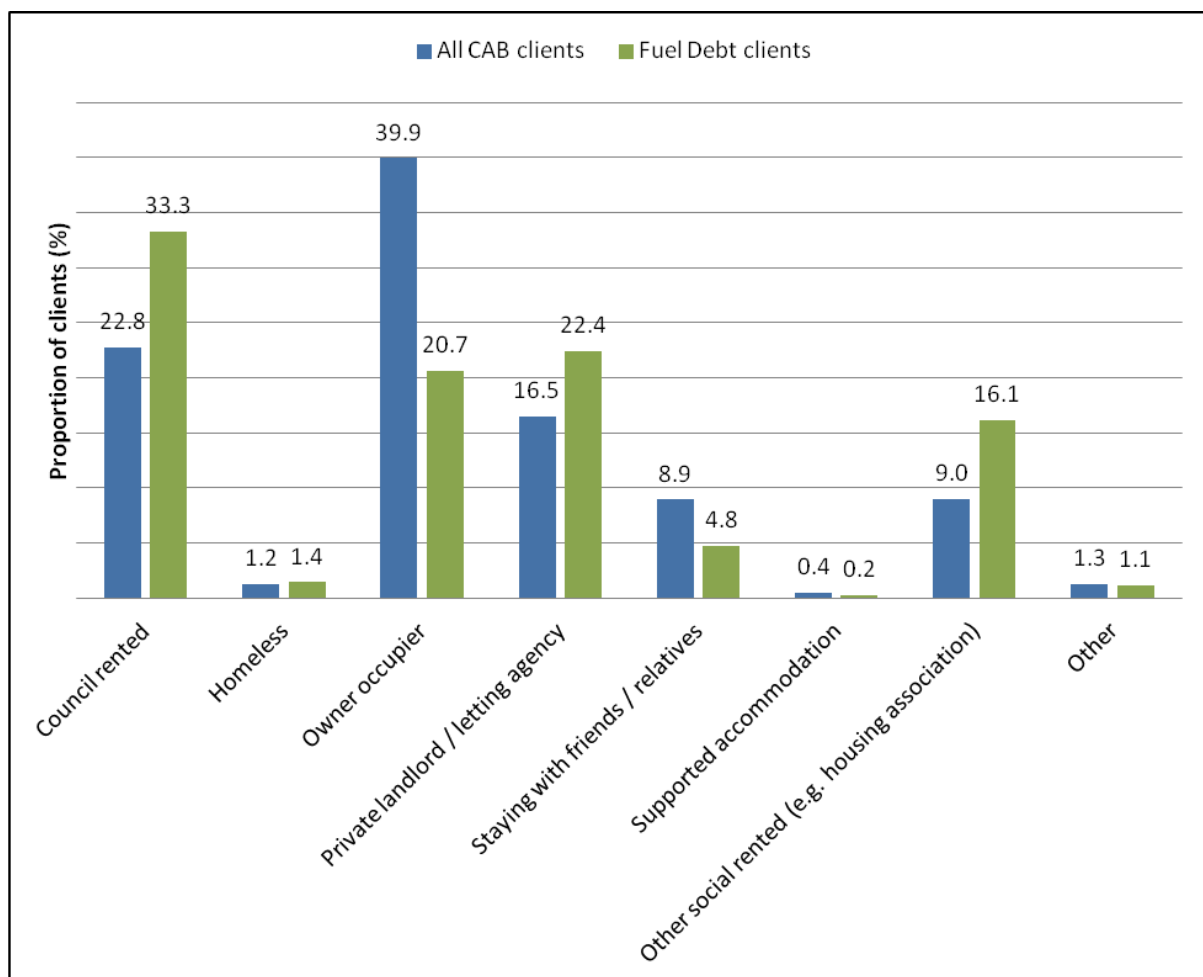
an elderly relative or a partner. This may simply be related to the young age profile of fuel debt clients, making them more likely to have dependent children.

## Housing status

Clients who were in fuel debt were much more likely to live in social rented housing than the average CAB client. A third of all fuel debt clients in 2011/12 lived in a council rented property compared with 22.8% of average clients, and 16.1% of fuel debt clients lived in other social rented housing such as a housing association property, compared with just 9% of all CAB clients.

This is a marked difference from the Scottish population as a whole. The Scottish Household Survey shows that just 23% of all households were in the social rented sector in 2011, compared with a total of 49.4% of all fuel debt clients.

This indicates that difficulties in paying for energy are much more common amongst people living in social rented housing and suggests that this group may benefit from targeted support with paying for their energy.

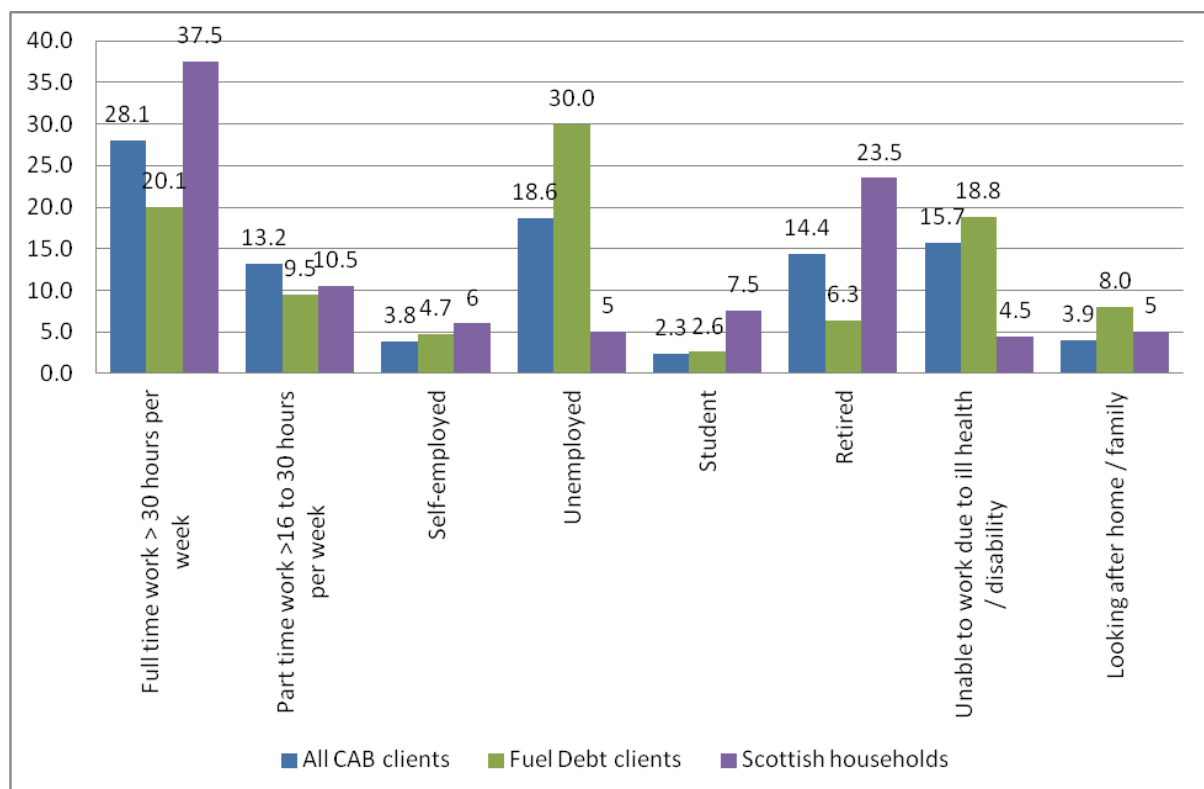


Conversely, a much smaller proportion of fuel debt clients were owner occupiers compared both with the average CAB client and with the average Scottish household. Just 20.7% of fuel debt clients were owner occupiers, compared with 39.9% of all CAB clients and 64% of all households.

There were also twice as many clients in private rented housing than one might expect from the Scottish Household Survey. Just 11% of all Scottish households were in the private rented sector in 2011 compared with 22.4% of fuel debt clients. This figure was also higher than the average CAB client – just 16.5% of all CAB clients lived in private rented housing in 2011/12.

## Employment

Compared with the average Scottish household, fuel debt clients were six times more likely to be unemployed (30% compared with 5%) and more than four times as likely to be unable to work due to illness or disability (18.8% against 4.5%).



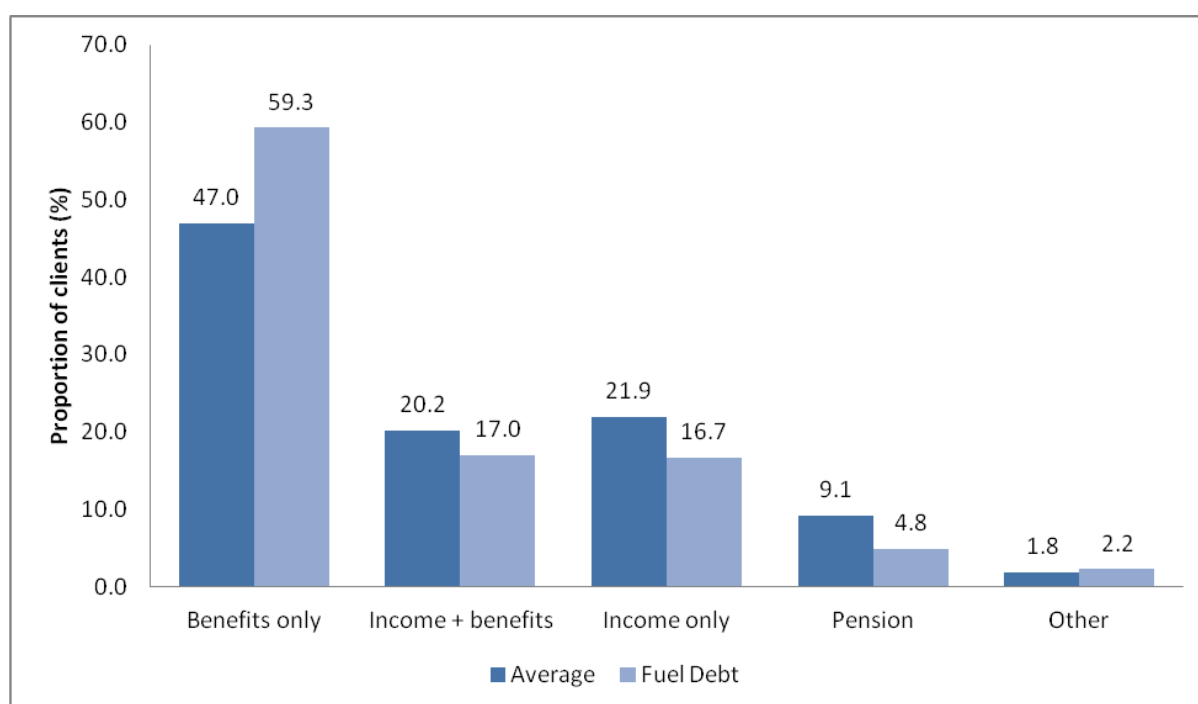
As indicated by the younger age profile of fuel debt clients (see above), the proportion of retired people was much smaller (6.3%) than the proportion of retired people across all Scottish households (23.5%).

In addition, the proportion of fuel debt clients who were students was lower, at 2.6% than the proportion of all Scottish households.

## Income

Whilst each CAB does not record details of the *level* of income of clients, they do record the *source* of clients' income. For example, the bureaux record whether the client had income from employment, benefits, a pension or a mixture of income sources. With a major cause of fuel poverty being low levels of income, understanding where our clients' income comes from is particularly important.

The chart below shows that for nearly 60% of fuel debt clients, their only income was from benefits. Given the data on employment above, this is perhaps not surprising as 30% were unemployed, 18.8% were unable to work due to illness or disability and 8% were looking after a family full time. However this 60% figure compares with 47% of all CAB clients whose only income was benefits in 2011/12



## Conclusions on fuel debt

It is clear from the client profile data above that individuals seeking help from their CAB with fuel debt issues were more likely than all CAB clients and the average Scottish household to be young or middle aged; female; single; white Scottish; unemployed or unable to work because of illness or disability; living in social rented housing and to have caring responsibilities. In addition, they were more likely to rely on benefits as their only source of income.

The high proportion of fuel debt clients living in social or private rented housing indicates that people in this type of housing may benefit from additional support when it comes to meeting the costs of energy.

Policy makers in government and in the energy sector should also take note of the high proportion of clients in fuel debt who are unemployed or unable to work because of illness or disability and the subsequently high proportion of clients in this category whose only income is benefits.

# Regulated fuel

A total of 4286 people visited their CAB in 2011/12 with 5563 issues regarding on-grid gas and electricity – regulated fuel.

Fuel - regulated (gas, electricity)	%	Change from 2010/11 (%)
Billing / meter reading	33.1	3.2 -
Energy assistance applications	23.2	5.6+
Other	19.4	3.8+
Charges	18.9	0.3 -
Methods of payment	17.7	0.4+
Complaints + redress	12.1	0.1 -
Switching supplier (including unwanted)	11.5	2.1+
Disconnection of supply	5.2	0.5 -
Contract terms + conditions	5.1	1.0+
Cancellation + withdrawal	2.9	0.2+
Delays in supply / delivery	2.1	0.3+
Selling methods + techniques	2.0	0.2+
Dangerous + unsafe goods / services	1.9	0.3+

*\* percentages do not sum to 100 as clients can have more than one issue*

Just under a third of all regulated fuel issues were to do with billing and meter reading. Such issues range from unclear or incorrect bills to inaccurate meter readings and difficulty paying. There were proportionally fewer issues in this category compared with a year earlier; indicating that some progress is being made by energy suppliers.

- ▶ A South of Scotland CAB reports of a client who had received conflicting bills from their supplier, one showing approximately £545 in credit, the other approximately £375 in debit. A meter reading had been taken regularly by the energy supplier and the actual readings all show credit balances. However the bills were all estimated and all show debit balances.

Bureaux also report of clients having difficulty paying because of problems with benefits, including late or delayed payments, problems with appeals and new rules on access to crisis loans.

- ▶ A West of Scotland CAB reports of a client who had no electricity as he was unable to pay for it. The client had been refused a crisis loan as he had previously taken out three loans within the year. However, two of these loans had been taken out because of delays in processing the client's application for Employment Support Allowance. The CAB contacted the client's energy supplier who agreed to a one off credit to the client's meter of £25 to be repaid at £3.40 per week.

- ▶ An East of Scotland CAB reports of a client who was unable to pay for electricity or heating because of a problem with his benefits. His only income was £9.40 paid into his bank account from the hardship fund but the client had no heating and was £30 in arrears to his meter. The client was informed by the Jobcentre that the £9.40 would have to last him two weeks until he next signed on.

Nearly a quarter of regulated fuel issues were regarding energy assistance applications, up 5.6% on 2010/11. This indicates a growing awareness amongst consumers that help is available and that their local CAB is a source of such assistance. Much of the client financial gain of £211,470 which bureaux secured for clients in 2011/12 resulted from schemes such as the Scottish Government's Energy Assistance Package and the UK Government's Warm Homes Discount.

However bureaux report some issues with the Warm Homes Discount in particular. They report of clients who were unable to apply because suppliers insisted on customers applying in a way which the clients could not access.

- ▶ A North of Scotland CAB reports of a client who asked for assistance to fax information in support of her warm homes discount application. The client had previously faxed the information through and followed up with a phone call having not heard from her supplier. The client was told that the information received was incomplete and as a result it was shredded.
- ▶ A South of Scotland CAB reports of a client who was in receipt of both Income support and Higher Level DLA and had been informed by her energy supplier that she was probably entitled to the Warm Homes Discount. However she was told that if she wished to claim then she would need to do this online. Without a computer at home, and unable to leave her home this was not possible for the client.

Some clients who were struggling with the costs of energy bills found that despite meeting the criteria for the Warm Homes Discount, their housing situation rendered them ineligible as their landlord was responsible for the contract with the energy supplier.

- ▶ A South of Scotland CAB reports of a client who wished to apply for the Warm Homes Discount and received a letter implying he may be eligible. However, upon ringing the number on the letter, he was told that this discount does not cover 'caravans'. The client was angry at this response as he lives in permanent park home structure and pays the site for his electricity, being billed by them rather than energy supplier.
- ▶ An East of Scotland CAB reports of a client who had heard an announcement about the warm homes discount and wanted to find out if he was eligible. It transpired that the client and 52 other neighbours would be unable to benefit from the discount as they were tenants on a private estate and the landlord was the contractor for the purposes of energy bills.

Over 10% of issues were about switching suppliers, including unwanted switching. Some of the problems faced by consumers in this category include receiving unexpectedly high bills after switching to a new supplier with the promise of lower bills.

It would appear that some of these issues are caused by the way in which some energy suppliers handle new customers after they switch. Customers are put onto a tariff with the new company and bills are based on estimated readings for a period of several months. If the customer uses more energy than the supplier originally estimated, their bills can quickly reach an unaffordable level.

- ▶ An East of Scotland CAB reports of an elderly client in her 80s who switched to a new supplier to take advantage of their dual-fuel tariff. The supplier reduced her monthly direct debit payment for gas from £85 per month to £65 per month at a time when fuel costs were rising. The client is now £650 in arrears and is being required to pay £125 per month towards the arrears over the coming year. The client is in receipt of a personal pension, and part pension from her late husband.
- ▶ An East of Scotland CAB reports of a client who switched to a new supplier about a year ago. She showed the sales person her previous bills and was told her monthly payments would be £67, which was slightly less than her current payments. Since then the Direct Debit has increased and is now £176 per month. She has not missed any payments but is struggling to pay such a large sum each month. The client has now been informed by the new supplier that she has built up £500 in debt by paying too little, despite the supplier having an estimate of her expected usage from previous bills. The client is now unable to switch to any other supplier because of the debt.
- ▶ An East of Scotland CAB reports of a client who had been visited by two representatives of an energy supplier who had told her that her key for her meters needed changing. She signed a document for a new key and subsequently received a letter from the supplier welcoming her as a new customer. She did not wish to change and she was already in arrears with her present supplier and was unhappy about the sales practice employed by the supplier.

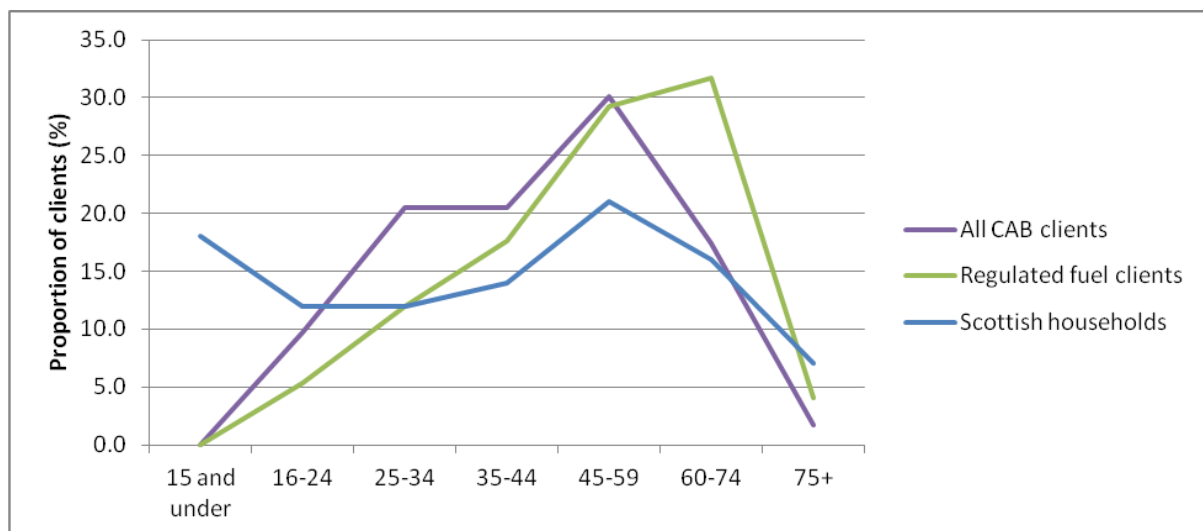
# Who needed help with regulated fuel issues?

## Age

The age profile of regulated fuel clients was markedly older than that of all CAB clients and was older than might be expected from the Scottish Household Survey.

As the chart below shows, the proportion of younger clients seeking help with regulated fuel issues was much lower than those seeking CAB assistance in general. Just 5.3% of clients in this category were aged 16-24, compared with a figure of 9.7% across the CAB service and 12% across all Scottish households.

Nearly a third of all regulated fuel issues were brought to bureaux by people between the ages of 60 and 74. The Scottish Household Survey indicates that just 16% of households fall into that age bracket, indicating a particular issue with gas and electricity for older people.

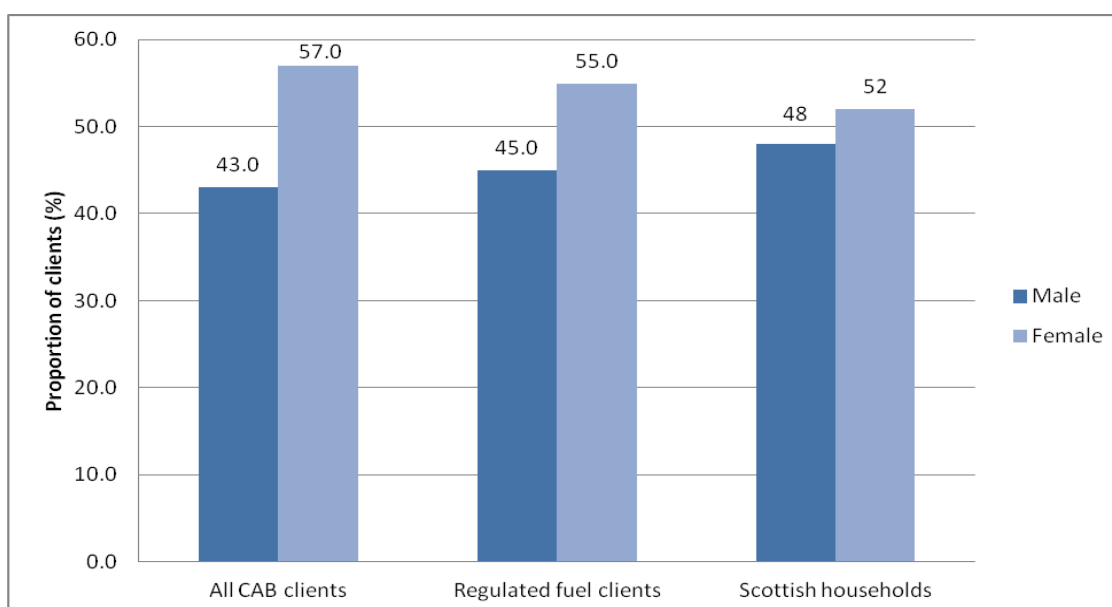




## Gender

The gender profile of regulated fuel clients was more female than male but to a lesser extent than the profile of all CAB clients.

Whereas 57% of all CAB clients in 2011/12 were women, this fell to 55% for regulated fuel clients. The ratio given by the Scottish Household Survey is 48% male to 52%, as shown in the chart below.

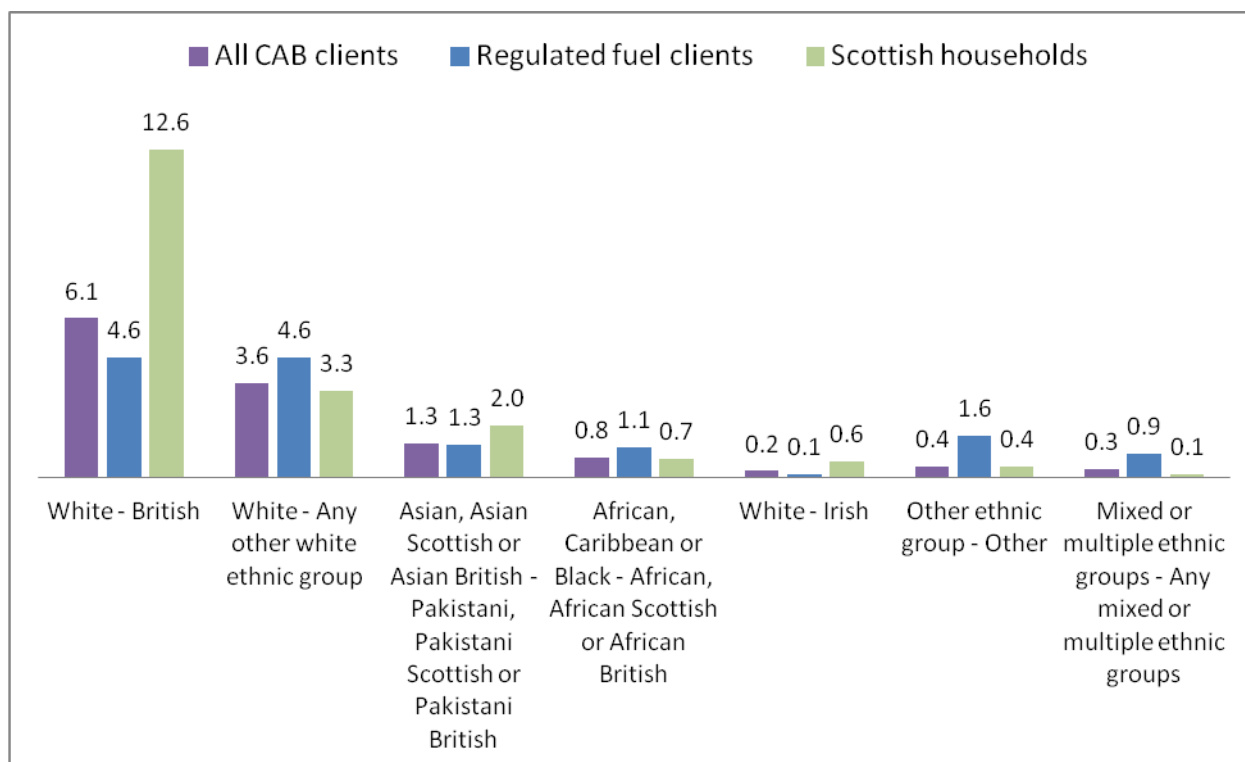


## Ethnicity

The ethnic profile of regulated fuel clients was broadly as would be expected from the Scottish Household Survey with one or two exceptions. Firstly, the proportion of clients identifying as “white British” was just 4.6% compared with 12.6% in the Survey. This may be due in part to a larger proportion of clients identifying as “white Scottish” – 85.8% compared with 80.3% in the Scottish Household Survey. In contrast, 87.3% of all CAB clients identified at white Scottish.

The categories of “white – any other ethnic group”, “other ethnic group” and “mixed or multiple ethnic groups” were all proportionally larger amongst regulated fuel clients than amongst Scottish households.

The graph below shows the proportion of clients by ethnicity for all CAB clients, regulated fuel clients and across Scottish Households. The figures for “white Scottish” have been removed so as not to distort the graph.



## Relationship status

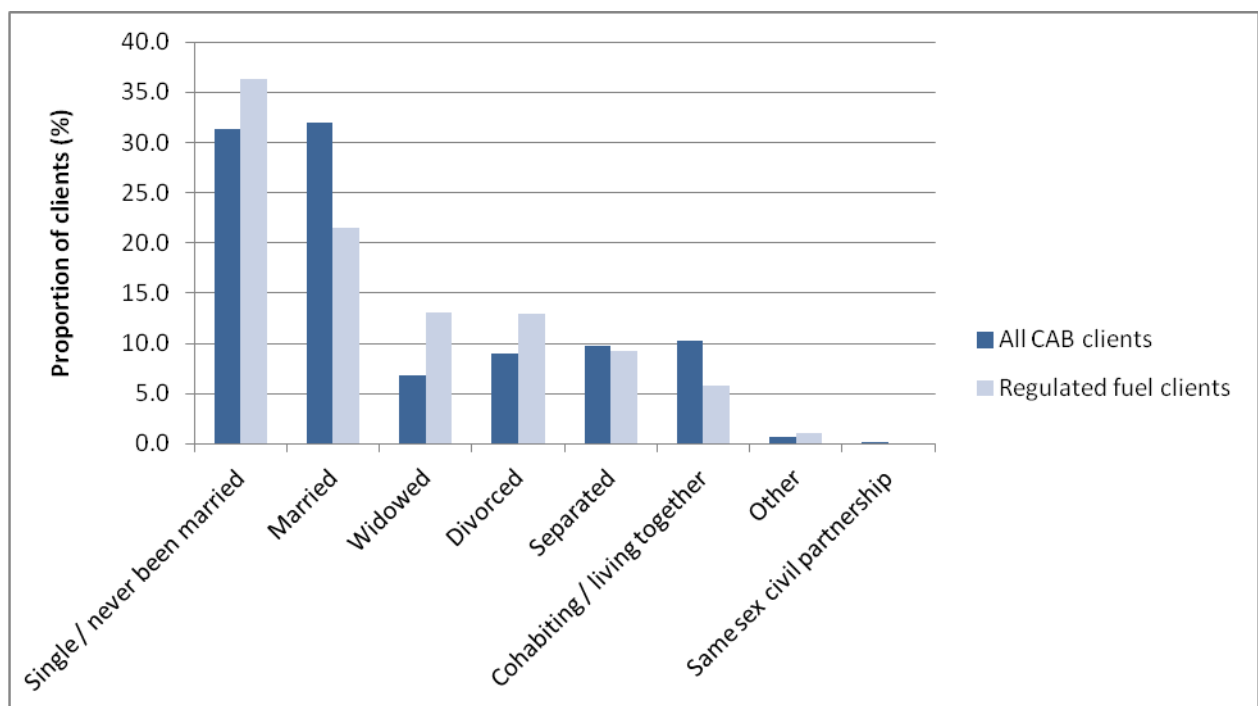
The relationship or marital status of clients is not collected by bureaux in the same terms as the Scottish Household Survey so they are not directly comparable. However, it is possible to examine whether regulated fuel customers are in any way different from all other CAB clients.

The chart below shows the comparison between the proportion of regulated fuel clients measured against all CAB clients in each category of relationship recorded.

Whilst a similar proportion of regulated fuel customers are separated, compared with all CAB clients, the most marked differences are between widowed clients, married and cohabiting clients.

Nearly twice as many regulated fuel clients are widowed (13%), compared with the proportion of all CAB clients (6.8%). This may reflect the older age profile of this group of clients with almost a third of regulated fuel clients aged 60-74.

Just over a fifth of regulated fuel clients are married (21.5%) compared with 31.9% of all CAB clients. In addition, just 5.8% of regulated fuel clients are cohabiting, compared with 10.3% of all CAB clients.



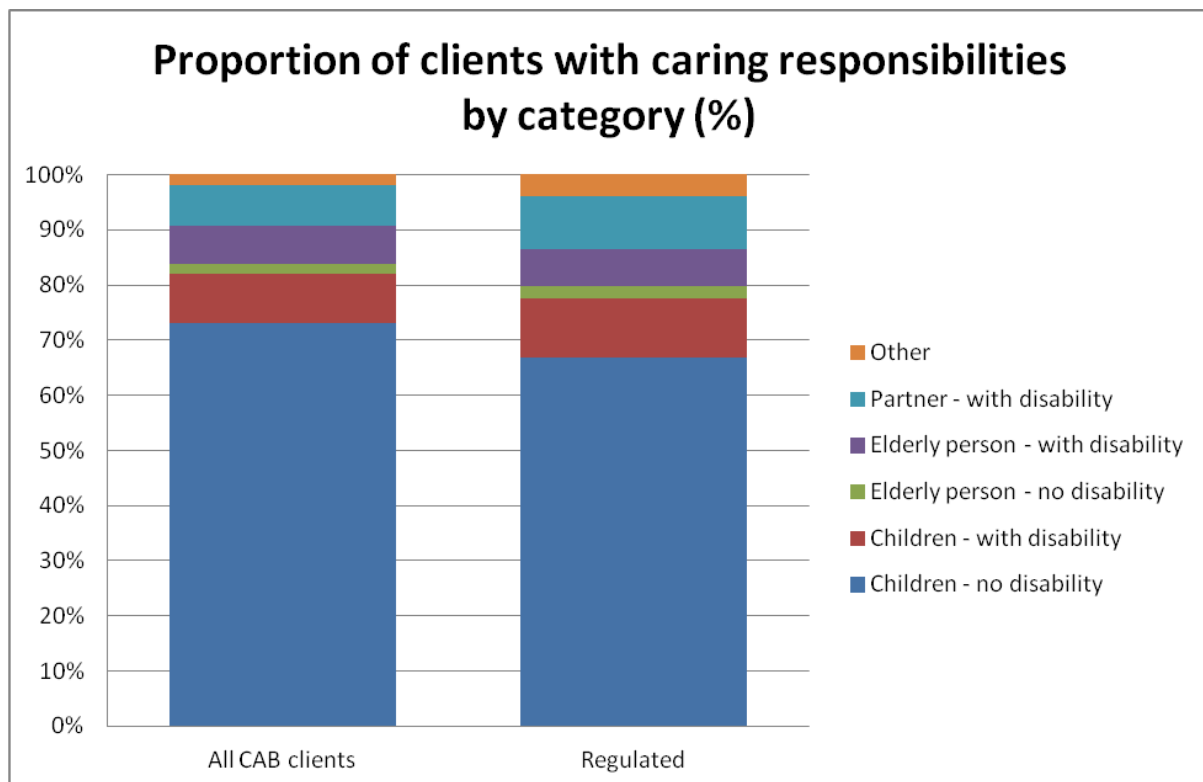
## Caring responsibilities

More than two thirds (68.6%) of regulated fuel clients stated they had no caring responsibilities, compared with 61% of all clients.

Of those clients in this category who did have caring responsibilities, 21% cared for children without a disability, compared with 28.5% for all CAB clients. A slightly smaller proportion (3.3%) cared for children with a disability compared with 3.5% for all CAB clients.

The figures for the proportion of regulated fuel clients caring for elderly people was broadly similar at between 0.7% and 2.1% as were the figures for clients caring for a partner. However the proportion of people caring for someone “other” than a child, elderly person or partner was slightly higher amongst regulated fuel clients at 1.2% compared with 0.7%.

The chart below shows the caring responsibilities by proportion for both categories of client.



## Housing

The largest proportion of clients with issues around regulated fuel in 2011/12 lived in council rented housing, with 35.5% of clients in this category. This compares with a figure of 22.8% across all CAB clients for the year. In addition, 15.2% of regulated fuel clients lived in other forms of social rented housing such as a housing association property, compared with 9% of all CAB clients.

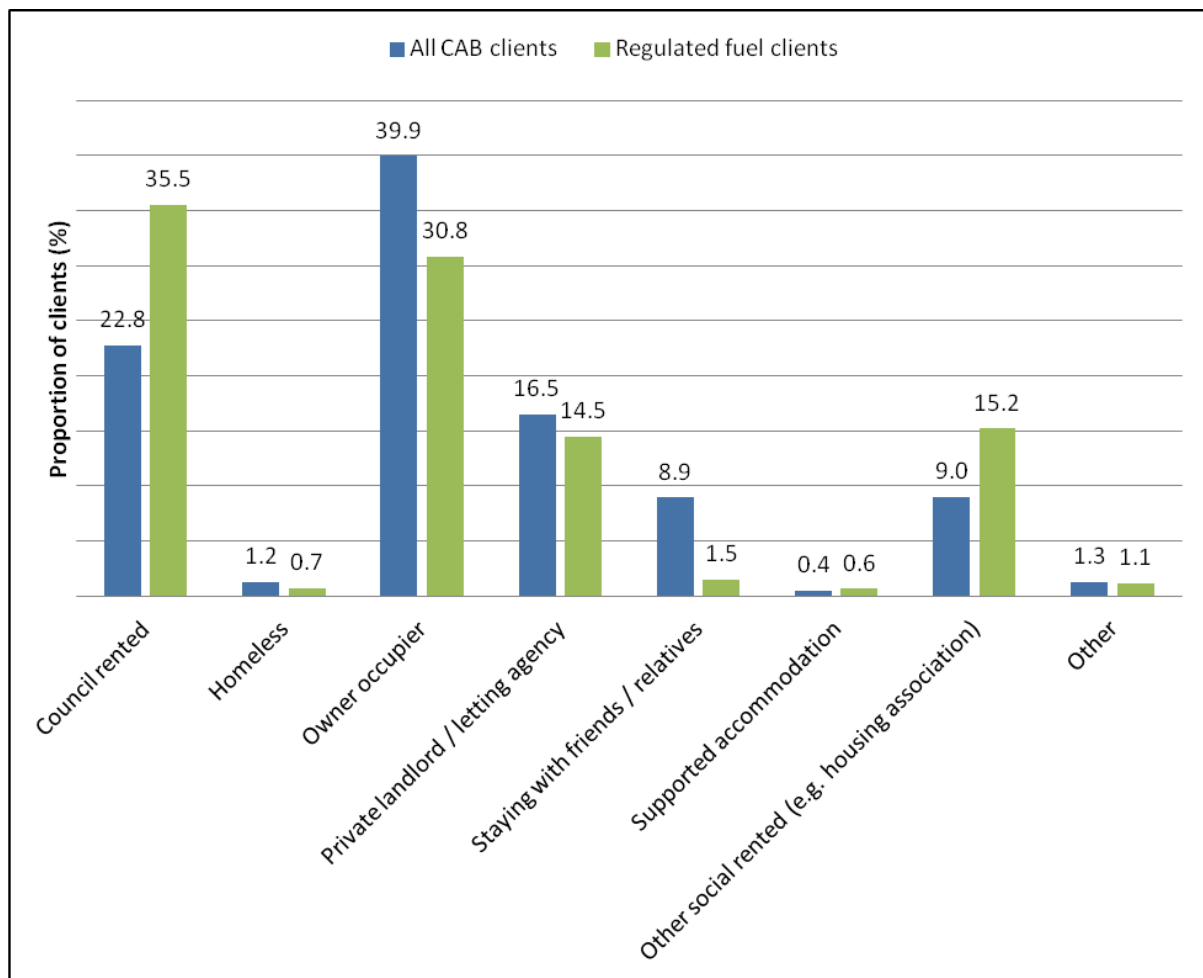
Taken together, this gives a figure of 50.7% of all regulated fuel clients living in social housing, compared with the Scottish Household Survey finding that less than half that figure – 23% of all households – were in the social rented sector.

The figures for the proportion of clients living in supported accommodation were broadly similar between regulated fuel clients and all other CAB clients.

The proportion of regulated fuel clients living in private rented sector was 14.5% - broadly similar to the Scottish Household Survey figure of 11% and just slightly lower than the figure for all CAB clients at 16.5%.

However the proportion of clients in this category who were owner occupiers was less than half the national average for households in Scotland. Just 30.8% of clients

were owner occupiers compared with 64% of all Scottish households and 39.9% of all CAB clients.



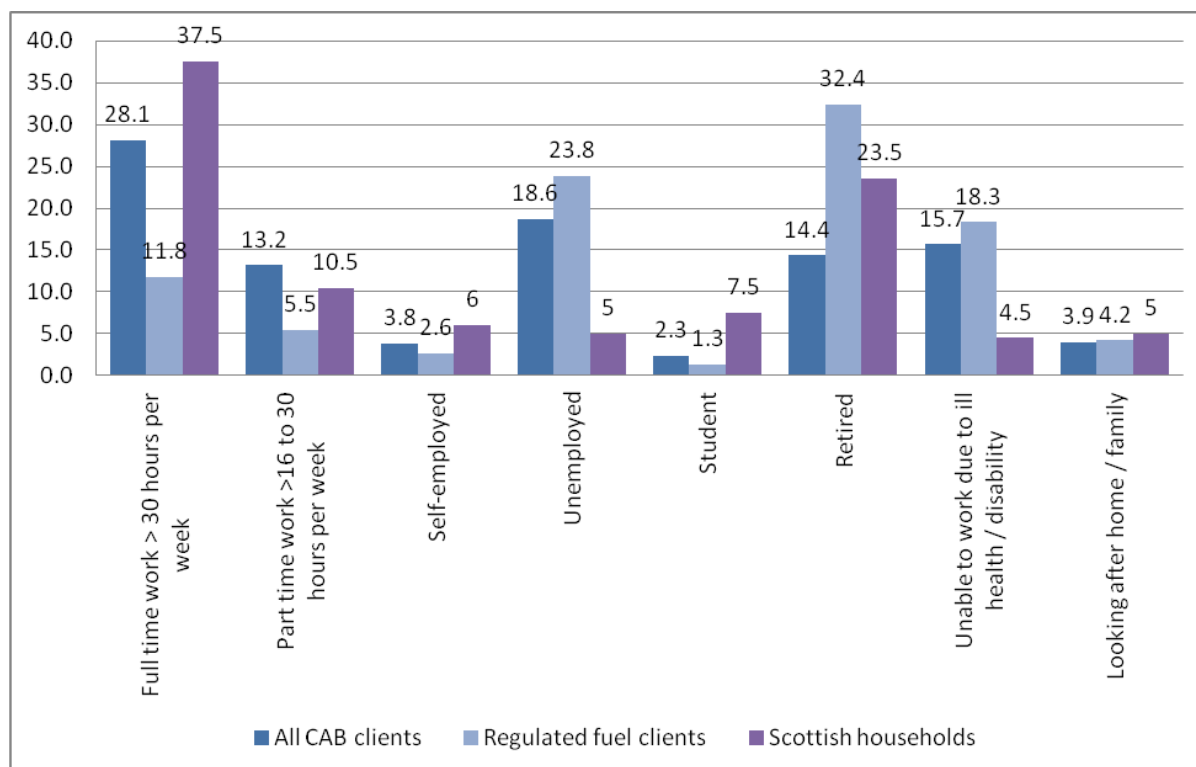
## Employment

As might be expected from the older age profile of clients with regulated fuel issues, nearly a third of clients in this category (32.4%) were retired.

In addition, almost five times as many people with regulated fuel problems were unemployed (23.8%) compared with the Scottish Household Survey figure of 5%. Subsequently a smaller proportion of clients in this category were in full time (11.8%) or part time work (5.5%) compared with all CAB clients and with all Scottish households. The proportion of all CAB clients who were in full time work in 2011/12 was 28.1%, compared with the Scottish Household Survey figure of 37.5%. For part time work, the proportion of all CAB clients was 13.2% - more than twice as high as

for regulated fuel clients – and slightly higher than the proportion of Scottish households in part time work at 10.5%.

The proportion of clients with regulated fuel issues who were unable to work due to illness or disability was also much higher than might be expected from the Scottish Household Survey with 18.3% fitting this description compared with just 4.5% of all households.

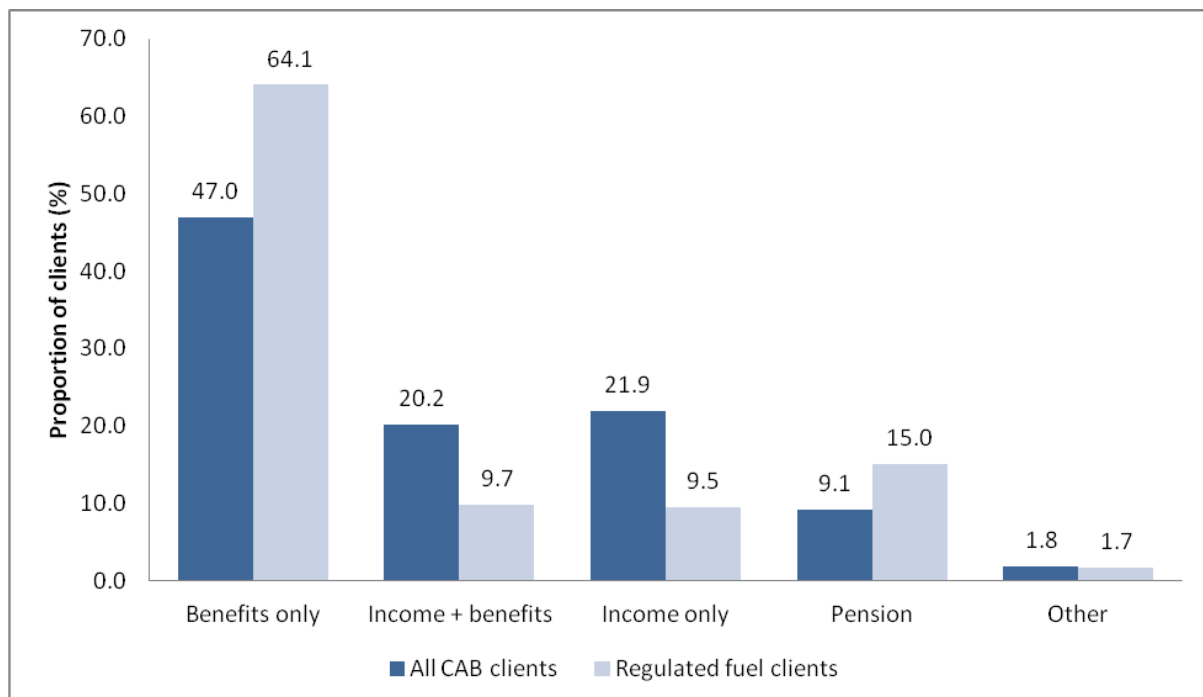


## Income

Nearly two thirds of regulated fuel clients relied on benefits as their only source of income with 64% of clients in this position. This compares with 47% of all CAB clients. Perhaps surprisingly, only 15% of regulated fuel clients relied on a pension as their only source of income, given that over a third of clients in this group were retired. This disparity may simply be down to the way in which incomes are recorded by bureaux or it may be that clients in the older age bracket have a long term health condition which would mean they also received benefits such as Attendance Allowance.

The proportion of clients in the regulated fuel category who had an income from employment (or rents, investments and so on) was less than half that for all CAB clients. Just 9.5% of clients in this category stated that they did not receive benefits and simply relied on their income from other sources, compared with 21.9% of all CAB clients. Similarly, the proportion of clients in this group who had a mixture of

income from employment and benefits was 9.7% compared with 20.2% of all CAB clients.



## Conclusions on regulated fuel

It is clear that, compared with all CAB clients and with Scottish households, clients with regulated fuel issues are more likely to be in the 60-74 age bracket; female; white Scottish; single, widowed or divorced; have fewer caring responsibilities and live in council rented housing. This group of clients is also more likely to be retired, unemployed or unable to work due to illness or disability and reliant on benefits or a pension for their income.

The implication for policy makers in government and for energy suppliers is that this group may need more support. Given that the biggest proportions of issues raised by clients in this category were billing and meter reading, charges, methods of payments and energy assistance applications, it would appear that this older group of energy consumers require more clarity from energy suppliers when it comes to bills and ways of paying. In addition, the increase in requests for help with energy assistance applications may indicate that older consumers in particular may require additional help in accessing this support.

# Non-regulated Fuel

The number of clients visiting their CAB for help with non-regulated fuel issues has always been quite low, sitting around the 200 mark. However, the problems faced by clients in this group are not insignificant. Issues around the high price of heating oil, delays in delivery and having to pay for oil several months in advance of use are all well documented. Consumers in Scotland are particularly hard hit by such problems compared with the rest of the UK and the problems faced during the harsh winter of 2010/11 sparked a market study into the off-grid sector by the Office of Fair Trading.<sup>ii</sup>

It would appear from the 2011/12 figures that some lessons have been learnt since then.

Fuel - non regulated	%	Change from 2010/11 (%)
Other	49.7	14.2+
Billing / meter reading	21.2	1.4 -
Methods of payment	20.6	1.9+
Charges	20.0	4.5+
Complaints + redress	10.9	3.3 -
Contract terms + conditions	7.4	0.3+
Switching supplier (including unwanted)	7.4	3.5+
Disconnection of supply	4.0	2.5 -
Dangerous + unsafe goods / services	3.4	3.1 -
Delays in supply / delivery	2.9	4.2 -
Selling methods + techniques	2.9	1.6+
Cancellation + withdrawal	2.3	0.3 -

*\* percentages do not sum to 100 as clients can have more than one issue*

Citizens advice bureaux in Scotland dealt with 228 non-regulated fuel issues in 2011/12. Just over a fifth of these issues were concerning billing and meter reading.

A fifth were regarding methods of payment and another fifth were to do with charges. Like clients seeking help on regulated energy issues or fuel debt, clients in this category also had difficulty paying for energy, often because of the payment method. Heating oil suppliers will often only deliver a large amount of oil at once, costing a considerable sum of money. Without spreading the costs over a period of time, consumers can be forced to find a large sum of money or face not having any heating.



- ▶ A North of Scotland CAB reports of a client whose heating oil supplier will only supply a minimum of £300 worth of heating oil at a time and he cannot afford this. He wanted advice on this because he is worried about the colder weather as winter approaches.

As many customers in this position live in rural areas of Scotland where winters can be more severe than in the south, this situation can have serious health effects as this case study shows.

- ▶ A West of Scotland CAB reports of a client whose parents are in their fifties and have health problems. The client's father is disabled and her mother is his carer but the client's mother suffered a heart attack and is now in hospital. They live in a private let with oil central heating but cannot afford to pay £300 for a tank of oil. As a consequence, the house has not been heated for the past 6 months. The client has been told by the doctor that the cold house could have been a contributory factor in her mother's heart attack.

Almost half (49.7%) of all the issues raised by customers of non-regulated fuel were categorised as “other” – a rise of 14.2% on the previous year. Whilst it is impossible to say for sure what these issues were regarding, we can get an idea from the social policy feedback submitted by citizens advice bureaux. This qualitative data is submitted by bureaux when the advisers see a problem that is particularly worrying or that highlights a systematic flaw in a process or market which disadvantages citizens.

Two such cases are regarding repairs to off-grid heating systems which can leave consumers without adequate or affordable heating.

- ▶ A West of Scotland CAB reports of a client who had had no heating in her house for over a week and the council don't know when it will be repaired. The client has solid fuel and the chimney is blocked and will need to be rebuilt after they find the blockage. The client has two small children and an electricity bill that is running up. The client also asked if she would be eligible for compensation as she cannot afford the electric bills as she has spent all her money on the coal for this month and can't use it.
- ▶ A North of Scotland CAB reports of a 69-year-old client who applied for a new home oil heating system via the energy assistance scheme. After vacating the property for a week while it was installed, the client returned to find that a new tank had been installed, but the plastic tank was damaged and had a dent on top suggesting that the tank had been walked when it was being secured to the concrete base or when it was being delivered. The client was also concerned that copper pipes had been installed without the required insulation and that the house insulation was also not adequately completed.

# Who needed help with non-regulated fuel issues?

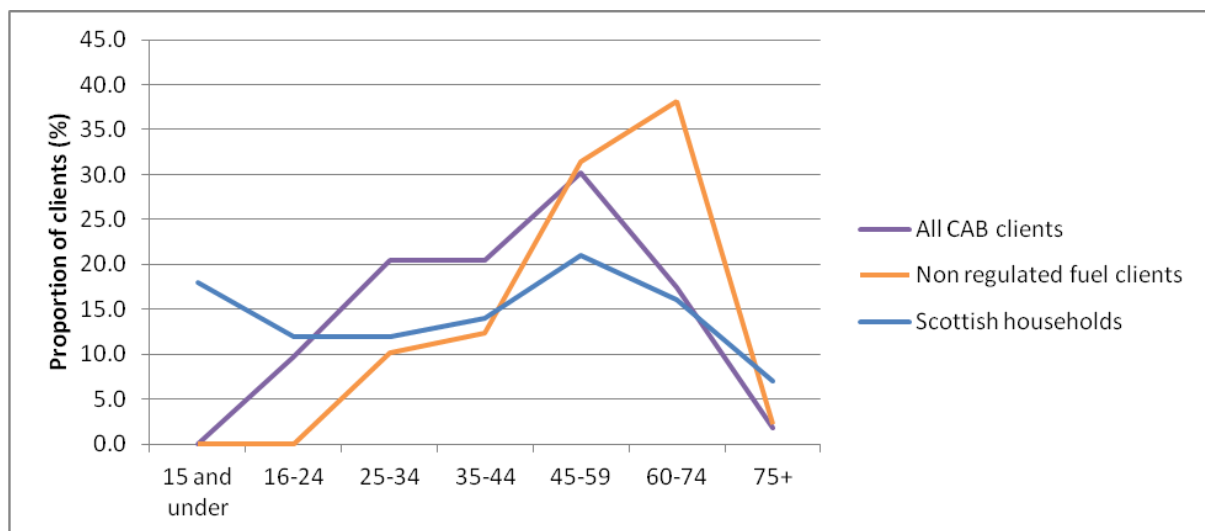
## Age

The age profile for clients with problems around non-regulated fuel was older than that for other energy clients and for all CAB clients. It was also much older than would be expected from the age profile of Scottish households.

Almost 40% of all non-regulated fuel clients were between the ages of 60 and 74, falling markedly to just 2.2% for over 75s. This compares with just 17.5% of all CAB clients in the 60-74 age group and 1.8% in the over 75 group.

The proportion of all Scottish households where residents are over the age of 75 is 7% and for those aged 60-74, this figure is just 16%, indicating that this group is disproportionately affected by issues around non-regulated fuel.

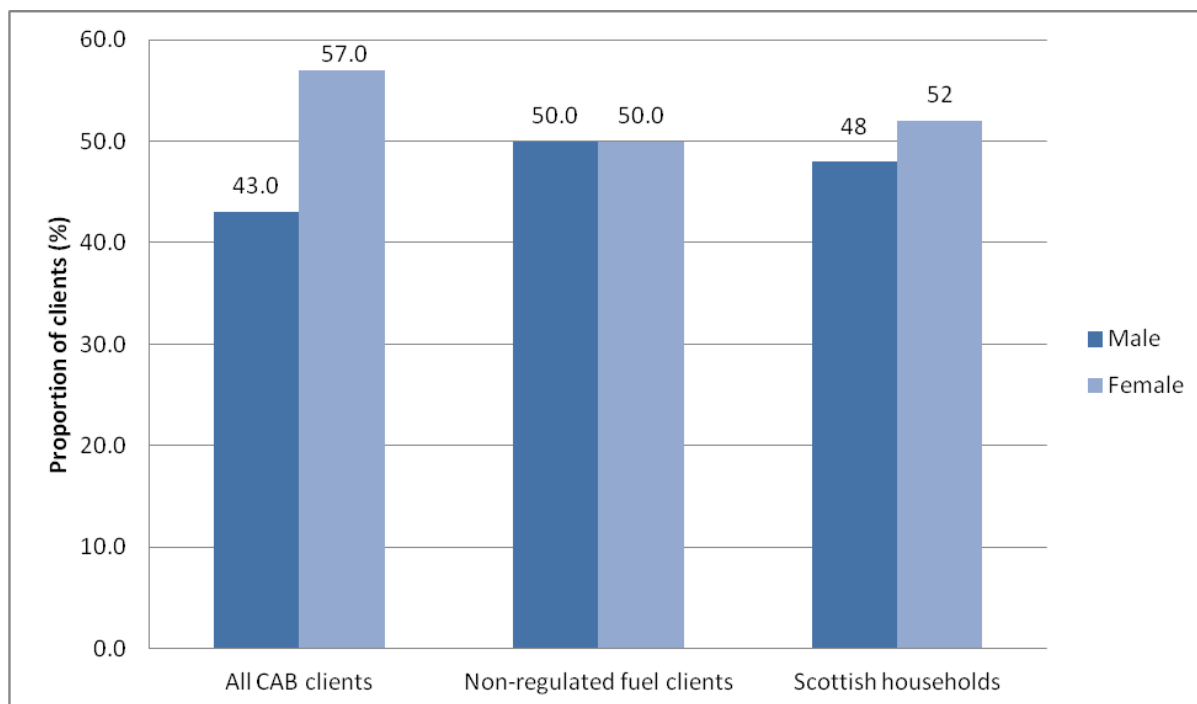
Conversely, just 10% of non-regulated fuel clients were aged 25-34 compared with 20.4% of all bureaux clients. However this figure is roughly in line with the proportion of households in that age bracket at 12%.



## Gender

The gender divide for non-regulated fuel clients was exactly 50/50, compared with the Scottish Household Survey which gives a gender split of 48% male to 52% female. The split of clients in this group was also much more equal than amongst all CAB clients where the divide is 43% male to 57% female.

Given the gender divide in the wider Scottish population, this may indicate that non-regulated fuel issues affect men slightly more than is proportionate.



## Ethnicity

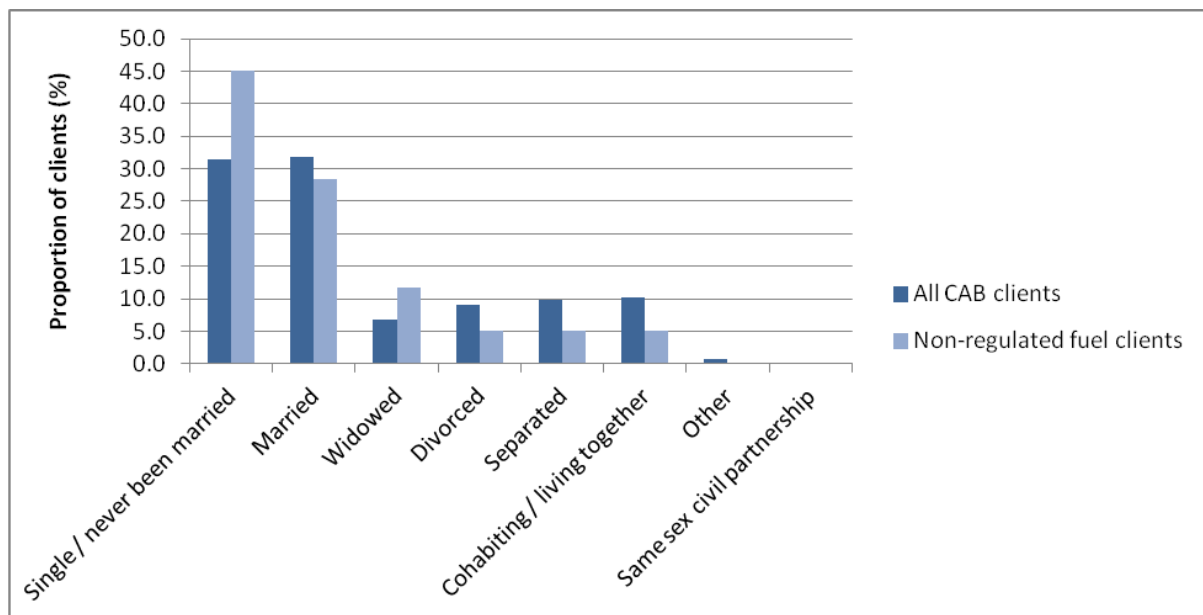
Given the smaller number of clients coming to bureaux for advice on non-regulated fuel and low reporting against this characteristic, it is not possible to analyse the ethnicity of non-regulated fuel clients as a group.

## Relationship status

The relationship or marital status profile for clients in this group shows that non-regulated fuel clients are more likely to be single or widowed compared with the average CAB client. For all CAB clients, just 31.4% were single, compared with 45% of non-regulated fuel clients.

Nearly 12% of non-regulated fuel clients (11.7%) were widowed, compared with 6.8% of all CAB clients, and a slightly smaller proportion (28.3%) were married compared with all CAB clients (31.9%).

The chart below shows the comparison between all CAB clients and those requiring help with non-regulated fuel.



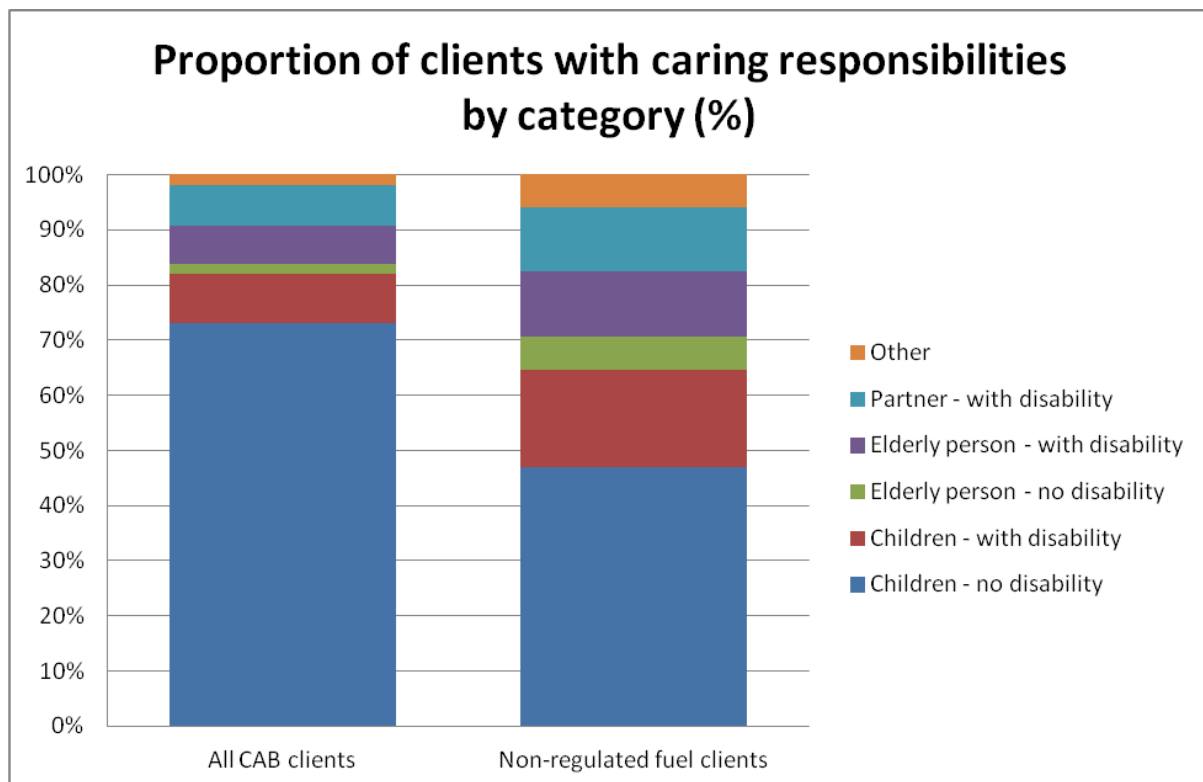
## Caring responsibilities

Almost 70% of non-regulated fuel clients had no caring responsibilities at all, compared with 61% of all CAB clients.

Of those who did, just 14.5% of non-regulated fuel clients cared for a child without a disability, compared with 28.5% of all CAB clients. However the proportion of non-regulated fuel clients caring for a child with a disability was 5.5% - slightly higher than for all clients where 3.5% were in this position.

As could be expected from the older age profile of non-regulated fuel clients, a greater proportion of clients in this group were caring for an elderly person with a disability (3.6%) or a partner with a disability (3.6%) compared with all CAB clients (2.7% and 2.9% respectively).

The chart below shows how the caring responsibilities of non-regulated fuel clients compare with all CAB clients.



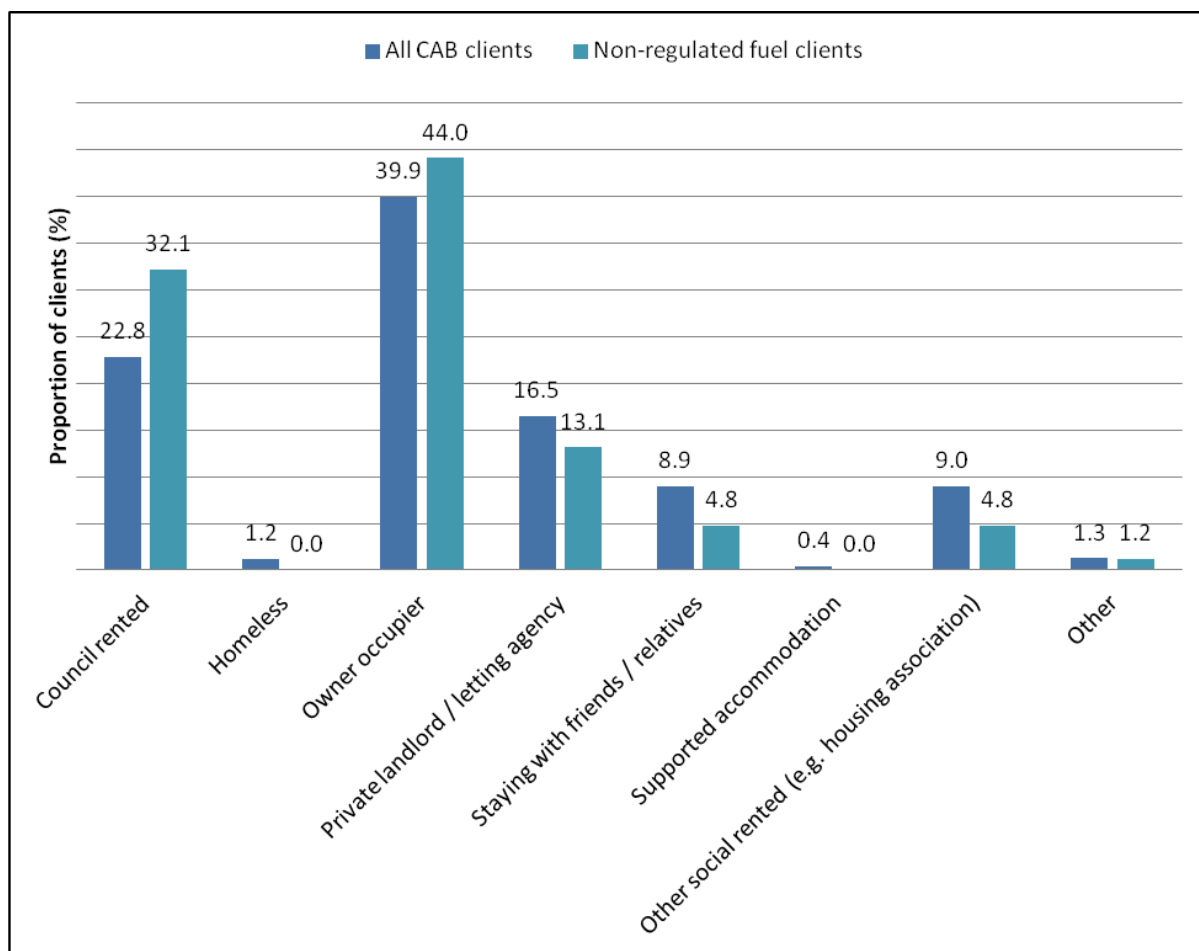
## Housing

A higher proportion of non-regulated fuel clients were owner-occupiers compared with other energy clients and with all CAB clients. Owner-occupiers accounted for 44% of non-regulated fuel clients, compared with 39.9% of all CAB clients but this was still a smaller proportion than amongst all Scottish households where 64% of households were occupied by the owner.

Similarly to the picture for fuel debt and regulated fuel clients a higher proportion of non-regulated fuel clients (32.1%) were in council rented housing in 2011/12 compared with 22.8% of all CAB clients. Just 4.8% of non-regulated fuel clients were in other social housing, bringing the total to 36.9%, compared with 23% of all Scottish households.

The proportion of clients in private rented housing was 13.1% compared with a figure of 11% from the Scottish Household Survey and a slightly higher figure of 16.5% of all CAB clients.

The housing profile of non-regulated fuel clients in 2011/12 is shown in the graph below.



## Employment

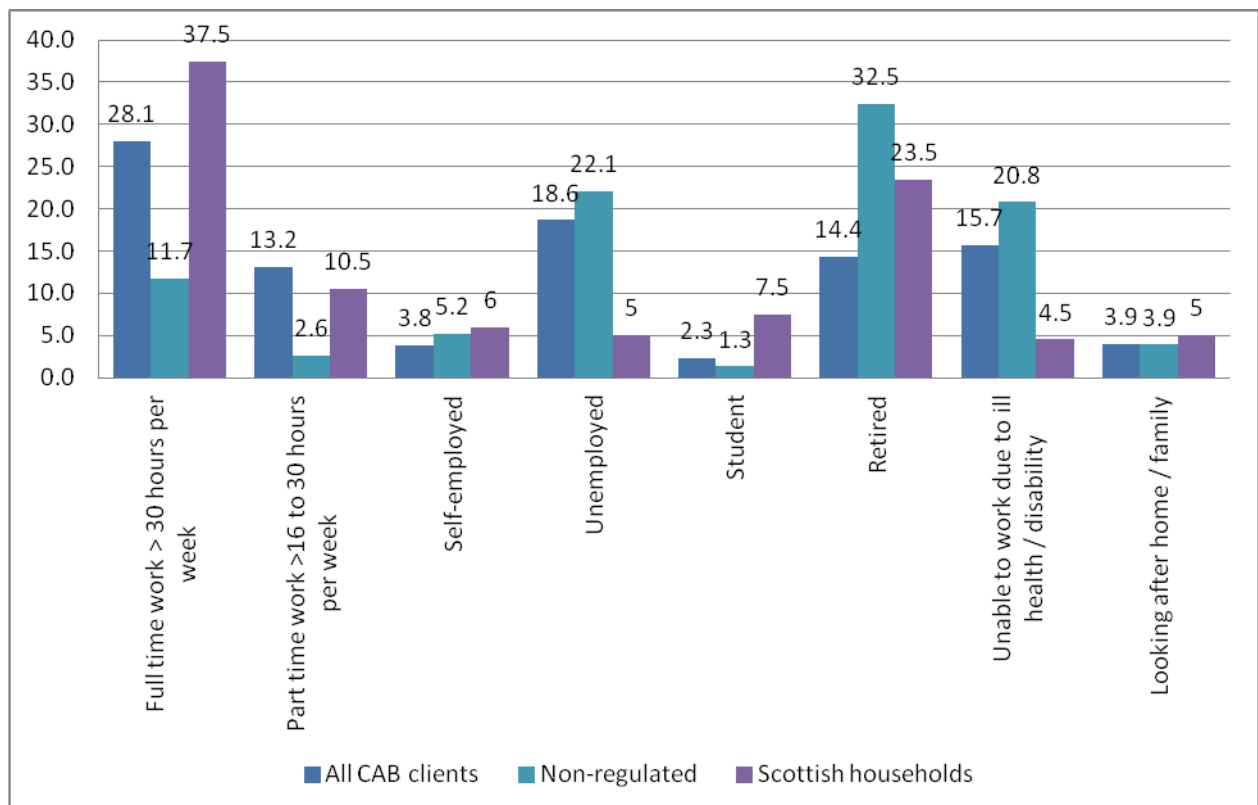
Perhaps unsurprisingly given the age profile of non-regulated fuel clients, the largest proportion in this group were retired. This figure was 32.5% compared with 23.5% of Scottish households and just 14.4% of all CAB clients.

The second largest proportion of clients within this group were unemployed with 22.1% falling into this category, compared with 18.6% of all CAB clients and just 5% of all households in Scotland.

There was also a much higher number of people who were unable to work because of illness or disability, with 20.8% not fit for work compared with a national figure of just 4.5% of all Scottish households.

Conversely, far fewer people with non-regulated fuel issues were in full time employment with 11.7% in full time work compared with 28.1% of all CAB clients and 37.5% of all Scottish households. The percentage in part time work was also

significantly lower at just 2.6% compared with 10.5% for all households and 13.2% for all CAB clients.



## Income

Due to the very small figures recorded under this category it is not possible to compare income sources of non-regulated clients with other CAB clients.

## Conclusions on non-regulated fuel

Despite small sample numbers making it impossible to analyse the income or ethnicity of non-regulated fuel clients, we can still get an idea of the client profile of people needing advice in this area.

The majority were aged over 60 and there was an even split when it came to gender, which differs from both Scottish Household Survey data and the profile of all CAB clients. Similarly to other clients with energy issues, people in this category were more likely than most CAB clients to be unemployed or unable to work because of illness or disability. In addition, given the age profile of this group, a large proportion of clients were retired.

This suggests that any government or industry support for off-grid energy customers would have the greatest benefit if it was targeted at older people.

## Acknowledgements

Thanks are due to Citizens Advice Bureaux across Scotland for their statistical and case evidence over the year.

A number of citizens advice bureaux submitted especially useful social policy feedback during 2011/12 which helped to build a picture of the issues facing energy customers across Scotland.

In particular, thank you to West Dunbartonshire CAB, Perth CAB, Denny and Dunipace CAB, Caithness CAB, Inverness CAB, West Lothian CAB, Citizens Advice and Rights Fife, Central Borders CAB, Shetland CAB, Glasgow Maryhill CAB, Western Isles Citizens Advice Service, Grangemouth CAB, Clydesdale CAB, Citizens Advice Direct, Angus CAB, North Ayrshire Citizens Advice Service, Motherwell and Wishaw CAB, Skye and Lochalsh CAB, Moray CAB, East Renfrewshire CAB, Dundee CAB, Aberdeen CAB, East Dunbartonshire CAB, Dumfries and Galloway Citizens Advice Service, Penicuik CAB, Roxburgh and Berwickshire CAB, Glasgow Drumchapel CAB, Alloa CAB.

We are also grateful to the Scottish Government for their help through the Joint Internship Programme which allowed us to analyse the make up of clients coming to bureaux for help on energy issues. This information should help the CAB service, the Scottish and UK Governments, energy suppliers and others supporting energy customers to better target their support for consumers.

## References

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<sup>i</sup> Citizens advice bureaux record the outcomes of advice given, including any financial gain made by the client. Over 190,000 clients had their advice needs and outcomes recorded in 2011/12.

<sup>ii</sup> Office of Fair Trading; *Off-Grid Energy, A market study*; October 2011. Available at: [http://www.offt.gov.uk/shared\\_offt/market-studies/off-grid/OFT1380.pdf](http://www.offt.gov.uk/shared_offt/market-studies/off-grid/OFT1380.pdf) Accessed 18th October 2012.





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The CAB Service aims:

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