



**Consumer
Futures
Unit**

Energy Advice in Detail:

Issues brought to the Citizens Advice network in Scotland 2016-17



Acknowledgements

We would like to thank Dr Fraser Stewart (independent Policy and Research Consultant) for his role in collating this report and checking that the methodology meets best practice in social research standards. Thanks also to the following who helped with the research and production of this report: Emma Grant McColm, Kate Morrison, David Moyes, Jamie Stewart, Marcus Wilson, Natasha Gilmour, Ryan Rimkus, Heather Fletcher.

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Contact: CFUenergy@cas.org.uk

Electronic: ISSN 2398 6220

Hard copy: ISSN 2398 6212

Consumer Futures Unit publication series 2018/19 -5



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Executive Summary

The Consumer Futures Unit's (CFU) Energy Advice in Detail report provides an annual assessment of the energy issues clients of the Citizens Advice network in Scotland sought assistance with, and places those issues within a wider policy context. This edition of the report relates specifically to the advice provided by the network in the financial year April 2016 to March 2017.

Citizens Advice Scotland (CAS) has been reporting on the energy issues advised on by Scottish bureaux since 2011. In 2014-15, the Energy Advice in Detail report was amended to its current format to include the energy advice provided across the entire Citizens Advice network in Scotland, which consists of:

- > Scotland's network of 61 Citizens Advice Bureaux (CAB);
- > the Citizens Advice Consumer Service (CACS); and
- > the Extra Help Unit (EHU).

The analysis presented shows a pattern of changing issues advised on by the Citizens Advice network in Scotland. This year's report shows that of the three main strands of the network, the vast majority of energy-related advice in Scotland continues to be provided by Scottish bureaux, accounting for 83%

of the advice provided in 2016-17. This reflects the complementary nature of the Citizens Advice network:

- > bureaux primarily provides advice on complex interrelated issues;
- > the EHU undertakes specialist case work on behalf of vulnerable consumers, often in urgent need of assistance; and
- > the consumer service has a statutory remit to deliver first tier advice.

In 2016-17, a total of 29,459 energy issues were advised on across the whole Citizens Advice network in Scotland, representing a 3% increase from the previous year. In addition, the energy advice pages provided on the Scotland section of the Citizens Advice self-help website (<https://www.citizensadvice.org.uk/scotland/>) was viewed 25,918 times in 2016-17. The network secured a client financial gain of £1,165,072¹ for consumers presenting at the network with energy issues in 2016-17.

1 This figure is a conservative estimate as it has been modelled on known client financial gains from across the service.



Of all the new energy advice issues recorded across the Citizens Advice network in Scotland in 2016-17:

- > CAB advised on 24,578 new energy issues;
- > the consumer service advised on 3,788 new issues; and
- > the EHU dealt with 1,093 new Scottish complaints.

The data analysed and presented in this report highlights the areas where the energy market is currently failing Scottish consumers. Some of the most significant issues to emerge from the analysis, and lessons for the CFU and GB energy market as a whole, include:

- > **Issues with the management of fuel debt continues to have a significant impact on Scottish consumers.**

The evidence from across the entire Citizens Advice network in Scotland shows that issues continue to exist with how fuel debt is handled. The reasons for fuel debt arising in the first place are many and complex.

It can be the result of poor budgeting by individual households. However there are also numerous examples in the case studies consulted for this report of clients falling into debt as a result of external pressures they have no control over. For instance, problems with

changes to the benefits system, such as the impact of benefit sanctions and the roll-out of Universal Credit, have resulted in financial hardship for many households, making it difficult for some consumers to pay for essential services, including energy.

As licensed providers of energy, suppliers have an obligation to take steps to ensure that billing is timely, accurate and not misleading². Ofgem has also made clear that suppliers have a role to play in supporting consumers in financial distress by taking a reasonable approach when it comes to the management of debt³.

- > **Issues with billing and metering remains the single biggest issue advised on across the Citizens Advice network in Scotland.**

While the number of metering and billing issues advised on compared to the previous year went down across the service, problems remain

2 https://www.ofgem.gov.uk/system/files/docs/2017/11/metering_billing_and_payments_0.pdf

3 <https://www.ofgem.gov.uk/publications-and-updates/suppliers-must-do-more-help-those-debt-report-shows-customers-accrue-more-600-average-unpaid-bills>



persistently high. Indeed, problems related to billing and/or meter readings remain the single biggest issue advised on across the entire Citizens Advice network in Scotland.

Clients seeking advice on billing and/or metering issues typically report problems including:

- issues with their supplier’s billing processes;
- administrative errors;
- incorrect or unclear bills; and
- inaccurate meter readings being recorded.

When things go wrong, and unexpected or estimated bills are sent to consumers, they can cause significant distress and budgeting issues for households who may struggle to pay them.

> **The non-regulated parts of the energy sector continue to present particular challenges for Scottish consumers.**

Consumers of non-regulated fuel sources in Scotland do not benefit from the same level of consumer protection as those who rely on mains gas or electricity to heat their homes. Analysis of these non-regulated fuel cases often reflect service issues, with clients reporting that they find it difficult to find competitive prices for LPG, heating oil and other non-regulated fuels.

For clients reliant on heating oil, in particular, this is made worse by the volatility of crude oil prices, which despite having been on a downward trend in recent years, continues to see seasonal spikes in prices making it difficult for consumers to manage their finances.

Unlike consumers purchasing mains gas and electricity, there is limited protection for consumers using other non-regulated fuels types, including district and communal heating systems. It is recognised that these alternative fuel sources may have a positive role to play in tackling fuel poverty and reducing carbon emissions in Scotland.

These findings provide additional evidence lend weight to the recommendations of other research for the CFU⁴, which suggested it is essential that steps are taken to ensure that consumers in these parts of the non-regulated energy market are adequately supported and protected.

> **Scottish consumers continue to face difficulty when accessing support that they are entitled to receive.**

It is clear from the evidence that consumers in Scotland continue to face particular challenges when it comes to accessing support they are entitled to. For example, requests for help with accessing the Warm Home Discount was the second largest regulated fuel category advised on in 2016-17.

The range of issues clients continue to experience include:

- overcoming the barriers when trying to access support;
- trying to understand eligibility criteria, beyond the core group, which varies between different energy suppliers; and
- help with digital exclusion when suppliers have online only applications.

Governments and suppliers need to take a flexible approach to the support available to vulnerable consumers, particularly when there are complex rules, unclear eligibility criteria or opaque application processes to be followed.

> **The GB energy market is changing, so consumers’ needs and interests need to be front and centre of decisions that may impact the delivery and consumption of energy.**

As the GB energy market modernises and looks for ways to be smarter and more efficient, it is essential that consumers’ needs and interests are put front and centre of decisions that may impact the delivery and consumption of energy.

The Citizens Advice network is beginning to see problems with new technologies failing to improve consumers experience of the energy market or reducing their costs. Indeed, in some of the most extreme cases they are actually making things worse. For instance, the expansion of district and/or communal heating systems and the roll-out of smart meters are both relatively recent technological developments that clients are increasingly seeking help with from the Citizens Advice network.

While the total numbers of issues reported across the network remain low, the volume is increasing. As a result, they are issues for the CFU to continue monitoring and highlighting to governments when energy policy and practice is failing to deliver for Scottish consumers.

⁴ <https://www.cas.org.uk/publications/different-rules-different-fuels-exploring-consumer-protection-district-heating-market>

The Citizens Advice Network in Scotland

Advice can be accessed at **Citizens Advice Bureau** (CAB) in almost 290 locations across Scotland. The bureaux network helps more than 270,000 people each year with practical advice and support in negotiating on behalf of clients. 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. CAB support is offered in person, online and over the phone.

In terms of energy issues, the Scottish CAB service has long provided support to energy consumers. The energy advice provided by CAB supports clients across a wide range of issues, from managing fuel bill debt and arrears to accessing additional support, including available grants/funds for improving energy efficiency.

The Citizens Advice network in Scotland also provides two advice lines which are GB-wide:

The **Citizens Advice Consumer Service** is a public advice service which has been run jointly by CAS and Citizens Advice (England & Wales) since 2012 to complement the face-to-face advice offered by the CAB network. Consumers can access this advice by phone, email, web-form and post and can get self-help advice online. As with the CAB network, the aim of the consumer service is to offer advice to citizens on a wide range of topics. This includes specialist advice on energy-related issues.



The **Extra Help Unit** is a specialist team of caseworkers investigating energy and post complaints on behalf of vulnerable consumers. The service is delivered by CAS and covers the whole of Great Britain helping domestic and micro-business consumers. A consumer may be vulnerable if they are unable to pursue a complaint on their own behalf due to personal circumstances, the complexity of their complaint or where they are at risk of having their energy supply disconnected. The EHU also actively seeks to identify and address policies and practices affecting vulnerable consumers and works closely with their policy colleagues across Citizens Advice Scotland, suppliers and industry regulators to make improvements.

The Extra Help Unit is not a public helpline. Consumers can be referred to the EHU by the Citizens Advice Consumer Service, CAB advisers, the Energy Ombudsman, the energy regulator (Ofgem) and elected representatives. Together, the Scottish CAB, the Citizens Advice Consumer Service and the Extra Help Unit constitute Citizens Advice Scotland network. In 2016-17, the network helped over 309,000 clients in Scotland alone, dealt with over one million advice issues and secured over £1 million in financial gain for clients with energy issues.

Policy Work

In addition to the Citizens Advice network's public advice role, the Consumer Futures Unit (CFU) undertakes work to influence the development of social policy in the regulated markets of energy, post and water. This work seeks to influence relevant UK and GB wide policy, as well as at the Scottish Government level. The CFU's role is to ensure:

- > the evolving energy, post and water markets have consumer needs at their heart;
- > all services are accessible to consumers regardless of income or location;
- > consumer principles are at the heart of policy and regulation; and
- > utility products and services deliver the right outcomes for consumers.

For more information on the CFU and its policy work, please see their website⁵.

5 <http://www.cas.org.uk/about-us/social-policy/consumer-futures>

About this Report

The annual publication of ‘Energy Advice in Detail’ provides a regular analysis of the energy issues that consumers face in Scotland. This particular edition of the report analyses the evidence recorded in 2016-17⁶ by Scottish Citizens Advice Bureaux (CAB), the Citizens Advice Consumer Service (CS) and the Extra Help Unit (EHU). It specifically relates to clients residing in Scotland.

The quantitative statistics reported throughout this report provide an overview of the type and number of energy issues on which people in Scotland sought advice from the Citizens Advice network in 2016-17. In addition, the report highlights qualitative evidence from illustrative case studies that show how the energy issues people seek assistance with often sit within a wider, more complex, set of problems that households face.

The report is structured into three parts, analysing evidence from:

- i. the Scottish CAB network;
- ii. the Citizens Advice Consumer Service; and
- iii. the Extra Help Unit.

⁶ The reporting year covers the financial year from 1 April 2016 to 31 March 2017.

These three sources of data are analysed separately because each part of the Citizens Advice network provides a specific type of advice, tailored to address clients’ needs. As a result, each part of the network uses a different method of data capture and handling. For example, the classification of issues by ‘advice code’ varies across the three services. It is therefore not possible to make direct issue-by-issue comparisons between the sources of data.

In some cases there are significant changes to the number of energy issues handled in the previous reporting year (financial year 2015-16) compared to 2016-17. Whilst it is not possible to identify the precise reasons for the changes, where possible, this report notes wider policies and practices which might, in part, explain the changes.

The background and context section that follows outlines some of the overarching energy market and policy influences in 2016-17 that may have contributed to changes in the volume and type of advice queries received by the Citizens Advice network in Scotland. Other factors include the growing reach of bureaux-led energy advice campaigns and projects, some of which are also discussed below.



Background and Context

Following a trend of decreasing global wholesale energy prices, the period covering 2016-17 saw a return to volatility in wholesale prices. In its Quarterly Energy Prices publication, the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) attributed this to upward pressure on prices in Europe and the decline of UK Continental Shelf gas production, which had seen UK wholesale gas prices generally increasing since the early 2000's⁷. In fact, despite wholesale gas prices having fallen back since the start of 2014, the price of gas in the UK is now forecasted to increase from an initial price of 34.6 pence per therm⁸ in 2016-17 to 47.5 pence per therm by 2022-23⁹.

At the same time, electricity prices have also been on a rising trajectory. In the BEIS Quarterly Energy prices publication¹⁰, the UK Government suggested this was due to a combination of factors, which included:

- > gas remaining an important part of the UK generation mix;
- > a result of higher coal prices for generation; and
- > wholesale electricity prices rising from a period of particularly low levels.

The consequence has been that wholesale electricity prices have increased substantially, from £33/MWh in April 2016 to £50/MWh in January 2017, before falling again in April 2017¹¹ to £43/MWh¹². Reflecting this market volatility, many energy consumers saw significant increases in their bills in early 2017 when most of the so-called 'Big Six' energy suppliers increased their prices.

7 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/622608/QEP_Q117.pdf

8 Therm is a unit of heat energy equivalent to 100,000 British Thermal Units (BTU).

9 <https://www.statista.com/statistics/374970/united-kingdom-uk-gas-price-forecast/>

10 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/622608/QEP_Q117.pdf

11 It should be noted that this fall in prices is likely not reflected in the issues seen across the Citizens Advice network because it was outwith the April 2016 – March 2017 reporting period. The fall in prices is included here to illustrate the volatile nature of recent wholesale electricity price rises and falls.

12 <https://www.businesselectricityprices.org.uk/retail-versus-wholesale-prices/>

These increases were blamed by suppliers on rising costs¹³:

- > wholesale costs;
- > the increasing costs of the smart meter roll-out programme; and
- > the costs of other government policies.

The general upward trajectory of most fuel types can be seen in Chart 1. While this overall trend didn't apply to liquid fuels, which had been declining steadily since 2013. From 2016 liquid fuel prices started to increase again. Additional analysis by the Scottish Government combined data from BEIS on the price of key fuels¹⁴ with information from the Scottish House Condition Survey (SHCS), about the fuels used for space and water heating, to construct time series for the price of fuels for the average Scottish household over time¹⁵. By weighting the national quarterly fuel price indices published by BEIS, an average index value for the price of the heating fuel requirement for Scotland has been produced. These results are also shown in Chart 1:

The results show that the national average index closely follows the gas index because the majority of Scottish households heat their properties with gas (79%). In addition, between 2003 and 2014 the price of the fuel mix required by the average Scottish household almost trebled. In 2015 and 2016 the average index fell by 5.6% and 5.4%, respectively, which the Scottish Government attributed primarily to the falling price of oil and gas.

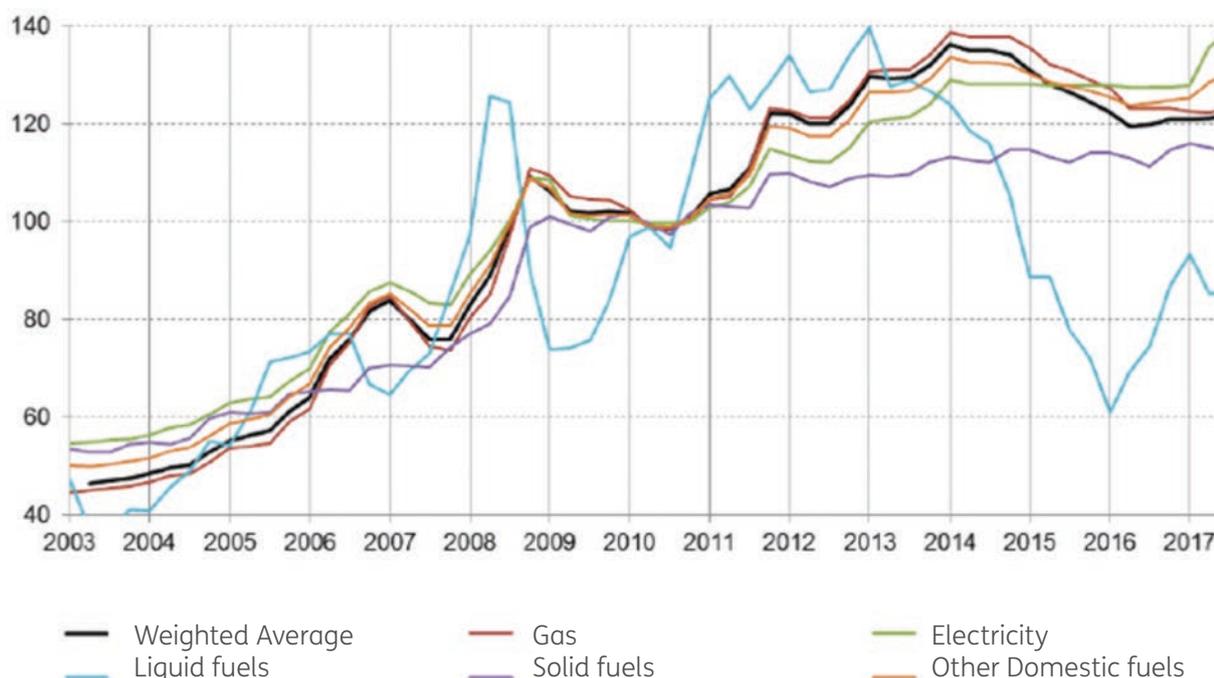
On competition in the GB energy market, there were more suppliers than ever before in 2016-17. In particular, smaller suppliers continued to challenge the Big Six which have been dominant for so long. In March 2017, there were 54 suppliers in GB, compared to 43 in March 2016¹⁶. Satisfaction rates

13 <https://www.uswitch.com/gas-electricity/guides/gas-electricity-prices/> https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604317/Domestic_energy_bills_in_2016_-_the_impact_of_variable_consumption.pdf

14 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/622608/QEP_Q117.pdf

15 <http://www.gov.scot/Publications/2017/12/5401/348228>

16 <https://www.ofgem.gov.uk/data-portal/retail-market-indicators>

Chart 1 UK Government Fuel Price Indices and a Weighted Average for Scotland (2003-2017)

remained relatively constant in 2016, with 54% of gas and electricity customers being either satisfied or very satisfied with their supplier's services, up marginally from 52% at the start of April 2016¹⁷. In addition, analysis for the Citizens Advice network showed that the energy suppliers performing best and worst in handling energy complaints were broadly similar in 2017 as they were in 2016¹⁸.

A further issue impacting the GB energy market in 2016-17 was the significant number of consumers that remained on Standard Variable Tariffs (SVT). Of the approximately 19 million domestic users (as of October 2016) on a SVT, Ofgem suggests nearly half had been on a SVT for more than three years – 8.3 million¹⁹.

This was an issue picked up in the Competition and Markets Authority (CMA) investigation into the GB energy market²⁰. In setting out a range of reforms

designed to modernise the energy market with the aim of benefitting consumers, a recommendation was made by the CMA that a database should be created to highlight those consumers who had been on SVTs for three years or more. Ofgem carried out trials on the proposals in January 2017 and at the time of writing is considering how to these might be taken forward.

In addition, it is also worth noting that despite the persistence of 'sticky consumers' not changing tariff or supplier, the numbers of GB households switching their energy supplier is slowly rising. Switching rates are lower in Scotland than the rest of GB²¹. In the 2016-17 financial year period this may have been in response to the price increases seen in early 2017.

In March 2017, consumers switching their electricity supplier peaked at nearly 513,000 households, which was the highest number of monthly electricity account switches since the previous peak of over 606,000 in November 2013. For gas accounts, the figure also peaked in March 2017 with just over 388,000 households switching. This was the highest number of monthly gas switches in the last decade. In addition, the introduction by Ofgem of a prepayment price cap (or 'safeguard tariff'), on 1 April 2017 went some way towards lowering

¹⁷ <https://www.ofgem.gov.uk/data-portal/energy-customers-satisfied-or-very-satisfied-their-suppliers-services-gb>

¹⁸ <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/citizens-advice-consumer-work/supplier-performance/energy-supplier-performance/compare-domestic-energy-suppliers-customer-service/>

¹⁹ <https://www.ofgem.gov.uk/data-portal/number-non-prepayment-domestic-customer-accounts-supplier-standard-variable-fixed-and-other-tariffs-gb>

²⁰ <https://www.gov.uk/cma-cases/energy-market-investigation>

²¹ <http://www.gov.scot/Publications/2017/12/5661/5>

consumers' bills, with average dual-fuel annual prepayment tariffs falling by around £40 between March and April 2017²².

During the same period that energy prices have been increasing for consumers, the overall cost of living has also been going up. The price of food and fuel for transportation have both been rising and between April 2016 and April 2017, the consumer prices index, which includes housing costs, increased by 2.3%²³. In the last edition of this report, a number of cases were highlighted showing examples of some consumers struggling to pay their energy bills as a result of social security payments being paid late. This trend has continued in 2016-17, and in some instances has been made worse due to issues with the roll-out of Universal Credit causing financial problems for some claimants.

In other developments, 2016-17 saw the roll-out of smart meters continuing to make progress, with 1.3 million gas and 1.7 million electricity smart

meters being installed across Great Britain²⁴. There are now nearly 6 million smart meters operating across homes and small businesses, accounting for 10 per cent of all domestic meters and a quarter of non-domestic meters currently in operation²⁵. Despite the number of installations to date increasing, there is still some way to go to meet the UK Government's target of all households and small businesses in GB being offered a smart meter by 2020.

A further issue in 2016-17 that has remained significant in Scotland for a number of years is the large number of households continuing to live in fuel poverty. A household is defined as being in fuel poverty in Scotland if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income on all household fuel use²⁶. The Scottish Government

22 <https://www.ofgem.gov.uk/data-portal/all-charts>

23 <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>

24 https://www.ofgem.gov.uk/system/files/docs/2017/06/2017.06_final_open_letter_-_smart_meter_rollout_progress_and_plans_.pdf

25 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604217/2016_Q4_Smart_Meters_Report_Final.pdf

26 <http://www.gov.scot/Publications/2002/08/15258/9955>



estimates that 26.5% of Scottish households in 2016 were living in fuel poverty, and 7.5% are classed as living in ‘extreme’ fuel poverty, where they are spending more than 20% of their household income on all fuel use to maintain a satisfactory heating regime.

Official statistics²⁷ also show that the fuel poverty problem is especially large among households that are not connected to mains gas, where over a third (34%) of Scottish households are living in fuel poverty. In addition, more than half (51%) of electrically-heated homes are fuel poor. While fuel poverty is an issue across all property types, it is unsurprising that homes with the worst energy efficiency ratings tend to be fuel poor. Two thirds (66%) of Scottish households living in properties with the lowest energy efficiency ratings (EPC rating F-G) are in fuel poverty.

With the statutory target to eliminate fuel poverty, as far as reasonably practicable, by November 2016 being missed, the Scottish Government announced in early 2017 that an academic review into how fuel poverty is defined would be carried out and that a new fuel poverty definition and strategy for Scotland would soon follow²⁸.

The period 2016-17 was also an important year politically for Scotland and the UK as a whole. In June 2016, the UK-wide vote in favour of the UK exiting the European Union set in motion a period of uncertainty as the UK’s new relationship with the EU, and its impact on the constituent parts of the UK, continues to be discussed and negotiated.

In addition, 2016-17 also saw parts of the Scotland Act (2016) beginning to be implemented. In relation to energy policy, the biggest changes concern the Energy Company Obligation (ECO) and the Warm Home Discount (WHD), which have had certain elements of them devolved to the Scottish Parliament. While the UK Government will continue to be responsible for how the ECO and

the WHD obligations are financed, the Scottish Government intends to deliver an energy efficiency obligation from 2018 onwards²⁹. Despite the Scottish Government beginning to make some progress on its plans to introduce Scotland’s Energy Efficiency Programme (SEEP), at the time of writing, uncertainty remains as to what this will mean in practice for Scottish energy consumers.

In addition, the lead up to the UK General Election that would be held in June 2017 had an impact on UK energy policy. Energy prices had been high on the agenda during the campaign after the Conservative Party proposed to cap energy prices and the Labour Party pledged to nationalise the UK’s energy companies. Since then, Ofgem has updated the level of the prepayment price cap and has committed to making switching tariff easier for consumers.

In early 2017, the Scottish Government published its draft Energy Strategy^{30 31}, which included proposals on: a new all energy renewables target; a rapid expansion in renewable heat; proposals for a government owned energy company; and funding for community energy projects. The UK Government also appointed Professor Dieter Helm from Oxford University to undertake an independent review of the costs in the power system with a view to making proposals on how to reduce long-term costs in the GB energy system at the same time as ensuring the UK meets its climate change targets³².

The impact of each of these events, reports, remedies and proposals on Scottish consumers is still to be seen. However it is clear that more market disruption is on the horizon following a turbulent year in 2016-17, which will need to be closely scrutinised to ensure that consumers’ needs and interests are understood and protected.

27 <http://www.gov.scot/Publications/2017/12/5401/348228>

28 http://www.cas.org.uk/system/files/publications/2017-03-16_fuel_poverty_in_scotland.pdf

29 http://www.eas.org.uk/en/the-warm-home-discount_50560/

30 <http://www.gov.scot/Publications/2017/01/3414>

31 The final Energy Strategy was published in December 2017

32 <https://www.gov.uk/government/publications/cost-of-energy-independent-review>

Energy Campaigns

Other factors impacting the growing reach of bureaux-led energy advice projects, includes the local and national energy information campaigns run annually by Citizens Advice network in Scotland. This activity aims to support and empower consumers to find the lowest available price for their energy and to encourage them to adopt energy- and cost- saving energy efficiency measures.

The two key national energy campaigns are outlined below.

Energy Best Deal

Citizens Advice Scotland (CAS) has been responsible for the Energy Best Deal (EBD) campaign in Scotland since 2011. EBD provides trainer-led group sessions to frontline workers and consumers. The sessions are designed to raise awareness of how households' can reduce their energy costs by:

- switching supplier and/or tariff or changing payment method;
- providing help to access grants, loans and other support from suppliers and government if clients find paying their energy bills is difficult;
- and offering advice on how to save money by being more energy efficient at home.

EBD runs in line with the Warm Home Discount Scheme year. In the 2016-17 (Warm Home Discount Scheme Year 6) version of the project, bureaux across Scotland delivered 141 group sessions, reaching 339 frontline workers and 755 consumers. Energy Best Deal Extra, which extends the EBD project, by providing one to one appointments, delivered 1,220 sessions.

In evaluating EBD, the value of the project is evident, with 93% of consumers saying they would “definitely” (43%) or “maybe” (50%) take action to reduce their energy costs as a result of attending an EBD session. In addition, 91% of the frontline workers participating stated that the training had changed their views on the importance of fuel poverty to clients and 69% felt that the training had motivated them to seek a better deal for their own energy supply

Big Energy Saving Week

Big Energy Saving Week (BESW) is a collaborative project run jointly between the Citizens Advice Service, UK 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 energy efficiency issues among the general public through joint working between the voluntary sector and energy suppliers.

In 2016-17, the Big Energy Saving Week campaign helped at least 14,786 people across the UK with their energy bills via face to face events. The campaign helped consumers save almost £1 million by supporting them to “Check, Switch, Save” at BESW events. In addition, having attended a BESW event, 83% of participants said they felt confident they knew how to save money and energy in future.

Methodology

To produce this edition of the Energy Advice in Detail report, the CFU provided access to four data sets of evidence recorded in 2016-17:

- i. Extra Help Unit (EHU)
- ii. Citizens Advice Consumer Service (CACS)
- iii. Citizens Advice Bureaux (CAB)
- iv. Citizens Alerts from Scottish CAB

Quantitative data

The statistical data contained in data sets i, ii, and iii required a quantitative approach. Analytically this followed a similar approach as established in previous years, using summary tables and simple data visualisation techniques to report descriptive statistics³³ in an eye-catching and reader-friendly manner. Prior to supplying the quantitative data, the CFU conducted further data validation required in advance of the project commencing.

Qualitative data

Analysis of a subset of the case notes included in data set ii, along with data set iv, was provided by the CFU in an anonymised form for qualitative analysis. This amounted to approximately 900

33 The samples used by the Citizens Advice network to collect statistical data are non-probability in nature, which limits the analytical approach to reporting descriptive statistics. While it will not be possible to generalise any of the findings to the wider population, there are important insights to emerge from the data.

cases. All of the cases in each dataset were analysed to identify the main themes and issues arising. Any cross-cutting issues not picked up in the statistical reporting were then identified and reported by the researcher. Cases were selected for reporting based on:

- > completeness of the case;
- > clear evidence of consumer detriment;
- > prevalence of the issue;
- > opportunity for change; and
- > topicality of the issue.

The reporting of the analytical findings was supported by use of summary tables and data visualisation techniques. Illustrative case studies have been used to highlight examples of consumer detriment, alongside relevant commentary to discuss and explain the findings and to situate the results within a wider policy context of a changing energy market.

Owing to the volume and nature of the advice provided by the CAB network and the Consumer Service in Scotland, the level of detail contained in the case notes varies considerably from lengthy descriptions of the issues and the help that was provided, to short descriptions of the problem in note form. As such, the selected case studies contained in this report have been edited to provide a clearer narrative and an understanding of the problems faced by the clients of the Citizens Advice network in Scotland in 2016-17.

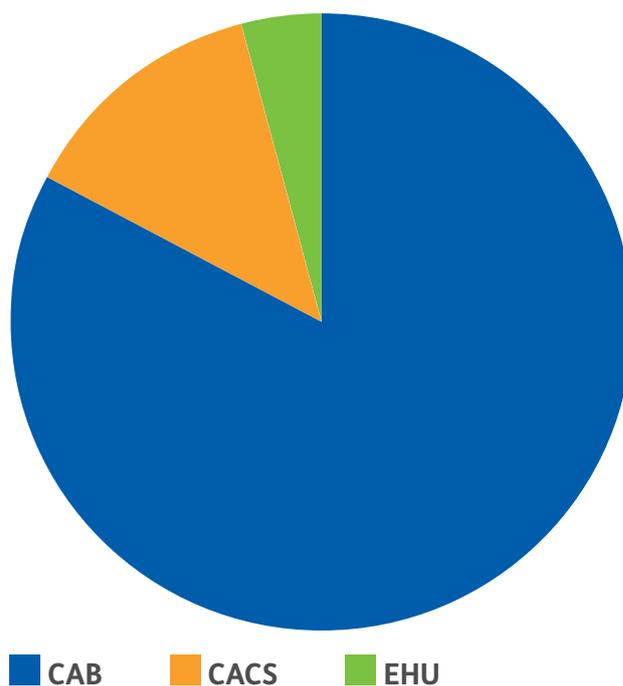
Energy Advice Issues 2016-17

The Citizens Advice network in Scotland includes 61 citizens advice bureaux (CAB), the Citizens Advice Consumer Service (CACS) and the Extra Help Unit (EHU). Table 1 summarises the advice provided across the network to consumers located in Scotland in 2016-17. This totalled 29,459 energy issues³⁴, representing a 3% increase from the previous year.

The energy advice pages provided on the Scotland section of the Citizens Advice self-help website (<https://www.citizensadvice.org.uk/scotland/>) was viewed 25,918 times in 2016-17. However, the vast majority of energy-related advice in Scotland is provided by the Scottish CAB network (see Chart 2), accounting for 83% of the advice provided across the network in 2016-17.

This reflects the complementary nature of the different parts of the Citizens Advice network, working together as a whole, to provide a comprehensive service to Scottish energy consumers.

Chart 2 Proportion of energy advice provided across the Citizens Advice network in Scotland in 2016-17 by advice service



³⁴ As in previous years, this report refers only to 'new' issues advised on. The CAB service also provides advice on 'repeat' issues (clients who have come back for more advice on the same issue). These repeat issues are not reported in Energy Advice in Detail.

Table 1 Energy advice provided across the Citizens Advice network in Scotland by year and by type of advice service

Type of advice service	2014-15	2015-16	2016-17	% change between 2015-16 and 2016-17
CAB	22,051	23,237	24,578	↑ 6%
CACS*	4,799	4,210	3,788	↓ 10%
EHU	1,150	1,163	1,093	↓ 6%
Total energy-related issues advised on in Scotland	28,000	28,610	29,459	↑ 3%

* This reduction is likely to reflect an increased in online self-help however early indications imply that this trend has been reversed with 2017/18 cases recording an increase

Scottish Citizens Advice Bureaux

This section describes the approach taken to analysing the energy advice provided by the Scottish CAB network. It broadly follows the approach established in previous editions of Energy Advice in Detail. As a result, it is structured to examine each of the three main CAB energy categories individually. The energy-related categories are as follows:

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

Each of these categories 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. This means that one consumer may have issues that fall into a number of categories. The result is that the total number of issues raised with the Citizens Advice network in Scotland will be more than the number of consumers looking for help.

As with previous editions of Energy Advice in Detail, the figures used in this report 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.

Data from Scottish Citizens Advice Bureaux

Scotland's network of 61 CAB provided advice on 24,578 energy-related issues in 2016-17. Table 2 shows how these issues are divided between the broad categories of Level 1 and Level 2 advice codes. Overall there was a slight decrease in fuel

debt issues being advised on in 2016-17 for both regulated and non-regulated fuel types. This trend was reversed for the broader utilities advice code with both the regulated and non-regulated fuel advice codes increasing.

Key issues advised on by the Scottish CAB network

Fuel Debt

Consumers in Scotland visited their CAB with 4,367 fuel debt issues in 2016-17. This was a small decrease of 2%, compared to the 4,457 issues raised in 2015-16. A recent report by Ofgem suggested that while the number of consumers in debt to their energy supplier has been falling, the amount of debt has been increasing³⁵. This chimes with national data on consumers' energy debt which suggests that the average debt per household is down slightly on the previous year, sitting at an average debt per household of £120³⁶.

However, the fact that these figures were published in November 2016, which is at a point in the year when many consumers often find they are in credit to their energy supplier in preparation for the colder months ahead, is of notable concern. Indeed, recent Ofgem figures indicate that 70% of annual household gas and 54% of household electricity use occurs between October and March³⁷ so, with households using more

35 <https://www.ofgem.gov.uk/publications-and-updates/suppliers-must-do-more-help-those-debt-report-shows-customers-accrue-more-600-average-unpaid-bills>

36 <https://www.uswitch.com/media-centre/2016/11/consumers-head-into-winter-292-million-in-debt-to-energy-suppliers/>

37 <https://www.ofgem.gov.uk/system/files/docs/2018/01/january-2018-energy-security.pdf>

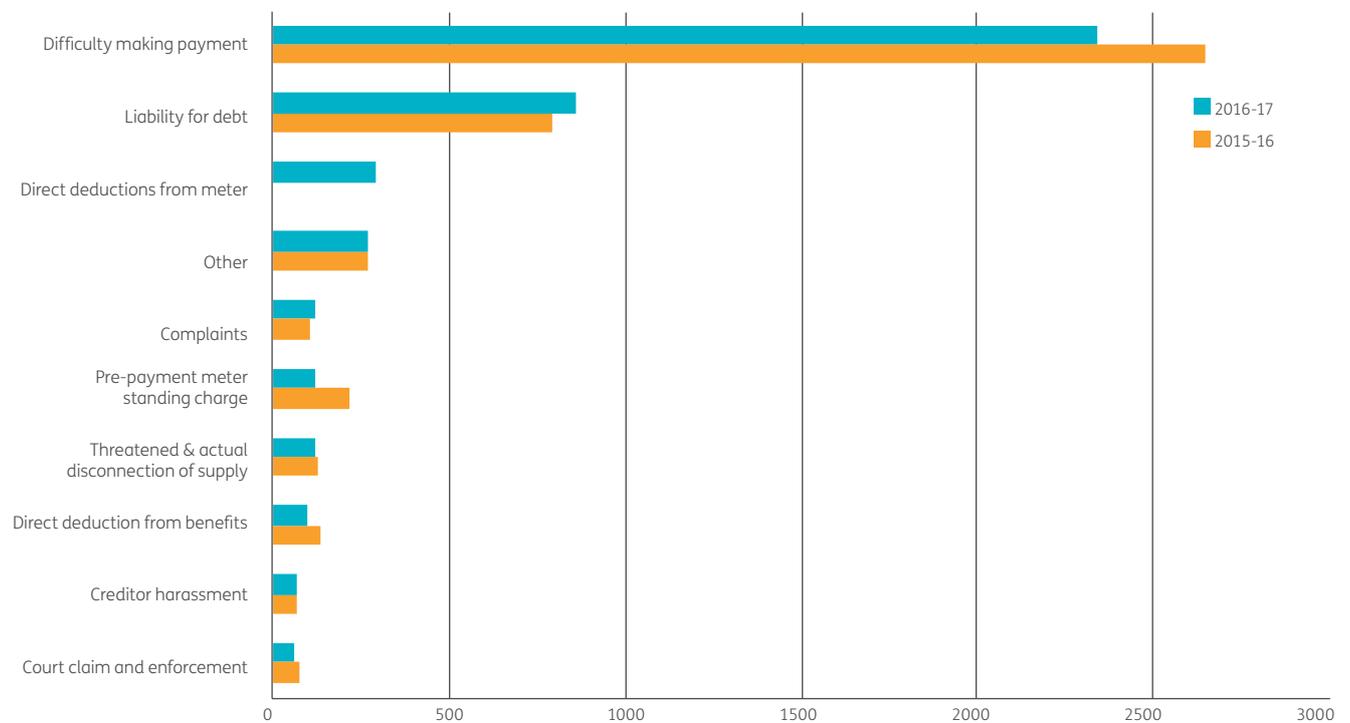
Table 2 Energy advice provided by Scottish CAB by level 2 advice code and year

Level 1 advice code	Level 2 advice code	2015-16	2016-17	% change between 2015-16 and 2016-17
Debt	Fuel debts – non-regulated (coal, natural gas, oil etc.)	206	145	↓ 30%
	Fuel debts – regulated (gas, electricity)	4,251	4,222	↓ 1%
Utilities & communications	Fuel – non-regulated (coal, natural gas, oil etc.)	403	432	↑ 7%
	Fuel debts – regulated (gas, electricity)	18,377	19,779	↑ 8%
Total energy-related issues advised on		23,237	24,578	↑ 6%

Table 3 Number of fuel debt issues advised on by Scottish CAB in 2016-17 compared to 2015-16

CAB Advice code	2015-16	2016-17	% change between 2015-16 and 2016-17
Difficulty making payment	2646	2343	↓ 11%
Liability for debt	795	858	↑ 8%
Direct deductions from meter	/	292	
Other	270	273	↑ 1%
Complaints	105	126	↑ 20%
Pre-payment meter standing charge	219	123	↓ 44%
Threatened & actual disconnection of supply	132	121	↓ 8%
Direct deduction from benefits	139	101	↓ 27%
Creditor harassment	71	68	↓ 4%
Court claim and enforcement	80	62	↓ 23%
Total	4,457	4,367	↓ 2%

Chart 3 Fuel debt issues by advice code for 2016-17 compared to 2015-16



energy to keep homes warm in the coming months, the potential for millions of consumers falling even further into debt is significant.

When CAB clients' issues are categorised as fuel debt they more often than not relate to a household's ability to pay for their energy bills. It is generally the case that when households are on limited or fixed incomes, any variation in their energy bills can make it difficult for payments to be made. There are numerous examples of CAB clients struggling to make payments when unexpectedly large bills arrive, which they may or may not be responsible for. Other issues highlight problems with debt reclamation and enforcement processes, which can result in threatened or actual disconnection from a consumer's supply.

Following a change introduced last year, fuel debt issues raised at bureaux have been categorised into regulated fuel issues and non-regulated fuel issues. In the statistics that follow the two categories have been amalgamated to allow for comparison with previous years.

Table 3 presents the number of issues brought to Scottish bureaux per fuel debt category in 2016-17, compared to 2015-16. In keeping with previous versions of this report, the categories are listed in descending order with the fuel debt category that recorded the highest number of issues listed first. Chart 3 also shows this data in graphical form to allow comparison between categories.

Below a summary of the key findings from the statistics are given:

- Issues relating to difficulty making payments and liability for debt remain the most common fuel debt issues raised at Scottish CAB with 2,343 and 858 issues recorded respectively. While there was an 11% decrease in issues raised about difficulty making payments, the number of issues relating to liability for debt increased by 8% from 2015-16 to 2016-17.
- The only other category that saw a notable increase in fuel debt issues from 2015-16 to 2016-17 was those related to complaints, which rose from 105 to 126 issues, a 20% increase.
- There was a reduction in the number of fuel debt issues recorded from 2015-16 to 2016-17, with issues related to prepayment meter standing charge dropping from 219 to 123, a 44% decrease. Similarly, issues related to direct deductions from benefits dropped from 139 to 101, a 27% decrease, and issues related to court claim and enforcement dropped from 80 to 62, a 23% reduction.

Top 5 fuel debt issues

1. Difficulty making payments

The majority of fuel debt issues advised on by Scottish CAB continues to be clients' difficulty in making payments, accounting for 54% of fuel debt issues in 2016-17. This is an 11% decrease compared to 2015-16. The case evidence highlights the ways that consumers who find it difficult to make payments towards their energy bills can be experiencing a whole host of complex issues, which can impact their finances and limit their ability to pay for essential services, such as their energy bills.

Below some case studies are presented which highlight the nature of the issues clients face when trying to pay their energy bills. As already mentioned, the issues faced by CAB clients are often multifaceted and complex and can be caused by a variety of reasons.

In the first fuel debt case study, an East of Scotland CAB reports of a client who had accrued a debt on his electricity pre-payment meter whilst away from home for medical reasons. As can be seen with this client, when consumers are facing difficulty in making payments for fuel debt, there are often many other debt issues, which can become overwhelming and difficult to deal with.

Fuel Debt Case Study (1)

The client returned home after being away for several months to find he had no electricity supply and when he went to top up at the local shop they advised him not to as there was £160 debt on the account, which would need to be paid off before he saw any benefit; he has now been without electricity for the past three weeks and has been too anxious to sort things out. The client also advised that whilst he was away his housing benefit (HB) had been stopped and he had accrued circa. £4,500 rent arrears to a private landlord, as well as council tax arrears. He advised he had already managed to get the HB re-instated and had discussed possible ways to repay the landlord (from family or to recoup money owed by an acquaintance). The client is currently receiving Job Seekers Allowance (JSA) but did not think he was actually fit for work and had an appointment with his GP to discuss this with a view to applying for Employment Support Allowance/Personal Independence Payments.

In the second fuel debt case study, a West of Scotland CAB reports of a vulnerable client who has received a large bill from her supplier based on their failure to carry out regular meter readings.

FuelDebt Case Study (2)

A client had received a bill from their supplier, which showed that she was £990.70 in debit and asking for a weekly payment of £52. The bill was based on estimated readings. However, the meter reader had called to read the meter and had given the client a note of the readings at that time. The supplier appears to have made an error totalling over £1,800 due to failure to carry out regular meter readings and due to the complicated tariff system that a 91-year-old pensioner struggles to understand.

In the third fuel debt case study, a South of Scotland CAB reports of a client who is in financial distress and is running low on credit for his electricity supply. The supplier was not prepared to assist the client until he had completely run out of emergency credit and had disconnected from his supply; this was causing undue stress and worry to the client.

Fuel Debt Case Study (3)

The client has no arranged overdraft facility – he has an unauthorised overdraft of £188 and the bank have “arrested his money”. The client receives £113 per week in Statutory Sick Pay and employer’s sick pay. He has £4 emergency credit on his electricity meter. (Heating is gas and billed). The CAB adviser telephoned the supplier regarding client’s electric situation but was told that in order to advance him any credit he would need to top up the meter 3-5 times with at least £1 for the credit to draw down the advance. The adviser explained that the client cannot do this as he has no money. The reply was that the only other thing he can do is wait until he actually runs out and phone back then, which is very distressing to the client.

2. Liability for debt

Issues relating to CAB clients’ liability for debt accounted for a fifth (20%) of fuel debt issues. This was an 8% increase compared to 2015-16. The case evidence highlights a variety of pertinent issues, including:

- > CAB clients feeling they are not responsible for bills being sent to them;
- > clients mistakenly receiving bills for energy usage after they have moved out of a property;
- > clients reporting they did not have an account with the supplier trying to collect the debt;
- > or clients receiving a bill that was far higher than expected for their level of energy usage.

Below some case studies are presented which highlight the nature of the issues clients face in relation to liability for debt. Many CAB clients receive unexpected and large bills for past energy usage. It is not always clear to the clients what the bill is for, based on their usage, or if they are liable for the debt.

In the first liability for debt case study, a South of Scotland CAB reports of a client who is disputing the amount of debt that has been applied to his energy account. The client claimed that it doesn’t match with his usage. The client raised a complaint with the supplier about the debt and a possible faulty meter. This case shows how quickly suppliers can move to recover fuel debt via enforcement measures, even when complaints are outstanding.

Liability for Debt Case Study (1)

The client has been having issues with her energy supplier. The supplier claims she owes £616.67 in arrears. The client disputes this amount which seems too high based on her usage. A complaint was raised with the supplier about this and that the client’s meter might be faulty. However, when the client contacted the supplier (spoke to a different adviser) she was told that there was no record of her complaint. The supplier sent someone to the client’s home to fix the meter, but when the workman arrived he said he couldn’t fix it and had been given the wrong job. Client has heard nothing more about the meter. The client has now received a letter from Grosvenor Legal Services, saying that she still owes the supplier £616.67 and that they are to apply for a warrant of entry to be able to fit a prepaid meter to the property.

In the second liability for debt case study, a West of Scotland CAB reports of a client who has received a large back-bill for an outstanding balance³⁸. The client is not able to work out whether he actually owed the money, which was causing undue stress and worry about how he would pay the outstanding balance. This case illustrates the ambiguity of some suppliers' statements not detailing where the balance has come from.

Liability for Debt Case Study (2)

A client with significant health issues has received a statement for a previous gas pre-payment account showing a large outstanding balance of £1,579.27. However, the statement itself does not clearly demonstrate where the balance has come from. The client was not able to work out whether he actually owed the money and was feeling very stressed and worried about how he would pay the outstanding balance. The client has been awarded PIP benefit and is also in receipt of ESA.

3. Direct deductions from meter

The third most common fuel debt issue reported by Scottish CAB in 2016-17 was related to direct deductions from clients' energy meters. This is a new advice code introduced for the first time this year and accounted for 7% of the fuel debt issues recorded by CAB in 2016-17. This advice code relates to those clients, often with a pre-payment meter, who owe their energy supplier a debt for their energy use. Payments towards the debt are taken each time the client credits their account. Often it is the case that the amount of money taken for debt repayment can be unreasonably set by the energy supplier, meaning that clients on fixed or low incomes are often left with insufficient credit for their energy usage when they try to top up, leaving them vulnerable to self-disconnection.

Below some case studies are presented which highlight the nature of the issues Scottish CAB clients face when trying to pay off debt to a supplier via deductions from their meter(s). In the first direct deductions from meter case study, a North of Scotland CAB reports of a client who is

not receiving all of the credit she should when she tops up her pre-payment meter due to the supplier automatically setting the debt repayment amount too high.

Direct Deductions from Meter Case Study (1)

A client came in to the CAB because she is concerned that she has not been getting all the supply she should when she tops up her pre-payment meter. She feels this is as a result of a debt owed to her supplier. When she topped up £25 she only got about £8 usage. The CAB adviser explained that suppliers set debt recovery at 70% for prepayment meter unless they set it to a rate customer is able to afford. It is up to the customer to notice and make contact with the supplier regarding the recovery rate. This approach doesn't consider that there may be vulnerabilities due to the nature of those who are on prepayment meters and circumstances for the debt to be there in the first place.

In the second direct deductions from meter case study, an East of Scotland CAB reports of a client who is also being distressed by the automatic 70% recovery charge applied by suppliers for arrears, resulting in the client being unable to afford her heating.

Direct Deductions from Meter Case Study (2)

The client came to the CAB upset as every time she puts £10 into her pre-payment gas meter she is receiving less than £3 of gas. She has topped up 3 times this week and can't cope financially with this anymore. The client thought she has some debt on her meter but was reluctant to mention how much. The adviser discovered that the total arrears are now £1,200. Client was shocked at amount of arrears. The supplier agreed to reduce the repayment level to £3.70 per week instead of 70% at every top up.

³⁸ On 5 March 2018, Ofgem announced it is banning energy suppliers from issuing customers with backbills for energy used more than 12 months ago.

4. The 'other' category

The 'other' category in relation to fuel debt advice captures all of the advice provided by CAB that is not captured by the other level 3 advice codes, as listed in Table 3. Accounting for 6% of all fuel debt issues reported in 2016-17, there was a marginal increase (1%) reported in 2016-17 compared to 2015-16.

Below some case studies are presented which highlight just some of the other fuel debt issues Scottish CAB clients face. In the first case study, a West of Scotland CAB reports of a client needing assistance due to direct deductions being taken from their benefit payments to repay fuel debt after the debt had been repaid in full.

'Other' Category Case Study (1)

The client currently pays for her gas and electricity via direct deductions taken from her ESA each month. However, she has recently learned that part of this includes deductions for an arrears balance accrued prior to 2014. Upon checking her records, she has recalled that the bureau had previously been successful in writing off some or all of these arrears by way of an energy trust application to her supplier, of which we have no record. She has therefore contacted her supplier to query the balance outstanding on her account and has been advised that the arrears for both gas and electricity have been cleared for some time. The client is therefore unclear as to why deductions from her benefits have been continuing and believes the supplier must therefore owe her money.

In the second case study, a West of Scotland CAB reports of a client who found they were in significant debt to their energy supplier due to an administrative error following a change in account number made by the supplier that wasn't actioned correctly.

'Other' Category Case Study (2)

The client has lived in the same property for 56 years and has had her gas and electricity supplied by the same company for as long as she can recall. Payment was made via Direct Debit from her partner's bank account. Meter readings are supplied to the supplier on a regular basis. But she has now received two letters from a Credit Solutions Company claiming that she is in debt to the sum of £442.72 due to non-payment of fuel supplies in 2014. The client's partner's bank statements show that she paid £1216.12 by Direct Debit to the supplier during 2014, so she needs some assistance in resolving the issue. The supplier had changed the client's account number in 2013, but due to an administrative error the old and new accounts were never reconciled. The supplier agreed to rectify the problem and contact the Credit Solutions Company concerned to have all reference to this alleged debt recalled.



5. Complaints

The fifth largest fuel debt category in 2016-17 was related to clients' complaints, accounting for 3% of the fuel debt issues reported. While this represented a 20% increase on the previous year, it should be noted that the overall number of complaints issues reported last year was relatively low (n=126).

A number of case studies are presented below which highlight the nature of some of the complaints in relation to fuel debt. In the first complaints case study, an East of Scotland CAB reports of a client who had to complain to her supplier due to problems with her meter and billing, which has resulted in a large and unaffordable bill arriving unexpectedly. The client arranged for a pre-payment meter to be installed to repay the outstanding debt, but the debt was still referred to a debt collection agency. The client is confused and concerned.

Complaints Case Study (1)

The client moved into her flat in April 2014, but she wasn't advised who supplied her energy. She asked the agent she was renting from, but they were unable to help her. The client called around several energy suppliers but couldn't find out who was providing her energy. In November 2016 she received a bill for £1,886 for the period April 2014 – November 2016. The client raised a complaint with her supplier as she was unable to afford to pay this amount and wanted to know why she had not been receiving regular bills. The client received a letter of apology in December 2016 that advised her that the bill had been revised and they were issuing an amended invoice for £727.55. The client arranged a payment plan for the arrears and to request a pre-payment meter be installed in her flat. The meter was installed and the client contacted

the supplier again to ask if she could arrange to pay the arrears through the new meter. It was agreed she would pay £5 p/w through the PPM. Since then, the client has received three letters asking for payment, in the last letter the amount owed has gone up to £1060.54. In March the client received a letter from a debt collection agency advising they have been instructed to collect the arrears. The client is totally confused, concerned and wants to know what she can do.

In the second complaints case study, a West of Scotland CAB reports of a client who had switched supplier and was trying to find out if they were owed a refund due to any overpayment. The supplier's billing system is confusing and was causing worry and concern for the client, so a formal complaint was made to the supplier.

Complaints Case Study (2)

The client came to the bureau seeking assistance with her energy bills. The client had switched supplier, but since then she has been in regular telephone contact with her previous supplier to find out if she was owed any money by them. The client received various statements from the old supplier stating different amounts. Some showed they were in credit and others showed they had a debt. The CAB adviser spoke to the old supplier who was unable to explain the statements received by the client. They also quoted other figures which did not appear on the statements and vaguely advised that the statement was 'a record of usage'. The CAB lodged a formal complaint with the supplier on behalf of the client about their billing system, which in addition to being incomprehensible, has caused much worry to the client.

Regulated fuel

In 2016, the Scottish Government estimated that 90% of Scottish homes were heated by mains gas or electricity³⁹. The provision of mains gas and electricity to consumers is regulated and, as such, suppliers must adhere to certain standards designed to promote competition and protect the interests of consumers. The regulated fuel category captures the advice provided by Scottish CAB on all issues relating to mains gas or electricity accounts.

Consumers in Scotland visited their CAB with 19,779 regulated fuel issues in 2016-17. This was an increase of 8% compared to the 18,377 issues raised in 2015-16. The advice provided in the regulated fuel category covers a wide range of issues including:

- > problems with billing;
- > metering issues;
- > help accessing support schemes;
- > assistance with complaints/redress; and
- > help for consumers threatened with, or facing actual, disconnection.

Two new regulated fuel advice codes were introduced in 2016-17:

- > issues related to pre-payment meters; and
- > emergency credit for pre-payment meters.

Table 4 presents the number of issues brought to bureaux per regulated fuel category in 2016-17, compared to 2015-16. Categories are listed in descending order with the regulated fuel advice code that recorded the highest number of issues listed first. Chart 4 also shows this data in graphical form to allow comparison between categories.

Below a summary of the key findings from the statistics are given:

- > As in previous editions of this report, the most commonly reported regulated fuel issues in 2016-17 continued to be problems with billing and meter reading issues, followed by problems clients were experiencing with the Warm Home Discount. Billing/meter reading issues decreased from 3,293 to 3,162, a 4% decrease. Issues with the Warm Home Discount increased from 2,177 to 2,549, a 17% increase.
- > The 'other' issues category was the third most common regulated fuels issue in 2016-17 and accounted for around 9% of the total issues

reported. This category relates to a variety of different issues, not captured by the other level 3 advice codes listed in Table 4.

- > In addition to the two new advice code categories introduced in 2016-17, most of the increase in number of issues reported by Scottish CAB were related to: consumers being added to priority services registers, increasing from 262 to 455 (a 74% increase); change of tariff with existing supplier, increasing from 865 to 1,194 (a 38% increase); and switching supplier, increasing from 1,500 to 1,803 (a 20% increase).
- > The biggest decrease in regulated fuel issues in 2016-17 was related to: methods of payment, dropping from 1,480 to 725 (a 52% decrease); Green Deal / Energy Company Obligation issues, dropping from 472 to 287 (a 39% decrease); and delays in supply / delivery, decreasing from 129 to 79 (a 39% decrease).
- > Problems with smart meters was a new category introduced last year. As such, the 257 smart meters issues being advised on in 2016-17 represented only 1% of the total regulated fuel issues reported. However, it was a 15% increase on the previous year, so it may be something to be monitored in the future.

Top 5 regulated fuel issues

1. Billing / meter reading

In 2016-17 the majority of regulated fuel cases (16%) continued to relate to billing and/or meter reading issues. This was a slight decrease (4%) from the previous year. CAB clients seeking advice on billing and/or metering issues typically reported a number of problems, including: issues with their supplier's billing processes; administrative errors; incorrect or unclear bills; clients on priority services registers not having their meters read for them; and inaccurate meter readings being recorded.

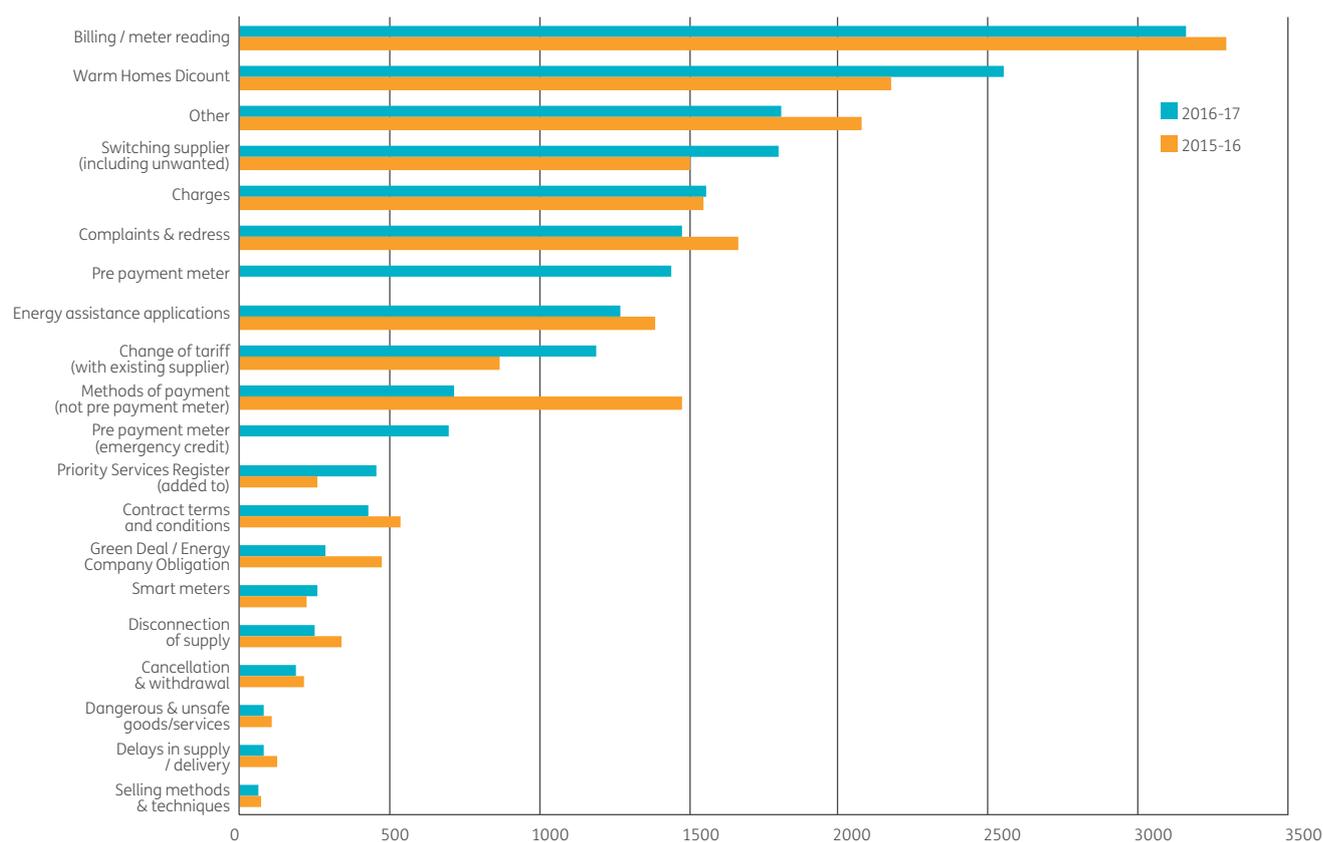
Below a number of case studies are presented which highlight the nature of issues Scottish CAB clients face in relation to billing and meter reading. In the first case study an East of Scotland CAB reports of a client who had received a large back-bill for an accrued debt caused by a metering problem at the client's previous property. This case is an example of the long time it has often taken for back-bills to be sent to consumers, which can cause emotional and financial distress if they are large. The new rules regarding back-billing being limited to the previous 12 months should go some way to address this in the future.

³⁹ Scottish Government (2016) 'Scottish House Condition Survey – Key Findings'

Table 4 Number of regulated fuel issues advised on by Scottish CAB in 2016-17 compared to 2015-16

CAB Advice Code	2015-16	2016-17	% change between 2015-16 and 2016-17
Billing / meter reading	3,293	3,162	↓ 4%
Warm Home Discount	2,177	2,549	↑ 17%
Other	2,076	1,805	↓ 13%
Switching supplier (including unwanted)	1,500	1,803	↑ 20%
Charges	1,553	1,562	↑ 1%
Complaints & redress	1,663	1,475	↓ 11%
Pre-payment meter	/	1,442	
Energy assistance applications	1,391	1,276	↓ 8%
Change of tariff (with existing supplier)	865	1,194	↑ 38%
Methods of payment (not pre-payment meter)	1,480	715	↓ 52%
Pre-payment meter (emergency credit)	/	695	
Priority Services Register (added to)	262	455	↑ 74%
Contract terms and conditions	542	431	↓ 20%
Green Deal / Energy Company Obligation	472	287	↓ 39%
Smart meters	224	257	↑ 15%
Disconnection of supply	341	250	↓ 27%
Cancellation & withdrawal	220	193	↓ 12%
Dangerous & unsafe goods/services	113	84	↓ 26%
Delays in supply / delivery	129	79	↓ 39%
Selling methods & techniques	76	65	↓ 14%
Total	18,377	19,779	↑ 8%

Chart 4 Number of regulated fuel issues per advice code for 2016-17 compared with 2015-16



Billing/Meter Reading Case Study (1)

The client came into the CAB for assistance after receiving a very large bill from their supplier for over £2,000, stating it must be paid within 7 days. The bill relates to a previous property the client lived in where she repeatedly contacted the supplier to send her a bill for the gas she was consuming but no one ever got back to her. Eventually she was told the property was not registered on their systems and a new gas meter was fitted. Still no gas bill was forthcoming. She formally complained to the supplier about the situation but received no response. Now, one year after moving from the property, she has received a bill for a large amount of money. She has phoned the supplier and negotiated the amount down to £700 payable at a rate of £30 per month over three years. However, the supplier now claims they have no record of this conversation and are demanding the full amount is repaid.

In the second billing/meter reading case study, a South of Scotland CAB reports of a client who had received three invoice/statements on the same day from her energy supplier for different periods, all showing varying amounts in credit or debit. The CAB adviser was also concerned that issuing multiple estimated bills at the same time could cause further detriment to the client if they were to avoid heating their home to prevent high bills.

Billing/Meter Reading Case Study (2)

The client had received three invoice/statements on the same day from her energy supplier for different periods dating back to the period July 2014 to February 2016. The bills were for variable amounts: £232 credit, £200 debit, £501 debit. They were based on estimated readings. Receiving multiple bills for different amounts is very misleading for the client, particularly as they are elderly and vulnerable and may assume that the meters were read and proceed to pay them, thereby impacting the client financially.

2. Warm Home Discount

The second largest regulated fuel category in 2016-17 continued to be advice provided on the Warm Home Discount. This category accounted for 13% of the regulated fuel issues raised at CAB, representing a 17% increase on the previous year. As in previous years' editions of this report, Scottish CAB clients continue to experience a number of issues with the Warm Home Discount scheme, including: the barriers clients face when trying to access support; a lack of clear eligibility criteria, beyond the core group, which can vary considerably between different suppliers; and continuing digital exclusion experienced by clients as a result of online applications.

Below a number of case studies are presented which highlight the nature of issues Scottish CAB clients face in relation to the Warm Home Discount (WHD). In the first WHD case study, an East of Scotland CAB reports of a vulnerable client with multiple health issues who was looking to apply for support from the Warm Home Discount scheme, but he was not able to do so because it is a requirement that applicants have a landline or mobile telephone.

Warm Home Discount Case Study (1)

The client lives alone in 3 bed council property. His only income is ESA and he is in the supported group due to a number of serious health issues, including angina, carpal tunnel syndrome in both wrists, vertigo, high blood pressure, and he frequently loses power in his right foot. Client has to use a walking stick for support. The client is struggling to meet his utility costs and wants to apply for the Personal Independence Payment and Warm Home Discount. When the client applied for the Warm Home Discount he was told he needed a landline or mobile telephone number before they could proceed, but the client has no phone so is left at a disadvantage.

In the second WHD case study, a North of Scotland CAB reports of a client who had switched supplier and lost the Warm Home Discount because the new supplier was not part of the scheme. This had left the client at a financial disadvantage that may have cancelled out any financial gain she received from shopping around for a new supplier.

Warm Home Discount Case Study (2)

The client had switched supplier, but she lost her entitlement to the Warm Home Discount support scheme when she switched. The client confirmed with her new supplier that she is not part of the scheme. The client's previous supplier was part of the scheme, so the client is wanting to highlight the unfairness of the WHD not being offered by all suppliers. It is a valuable credit to those on a low income or on certain benefits but not every supplier offers the discount. This leaves people at a disadvantage when 'shopping around' as they would have to consider whether supplier offered discount, despite the amount they could save by switching.

3. The 'other' category

The 'other' category remained the third largest regulated fuel category at Scottish CAB in 2016-17, accounting for 9% of fuel debt issues raised. This was a 13% reduction on the previous year. The 'other' category captures all of the regulated fuel advice provided by CAB that is not captured by the other level 3 advice codes listed in Table 4. In 2016-17 some of these other issues included: clients struggling to make ends meet due to in-work poverty; problems associated with receiving payments from the benefits system; and things getting difficult for some clients due to health and other social problems.

Below a number of case studies are presented which highlight the nature of issues Scottish CAB clients face in relation to the 'other' category. In the first case study, an East of Scotland CAB reports of a client suffering from in work poverty, impacting her ability to pay for essential services, including gas and electricity.

'Other' Category Case Study (1)

A client with health issues and a child under 16 years is suffering from in-work poverty. She has had her Working Tax Credit and her Council Tax Credit stopped without warning. No further payments are being made until she sends evidence of earnings. She now has no gas or electricity, no food and no money. The Social Welfare Fund has refused to pay out a Crisis Grant to a single parent, with a child under 16 who has advised them that she has no money for gas, electricity, and food and she won't be able to stay in the house overnight. Their advice to her was to seek an advance on her wages from her employer. Only if that request was refused are they happy to consider a new application with the letter from employer confirming that they wouldn't give an advance in wages.

In the second case study, an East of Scotland CAB reports of a client struggling to pay for his energy due to problems with the benefits system. In this case, the client had not received Universal Credit, leaving him without any food or energy. A food bank referral had been made due to the client's destitution, however he was not able to cook the food provided, leaving him at a disadvantage.

'Other' Category Case Study (2)

The client came to the CAB for assistance because he was having trouble accessing support from the benefits system due to non-payment of Universal Credit. The Job Centre Plus (JCP) had also made a mistake with his appointment day/time. The client asked the JCP for help with travel costs as he has no money, but no payment was made into his bank account. The client has had no gas for 3 weeks, no electricity for the past week, no money for 2 months and no food for 3 days. The CAB adviser filled in a food bank form with the client. The client was in quite a vulnerable position due to problems with the UC system and though he ended getting another food bank referral, he had no electricity to cook any food provided.

4. Switching supplier (including unwanted)

A significant number of Scottish clients visited their local CAB with issues related to switching supplier. This accounted for 9% of the regulated fuel category in 2016-17, a 20% increase in new switching supplier issues, compared to the previous year.

Below a number of case studies are presented which highlight the nature of issues Scottish CAB clients face in relation to switching supplier. In the first switching supplier case study, a West of Scotland CAB reports of a client looking for assistance with an unwanted transfer that the client did not know was taking place.

Switching Supplier Case Study (1)

The client called bureau looking for assistance with a suspected erroneous transfer. She had received a letter from a supplier stating that they were going to be taking over her gas/electricity supply. The client was not happy that was taking place and noted that she was too unwell for this to go ahead. She didn't understand why this was happening and noted that the letter that had been sent to her was addressed to the local authority rather than her own name. The client was advised by the supplier that there was no way to cancel this and if she wanted to stay with her current supplier she would have to reconnect to them. The CAB adviser contacted the new supplier on the client's behalf to find out what was happening. The new supplier advised that they could cancel the switchover and stated that they don't know how it had happened in the first place.

In the second switching supplier case study, a West of Scotland CAB reports of a client who had been trying to switch supplier and was having trouble getting the final bill from his previous supplier. The case illustrates the difficulties some clients face when switching, particularly in relation to the old and new suppliers communicating with each other and the customer.

Switching Supplier Case Study (2)

The client has been trying to switch supplier and was having trouble with getting a final bill for her electricity from her previous supplier. The opening/closing reads had been miscalculated resulting in an incorrect electricity bill being generated. The case highlighted the fact that the Shippers Rate between suppliers had not been agreed and further readings supplied by the client revealed the meter was reading as a single rather than a dual rate. The closing bill indicated that the client had been charged £204.90 for 4 weeks on a non-existent rate. The client attempted to try and resolve the issue but was passed between both companies each stating he should contact the other. As well as causing much distress to the client and his partner it also resulted in the bill being sent to a debt collection agency.



5. Charges

The fifth largest regulated fuel category in 2016-17 was issues related to suppliers' charges, accounting for 8% of issues. This was a marginal increase (1%) on the previous year. It is highly likely that the introduction of standing charges onto regulated fuel tariffs in 2014-15 is continuing to affect a number of clients, particularly if they are clients receiving a gas supply to their property, even if they do not use any gas.

Below a number of case studies are presented which highlight the nature of issues Scottish CAB clients face in relation to charges. In the first charges case study, an East of Scotland CAB reports of a client who has had a problem with the charges he was paying for his energy, which when coupled with poor billing practices, resulted in a considerable debt being accrued on the client's energy account.

Charges Case Study (1)

Around 3 years ago the client moved with their partner into their current address, a 3-bedroomed farm cottage. At the time the landlady read the gas and electricity meters, but the client does not have a note of the readings. For some reason the couple have always paid their bill based on an estimate and in the three years they have lived at the property no-one has read the meters (although they are outside). At the outset they were paying around £70 monthly, but this was reduced to around £30. They have recently been told they are £3,990.01 in arrears and have a hand delivered letter from a debt collection agency informing them they are seeking a warrant to install pre-payment meters. The client understands the situation they are in and that the meter will collect the debt, but they simply cannot afford the terms quoted, particularly with three young children in the household.

In the second charges case study, a South of Scotland CAB reports of a client who believes he has been overcharged by his supplier due to a previous direct debit being set to the wrong amount and that he may have been paying for another property's supply.

Charges Case Study (2)

The client believes he has been overcharged for his energy supply with no explanation as to how the figures were arrived at. He believes it may be due to his reading being added onto a holiday home, situated at the top of his drive, which he has no ownership or control over. The client received 4 separate statements, all for different amounts. The client had been paying for his energy by direct debit. He was paying £101.64pcm, until December, when the direct debit was increased to £321. The client stopped the direct debit in January 2016, when he started to give the supplier actual readings each month and is being billed on that basis. Since 28/01/16 – 01/12/16 he has paid a total of £875.55. He is concerned that he has been overcharged due to the direct debit payments he previously made, and he did not receive a refund on the credit amount. He is happy with the charges levied since January 2016 when he has been providing regular readings.

Non-regulated fuel

In Scotland it is estimated that around 10% of households are heated by non-regulated fuel types, such as oil, coal and liquefied petroleum gas (LPG)⁴⁰. Unlike consumers purchasing mains gas and electricity, there continues to be limited protection for consumers using non-regulated fuels. This includes consumers using district and communal heating systems. Other research for the CFU has indicated the potential positive role these alternative fuel sources can play in tackling fuel poverty and reducing carbon emissions⁴¹. However, given that this part of the energy sector is not currently regulated, consumers do not benefit from the same level of consumer protection as those who rely on gas or electricity to heat their homes.

It is worth noting that the volume of non-regulated fuel issues brought to Scottish bureaux has traditionally been quite low. Consumers in Scotland visited their CAB with only 432 non-regulated fuel issues in 2016-17. This was an increase of 7% compared to the 403 issues raised in 2015-16. In previous editions of Energy Advice in Detail, the lower proportion of non-regulated fuel issues has, in part, been attributed to the rurality of many non-regulated fuel households and may also reflect awareness amongst clients of the lack of regulation and support for these fuel types, discouraging consumers from seeking advice.

The non-regulated fuel cases presented at bureaux often reflect pricing or service issues. Clients often report that they find it difficult to find competitive prices for LPG, heating oil and other non-regulated fuels. For clients reliant on heating oil, in particular, this is exacerbated by crude oil prices which despite having been on a downward trend in recent years, continue to see seasonal spikes in prices. Ongoing price volatility can make it difficult for consumers to manage their finances.

Table 5 presents the number of issues brought to Scottish bureaux per non-regulated fuel category in 2016-17 compared to 2015-16. Categories are listed in descending order with the non-regulated fuel advice code that recorded the highest number of issues listed first. Chart 5 also shows this data in graphical form to allow comparison between categories.

Below a summary of the key findings from the statistics are given:

⁴⁰ Scottish Government (2016) 'House Condition Survey – Key Findings'

⁴¹ <https://www.cas.org.uk/publications/different-rules-different-fuels-exploring-consumer-protection-district-heating-market>

- The most common non-regulated fuel categories were those related to: charges, increasing from 43 to 116 (a 170% increase); the 'other' category, decreasing from 96 to 73 (a 24% decrease); and billing and meter reading issues increasing from 29 to 44 (a 52% increase).
- The biggest increases were seen in the charges and billing and metering issues categories, as noted above, as well as the disconnection of supply category, which increased by 17%. However, the numbers involved were very small, increasing by just one (from just 6 to 7).
- The biggest decreases were seen in the delays in supply and delivery issues category, decreasing from 5 to 1 (an 80% decrease), the selling methods and techniques category, decreasing from 14 to 6 (a 57% decrease), and the 'other' category, as noted above. However, for all of these categories it should be noted that the numbers involved are extremely small.
- In last year's Energy Advice in Detail report it was reported that Scottish bureaux had started to record advice given on alternative fuels (such as domestic renewable energy systems). The number of cases reported in Scotland dropped from 55 in 2015-16 to 43 in 2016-17, representing a 22% decline.

Case Studies: Non-regulated fuel issues

The lower proportion of non-regulated fuel issues dealt with by the Scottish CAB network has previously been attributed, in part at least, to the rurality of many households reliant on non-mains fuel types to heat their homes. While the lower numbers may reflect a greater awareness amongst CAB clients of the lack of regulation of these fuel types, thereby discouraging these consumers from seeking advice, it should not take away from the serious nature of many of the problems these clients seek help with.

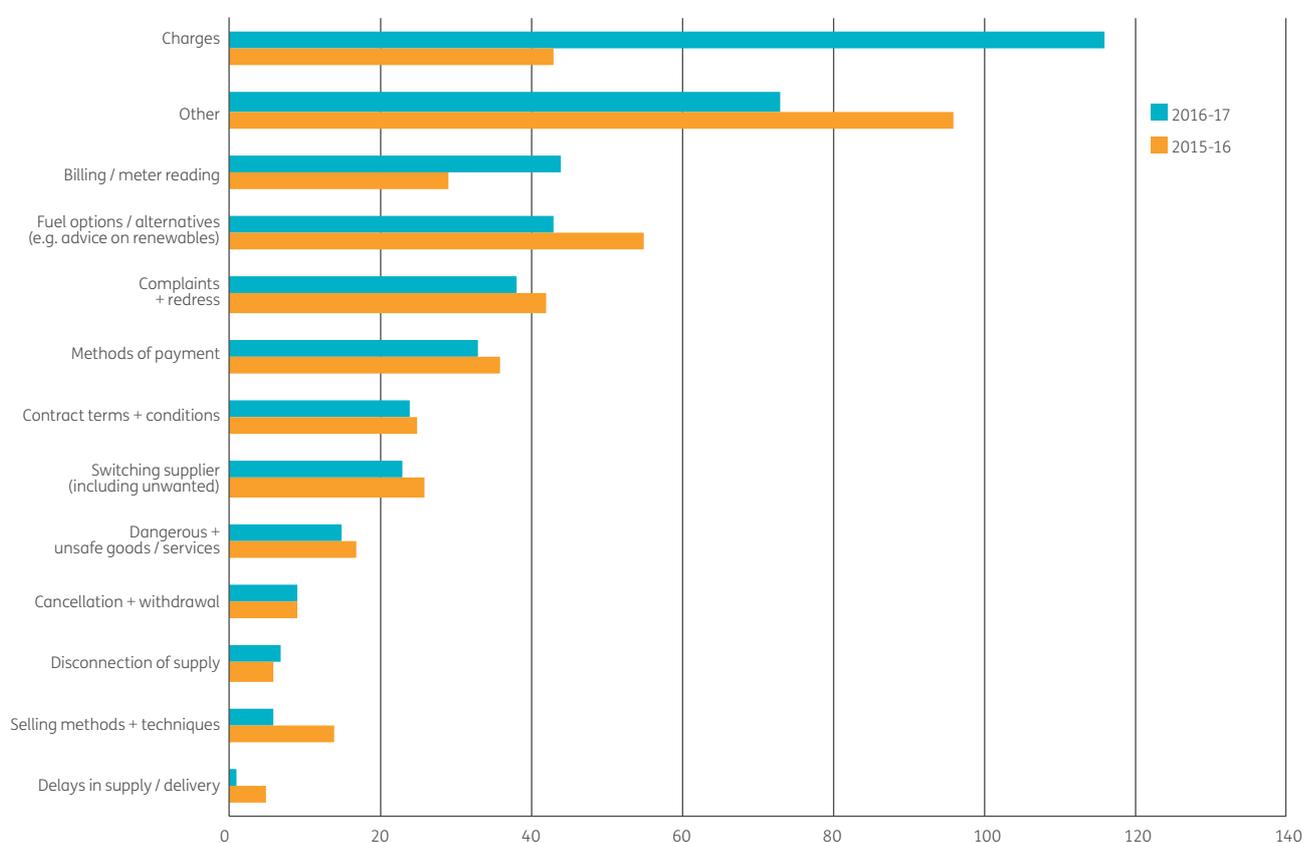
The types of non-regulated fuel issues raised at Scottish bureaux include:

- clients' finding it difficult to make payments, including paying for bulk oil/LPG;
- problems with domestic renewables not working properly;
- inappropriate selling of renewable technologies;
- poor quality workmanship when replacing heating systems; and
- a lack of consumer protection in the off-grid heat market.

Table 5 CAB Non-regulated fuel issues advised on by Scottish CAB in 2016-17 compared to 2015-16

CAB Advice Codes	2015-16	2016-17	% change between 2015-16 and 2016-17
Charges	43	116	↑ 70%
Other	96	73	↓ 24%
Billing / meter reading	29	44	52%
Fuel options / alternatives (e.g. advice on renewables)	55	43	↓ 22%
Complaints + redress	42	38	↓ 10%
Methods of payment	36	33	↓ 8%
Contract terms + conditions	25	24	↓ 4%
Switching supplier (including unwanted)	26	23	↓ 12%
Dangerous + unsafe goods / services	17	15	↓ 12%
Cancellation + withdrawal	9	9	0%
Disconnection of supply	6	7	↑ 17%
Selling methods + techniques	14	6	↓ 57%
Delays in supply / delivery	5	1	↓ 80%
Total	403	432	↑ 7%

Chart 5 Number of non-regulated fuel issues per advice code for 2016-17 compared with 2015-16



The case studies presented below highlight just some of the non-regulated fuel issues Scottish CAB clients sought advice on in 2016-17. In the first case study, a West of Scotland CAB reports of a client having problems with a renewable energy heating system. The client had not been properly informed about the costs of maintaining the heating system, which were considerable and on top of the significant cost for the heating system itself.

Non-regulated Fuel Case study (1)

The client called into the bureau with an issue regarding a biomass boiler. The client had the boiler installed in July 2015 at a cost of £16,300. The client entered into the agreement as it was sold to her as a government scheme and she would get approx. £300.00 every 3 months for 15 years. The client was also advised by the seller that the boiler had a 7-year guarantee. The client advised that last winter she had to get the installer out to the boiler approx. 5 times as there was something wrong with the ignition. The client was getting frustrated due to the fact she had paid all this money for something that wasn't reliable. The client subsequently found out that to maintain the warranty on the boiler she would need to pay for an annual service costing £354.00. The client was never advised of the amount she would have to pay for an annual service.

In the second case study, a West of Scotland CAB reports of a client looking for help with the poor-quality workmanship for a replacement boiler provided under a government assistance scheme.

Non-regulated Fuel Case study (2)

Client phoned about his 80-year old father-in-law's oil-fired boiler. Client advises that about 11 months ago his father-in-law was cold called offering a new boiler absolutely free under a government scheme. At that time

his existing boiler was about 30 years old, it was in good working order and serviced every year. He agreed to have a new boiler, and this was subsequently fitted. The client advises that since then there have been at least 3 breakdowns and on one occasion was without any heating. The client's complaint is that the boiler has never worked properly, and that proper preparatory work may not have been carried out prior to installation. After extensive investigations and additional costs to the client, he has been reassured by an engineer that the boiler is safe to use.

In the third case study, an East of Scotland CAB reports of a client who had run out of money to top up her district heating supply pre-payment meter (PPM). The case illustrates the impact on consumers from a lack of regulation and consumer protection in the off-grid heat market.

Non-regulated Fuel Case study (3)

The client came into the CAB because they had run out of money to top up her district heating supply pre-payment meter (PPM). The client approached Changeworks who attempted to obtain an emergency top up on her behalf. However, her heat supplier does not have this provision in their terms and conditions. The client confirmed that she had PPMs for her utilities and had self-disconnected the electricity supply. She has since arranged for her daughter to stay with her father and borrowed £10 to get back on supply. She explained that it is a condition of her lease that she cannot change her heat supplier, even if the supplier cannot accept or make emergency payments. The supplier is not a Heat Trust member and as such is not subject to the voluntary regulation / Ombudsman process that the Heat Trust supports.

Citizens Advice Consumer Service – Scottish energy issues

The Citizens Advice Consumer Service (CACS) is a telephone, webform and letter advice service jointly run by CAS and Citizens Advice (England and Wales) since 2012. It is part of the range of advice services offered by the Citizens Advice network in Scotland to meet a specific consumer demand for online, postal and telephony based consumer advice. In 2016-17 consumers in Scotland contacted the CACS with 3,788 energy-related issues. This is a decrease of 10% from the 4,210 energy issues advised on in 2015-16.

In addition to outlining all of the types of energy advice provided by the CACS in 2016-17, this report examines in more detail the top 5 categories. The statistics presented in Table 6 are accompanied by case studies from specific calls that highlight typical or notable issues experienced by clients. Owing to the nature of the CACS, case notes tend to be recorded in short-hand. This enables the adviser to effectively engage with the client and advise them efficiently. As such, the CACS case studies are generally less detailed than those from CAB and, in keeping with previous editions of this report, they have been edited from note form to provide a clearer narrative for their inclusion.

Issues advised on by the CACS

Table 6 and Chart 6 present the breakdown of CACS issues by category in 2016-17, compared to 2015-16. Below a summary of the key findings from the statistics are given:

- Following last year's edition of this report, the top 3 issues advised on by the CACS remained the same: billing errors; advice/information; and metering issues.
- Billing errors continued to be the most common energy-related CACS enquiry in 2016-17, accounting for 42% of all energy-related CACS issues. Consumers contacted the CACS with 1,562 billing error issues, which represented a 12% decrease compared to 2015-16.
- The provision of advice and/or information was the second most common energy-related enquiry to the CACS in 2016-17. It is now well-established that a key function of the CACS is to signpost consumers towards the information they require to enable them to resolve issues and in 2016-17 clients contacted the CACS with 722 information issues, a decrease of 17% compared to 2015-16.
- The third most common CACS category in 2016-17 was metering issues, with 536 metering issues advised on. This represented a decrease of 23% compared to 2015-16.
- The category that saw the biggest increase in advice being provided by the CACS was smart meters, with an increase from 11 issues in 2015-16 to 61 in 2016-17, representing a 455% increase. As we saw previously with the regulated fuel CAB issues advised on, the number of smart meter issues being advised on are still relatively small. However, it is one we might expect to see increasing in the future as the roll-out of smart meters continues.
- The category that saw the second biggest increase was advice provided on pre-payment meters, increasing from 79 issues in 2015-16 to 109 in 2016-17, a 38% increase.

Top 5 energy-related issues advised on by the CACS

1. Billing error

In 2016-17 the majority of energy-related calls to the CACS dealt with billing error problems, accounting for 41% of issues. This was a 12% drop from the previous year. The billing error category is large and complex, indicating the fact that an accurate and timely billing process is fundamental to a well-functioning energy market.

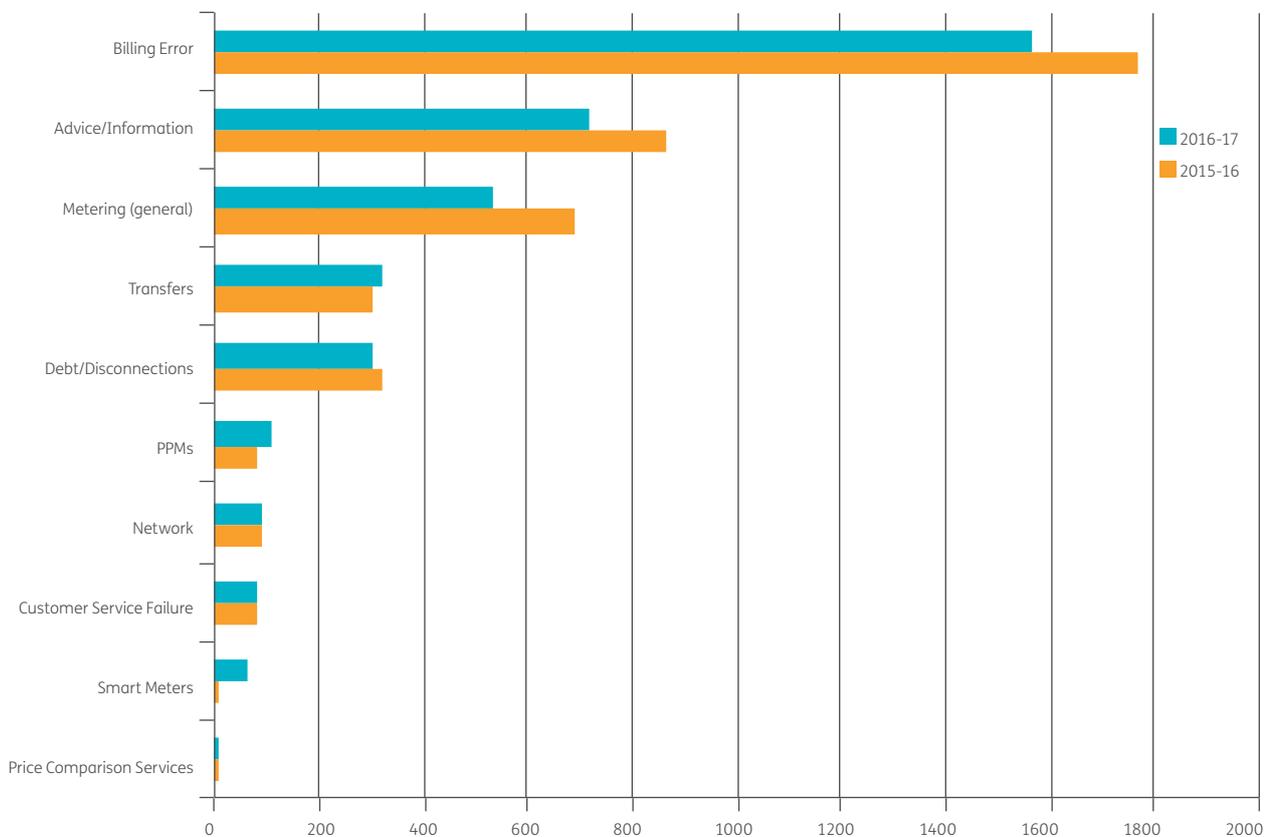
When things go wrong, and unexpected or estimated bills are sent to consumers it can cause budgeting issues for households, who may struggle to pay them particularly if they are large and unexpected. In addition to inaccurate bills being received, other types of problems reported in the billing error category include: issues with direct debits, disputes about liability for bills; balance queries; price or tariff information; bill formats being unclear; and problems with standing charges, amongst others.

Below a number of case studies are presented which highlight the nature of some of the issues callers to the consumer CACS in Scotland faced in relation to billing errors. In the first billing error case study the supplier has been billing the caller based on inaccurate meter readings, which resulted in a large back-bill being generated when she moved out of the property.

Table 6 Number of the CACS energy issues advised on in 2016-17 compared to 2015-16

Advice code	2015-16	2016-17	% change between 2015-16 and 2016-17
Billing Error	1,765	1,562	↓ 12%
Advice/Information	867	722	↓ 17%
Metering (general)	692	536	↓ 23%
Transfers	304	318	↑ 5%
Debt/Disconnections	317	307	↓ 3%
PPMs	79	109	↑ 38%
Network	89	88	↓ 1%
Customer Service Failure	84	84	0%
Smart Meters	11	61	↑ 55%
Price Comparison Services	2	1	↓ 50%
Total	4,210	3,788	↓ 10%

Chart 6 Number of the CACS energy issues by advice code in 2015-16 compared with 2016-17



Billing Error Case Study (1)

A consumer service client needed advice with inaccurate meter readings resulting in estimated bills being received from her energy supplier. She lives in private rented accommodation with her 3 children. The bills have been arriving despite meter readings being given to her supplier and regardless of how many times she has complained. When the caller left the property in April 2016 a final demand for £2,500, dating back to 2014, was received. The matter is causing a lot of worry and stress. The caller was advised of the back-billing code that larger suppliers are signed up to, which is not being applied correctly. The case was referred to the EHU for further assistance due to the lack of response from the supplier and the undue stress that is being caused.

In the second billing error case study, a caller was having problems with her supplier using inaccurate meter readings, which had generated large bills that she felt were excessive for her usage.

Billing Error Case Study (2)

A consumer service client had been receiving bills from her supplier, but she is disputing the amount charged as she lives alone, and the heating is run by oil. Recently another bill has been sent for £1,678. The caller states the meter readings being used are not the same as those showing on her meter. The caller gives regular meter readings to the supplier. There is another meter in the property for the heating (electric), but this is not in use and doesn't move. The caller was emotional and stated she suffers with bipolar disorder and finds this very stressful and is worried about the situation and states she does not have that kind of money to pay. The CACS adviser advised the caller to try turning off all the electric appliances and take meter reading before, during and after all the appliances are turned back on. If the meter is still moving when everything is switched off, then could potentially be a fault with the meter and she should call back for further advice. The case was referred to the EHU due to its complexity and that the caller is not able to resolve the issue and cannot afford the amount charged.

2. Advice & information

In 2016-17, the second largest category of issues reported by the CACS were requests for advice and/or information, accounting for 18% of issues. This was a 17% decline in issues reported by the CACS compared to 2015-16. Typically, these kinds of calls to the consumer service are about: how to change supplier; queries about pricing information; energy efficiency or renewables; online account enquiries; supplier point reference number enquiries; help with assistance schemes like the Warm Home Discount; and smart meter enquiries. It is also within this category that non-domestic contract issues are dealt with.

Below a number of case studies are presented which highlight the nature of just some of the issues Scottish callers to the consumer service needed advice and information on in 2016-17. In the first advice and information case study, the CACS was contacted for advice on how VAT is applied to the Warm Home Discount by an energy supplier, which differed significantly from the approach taken by other suppliers.

Advice & Information Case Study (1)

The consumer service was contacted by someone making a complaint on behalf of their father-in-law, who is 88 years old and registered blind. The person's father-in-law had received the Warm Home Discount for a number of years from different energy suppliers. This year the £140 was credited to the customer's account in December 2016. He has just been billed and the supplier has included this in his bill, but they have taken VAT so that only £133.34 was deducted from his electricity charges. The complainant was querying if this was the correct procedure. At least two other energy companies do not deduct VAT and the UK Government website only mentions £140 being deducted from recipients' electricity charges. No mention is made of VAT being taken off the £140. The CACS adviser contacted the supplier, who responded that VAT must be deducted even though the customer is not VAT registered.

In the second advice and information case study, a caller to the CACS had received an unwanted marketing call offering a new smart meter if the energy supplier is changed, which is a breach of the smart meter installation code of practice (SMICoP)⁴².

Advice & Information Case Study (2)

A consumer service client had received an unsolicited telephone call offering to install a smart meter for free if the caller agreed to change his energy supplier. The CACS adviser explained to the caller that such calls are not the usual method of offering smart meters to consumers and it could be construed as being misleading as the caller's intention was to sell a new fuel supplier. The caller was advised to contact the Telephone Preference Service (TPS) to help prevent future unsolicited sales calls being received.

3. Metering

The third largest category of issues dealt with by the consumer service in 2016-17 was problems with metering, which accounted for 14% of energy-related issues. This was a 23% drop in issues compared to 2015-16. The range of metering issues dealt with by the CACS include: suspected meter tampering; meter accuracy; meter positioning; meter provision or exchange; disputes over meter readings / data collection; and supply point administration queries.

Below a number of case studies are presented which highlight the nature of some of the issues Scottish callers to the consumer service faced in relation to metering. In the first metering case study, the CACS had received a call from a CAB adviser looking for advice to help a client whose meter had been removed due to suspected tampering. The supplier would only agree to put the meter back in if the client paid £900 upfront.

Metering Case Study (1)

Call received by the consumer service from a CAB adviser on behalf of a client who has had his pre-payment meter (PPM) removed due to suspected tampering. The client has 5 children, one of which is disabled. He lives in a rented property and is in receipt of benefits. The client had reported to the police that his meter was being tampered with, due it being located in a hallway so is accessible by others. The supplier removed the meter due to the suspected tampering and said they will only put the meter back in if the client pays £900 in full upfront. The case was referred to the EHU due to the threat of disconnection and presence of vulnerable people in the household.

In the second metering case study, a caller to the CACS was looking for assistance due to metering issues resulting in their energy account falling into arrears, despite there being no change in lifestyle/usage.

Metering Case Study (2)

A consumer service client has been paying a fixed amount every month for her energy. She had received a call from her supplier stating that based on the latest meter readings the customer's account was in arrears. However, there had been no change in her energy usage. The last accurate reading taken was in November 2015. The caller gave a reading today and apparently the caller's gas usage has quadrupled, but there has been no change in lifestyle. The meter was changed last October, and this is when the debt started accruing. The CACS adviser made the caller aware of supplier obligations in relation to reading meters and advised the caller to provide readings once a month, so she knows she's only paying for what she's used. Potentially the meter could be faulty. The caller was advised she could do a self-test on the meter called a 'kettle test', where a reading is taken at 10am and all the gas appliances are turned off. If the reading has changed two hours later, then the meter is probably faulty, and the caller can arrange to get someone to look at the meter with a view to having it changed and a bill recalculated.

⁴² <https://www.ofgem.gov.uk/ofgem-publications/57316/smartmeteringinstallationcodeofpractice-pdf>

4. Transfers

In 2016-17 problems with transfers was the fourth biggest category of energy-related issues the CACS assisted with, accounting for 8% of calls to the consumer service. This was a 5% increase in issues compared to 2015-16. The number of calls to the CACS about transfers is relatively small compared to other categories, however they can represent serious issues that can have major consequences for consumers.

The range of issues reported by the CACS in relation to transfers includes: erroneous transfers; cancelled contracts not being actioned; suppliers' failure to correctly apply for a transfer; suppliers objecting to transfers for various reasons; problems arising from contracts; amongst others.

Below a number of case studies are presented which highlight the nature of some of the issues Scottish callers to the CACS faced in relation to transfers. The first transfers case study relates to a householder who contacted the CACS about an erroneous transfer of the gas supplier. The result was that no gas had been paid for over 2 years, resulting in a large back-bill being generated.

Transfers Case Study (1)

The consumer service received an email enquiry about an erroneous transfer that took place in January 2014 when the complainant's gas supplier was unknowingly changed. The direct debit was cancelled, and no new account was set up with the new supplier. The result was that no gas had been paid for 2 and a half years. The new supplier advised they tried to return the meter in June 2014, June 2015 and in April 2016. At which point the old supplier was refusing to accept return of the meter as an erroneous transfer as it was over 18 months since the original transfer. A bill from the new supplier, addressed to the 'owner/occupier' was received asking for payment of £2,618.95 for gas. The CACS adviser discussed the case with the new supplier, who were considering if they could reduce the back-bill to just 1 year for supply.

In the second transfers case study a caller was trying to get help with switching supplier and reclaiming overpayments made to the old supplier. There had been lengthy delays in getting the switch and refund actioned, which had left the caller at a financial disadvantage.

Transfers Case Study (2)

A consumer service client has been trying to switch supplier and is waiting to get a refund for overpaying his supplier for 3 months' supply. After lengthy delays the old supplier confirmed a refund would take place, but the caller still hadn't received this 16 days after receiving confirmation that it would be refunded. The consumer service adviser explained to the caller that there is no set time limit in law for how long a refund should take to be refunded, however it should be within a reasonable timeframe. The adviser offered to raise the case with his old supplier but was not able to get through on the telephone. The caller was advised that if they were not satisfied after speaking with them, then the case could be referred to the Energy Ombudsman.

5. Debt & disconnections

The fifth largest category of issues dealt with by the CACS in 2016-17 were problems associated with debt or disconnection. Debt/disconnections accounted for 8% of energy-related issues advised on by the CACS, which represented a 3% drop from the previous year.

The range of debt/disconnection issues dealt with by the CACS in 2016-17 included: issues with debt recovery practices; disconnection following due process; disconnection or forced pre-payment meters being installed by suppliers without following the proper process; disputed rights of entry; pre-payment meter self-disconnection (unable to credit meter); consumers being put on to unsuitable or unaffordable payment scheme or methods.

The debt/disconnection category also includes vulnerable consumers who are disconnected from their energy supply. However, when these consumers contact the CACS with complex cases referring to actual or threatened disconnection or significant debt, they are usually referred to the Extra Help Unit for further, more detailed and in-depth support.

Below a number of case studies are presented which highlight the nature of some of the issues Scottish callers to the consumer CACS faced in relation to debt and disconnection. In the first debt and disconnections case study, a caller was looking for help with dealing with their supplier who had transferred more debt over to the caller's pre-payment accounts than they should have. The supplier acknowledged the error and was working to get the issue resolved.

Debt & Disconnections Case Study (1)

A consumer service client has pre-payment meters (PPM) for both gas and electricity. The meters were installed due to accrued debt. Direct debits to supplier stopped and the caller's bills built up from there – amounting to approx. £3,000. The caller was not giving meter readings during that time. The supplier agreed to take £10.00 a week in debt repayment. However, the caller has checked his online account, and the outstanding debt has not decreased. The supplier agreed they made a mistake and would resolve the issue. The supplier transferred more debt over to the caller's account than should have. As it is a complex issue and a vulnerable consumer, the case was referred to the EHU.

In the second debt and disconnections case study, a caller had come home to find her property being disconnected from the gas supply and a PPM installed. The caller had not received any paperwork from the supplier to let her know that she was being taken to court.

Debt & Disconnections Case Study (2)

A consumer service client has arrears on her gas account. She went out this morning and came back to find 3 people in her property to disconnect the supply and install a PPM (she already has one for her electric). No key has been supplied. She had left door unlocked so no forced entry but access without any knowledge. The workers said they had a court warrant but wouldn't show it to the caller. The caller has not had any paperwork to say they were taking her to court. The CACS adviser explained that a supplier can only enter the house with a warrant, but the caller claims she has had no correspondence. The call was referred to the EHU as a complex case with a threat of disconnection.

In the final debt & disconnection case study below, a consumer service client who has complex medical problems was off supply due to standing charges accruing on the account while he was away from home to recuperate.

Debt & Disconnections Case Study (3)

A consumer service client has complex medical problems and is currently off supply due to standing charges. The charges had built up when the caller was away from home for care. The supplier has tried removing the standing charges, but whenever the supplier has given the caller instructions to try to remove the standing charges it doesn't work. The caller has looked in to changing the PPM for a credit meter but has not had a response from his supplier about this yet. The case was referred to the EHU as the client is vulnerable and currently off supply.

The Extra Help Unit (EHU) – Scottish casework

The Extra Help Unit (EHU) is a GB-wide service delivered by CAS to both domestic and non-domestic GB energy and post consumers. The EHU actively seeks to identify and address policies and practices affecting vulnerable consumers and works closely with the policy units within Citizens Advice Scotland and Citizens Advice (England and Wales), suppliers and the energy and post industry regulators to make improvements.

The majority of consumers are referred to the EHU via the Citizens Advice Consumer Service and, increasingly, by bureaux advisers. 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 the:

- > urgency of the situation (e.g. risk of disconnection);
- > complexity of case; and
- > personal circumstances (e.g. health or income).

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

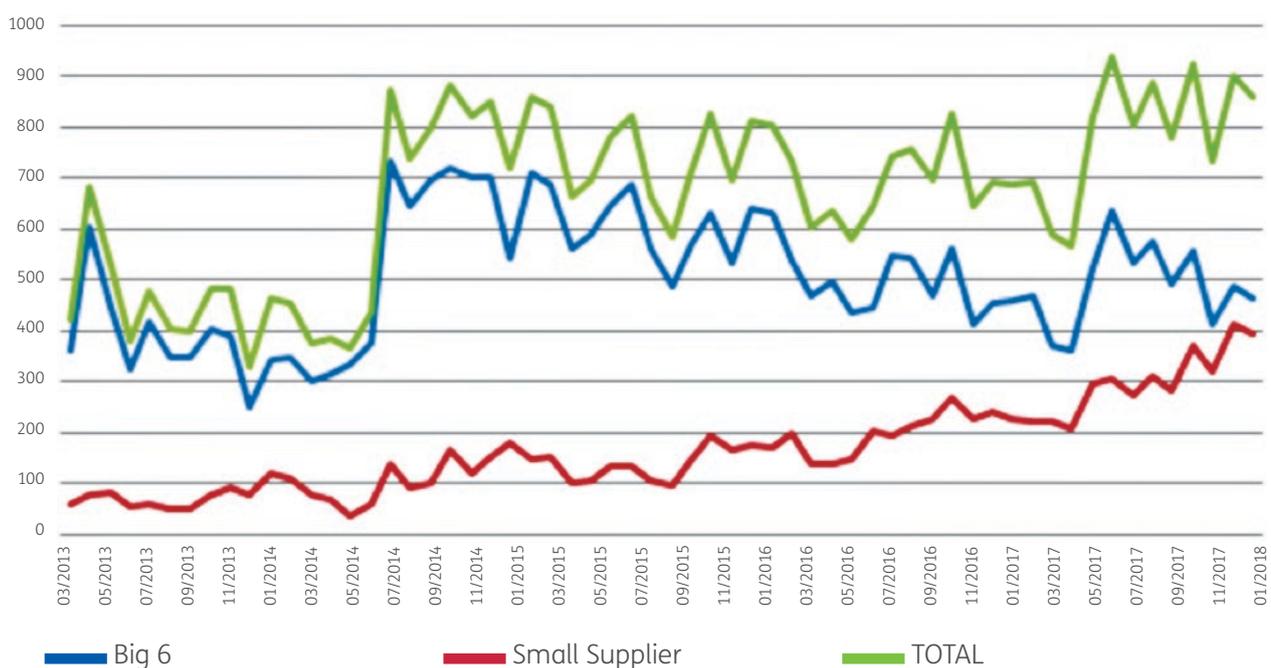
- > has been disconnected;
- > is threatened with disconnection; and
- > has experienced a failure in a prepayment meter system.

The EHU estimates that in 2016-17 the financial redress achieved for consumers based in Scotland using their service amounted to £233,208.56⁴³. In addition, annual customer satisfaction surveys show 92.5% of domestic customers were satisfied or very satisfied with the level of service received from the EHU. In survey feedback, one user of the EHU stated:

“I think they are a godsend. Without the Extra Help Unit people we would be in trouble.”
(Customer satisfaction survey 2016-17)

⁴³ Based on number of cases closed within April 2016-March 2017.

Chart 7 Proportion and number of complaints received by the EHU against smaller suppliers vs. against the Big Six (2013-2018)



Case handling of energy complaints makes up the vast majority of the EHU's caseload, accounting for 75% of cases dealt with in 2016-17⁴⁴. However, the EHU also deals with general enquiries (14% of Scottish caseload) and provides advice via the 'Ask the Adviser' service (13% of Scottish caseload). The Ask the Adviser service supports other advice providers to obtain the information they need to resolve their client's complaint. This generally involves Stakeholder Liaison Officers providing advisers with guidance on complex energy questions.

The EHU's caseload has traditionally been dominated by complaints with the Big Six suppliers, however complaints against smaller suppliers are emerging as a significant consumer issue given the steady increase in complaints observed in recent years. Chart 7 shows that for cases across GB, one of the key trends is the increase in the proportion and number of complaints against smaller suppliers against the Big Six.

Issues advised on by the EHU in 2016-17

In 2016-17 the EHU provided advice and investigated complaints to clients in Scotland on a total of 1,093 issues, which is a 6% decrease on the number in the previous year. All the figures presented below refer to clients advised by the EHU based in Scotland, as opposed to GB.

Table 7 and Chart 8 below shows the breakdown of the number of EHU issues advised upon in Scotland by advice code. It shows the number of issues in 2016-17 compared to 2015-16. Below a summary of the key findings from the statistics are given:

- The most common issues raised at the EHU in 2016-17 were problems related to: billing, metering, debt and disconnections, pre-payment meters and transfers.
- Focusing on these top 5 issues, the biggest increases in issues advised on were seen in the prepayment meters category, increasing from 61 issues in 2015-16 to 112 issues in 2016-17, representing an 84% increase. The metering category also saw a modest increase from 250 issues in 2015-16 to 267 issues in 2016-17, representing a 7% increase.
- The biggest drop amongst the top 5 issues was seen in the transfers category, dropping from 120 issues in 2015-16 to 97 in 2016-17, representing a 19% drop. The debt/disconnections category saw a similar rate

of decline in issues recorded, dropping from 225 issues in 2015-16 to 184 issues in 2016-17, representing an 18% drop.

- As in previous years, the billing issues category was the biggest overall category the EHU advised on. In 2016-17 the number of billing issues advised on dropped from 424 issues to 358 issues, representing a 16% drop.

Top 5 issues advised on by the EHU in 2016-17

The EHU acts as an advocate for individual consumers and represents their needs and aims to secure an outcome that's right for that individual. As such, EHU case studies usually contain significant detail. To illustrate the type of issues consumers come to the EHU with, this section presents a small number of case studies for each of the top 5 advice codes:

1. Billing errors
2. Metering
3. Debt/disconnections
4. Pre-payment meters
5. Transfers

Each case study outlines the consumer issue in detail, as well as the support and, where known, outcomes secured by the EHU for that particular household.

1. Billing errors

As in previous years of this report, issues with billing continue to dominate the complaints received by the EHU. In 2016-17 the EHU dealt with 358 billing issues, representing a third (33%) of all of the issues the EHU dealt with.

In last year's edition of Energy Advice in Detail it was speculated that the dominance of billing issues in the EHU's casework was due in part to legacy issues with some suppliers migrating consumers to a new customer billing system. Speculatively it is possible that the 16% reduction in EHU billing complaints in 2016-17 compared to 2015-16 may be attributable to suppliers' processes improving, or at least that they are no longer dealing with technical issues associated with a computer system change that is now complete.

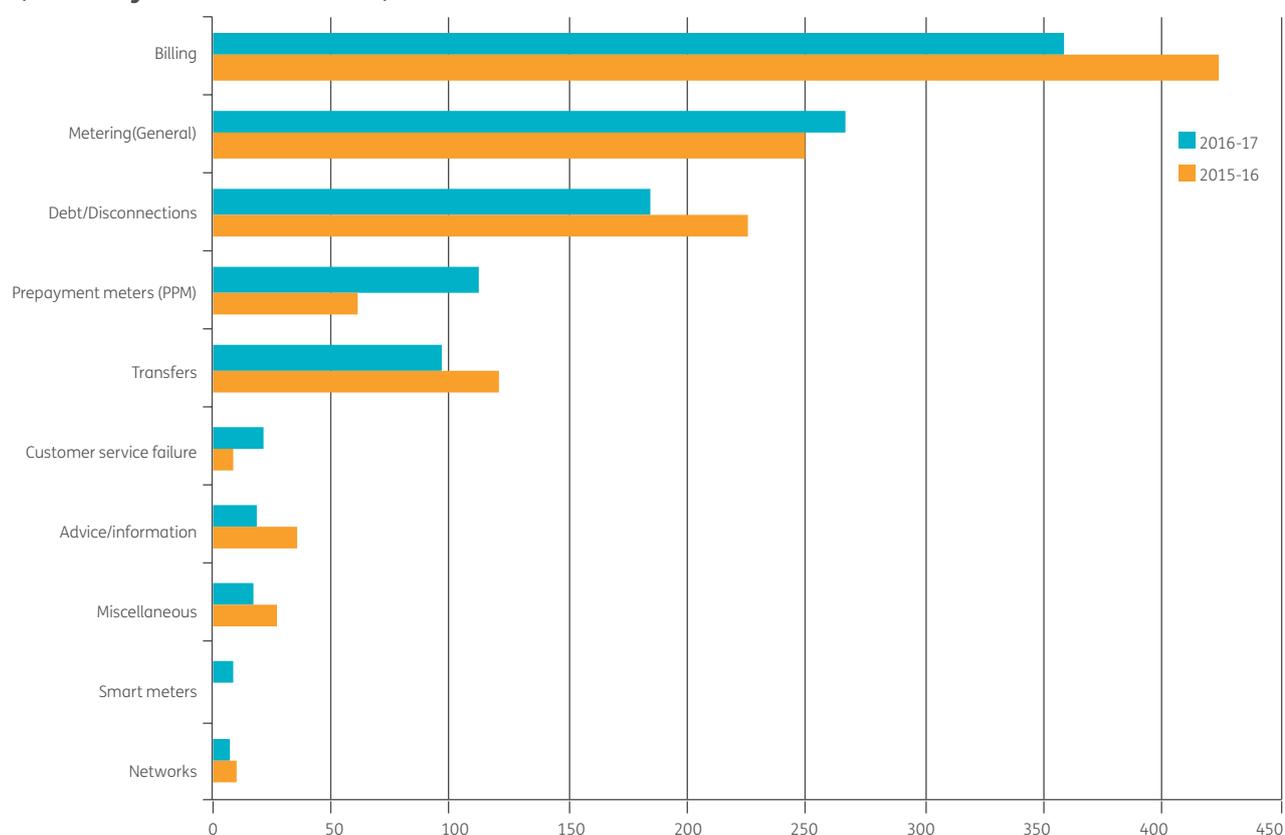
The case studies below show examples of the billing error issues the EHU dealt with in 2016-17. The first case is an example of a vulnerable consumer who had received a large catch up bill following an error by the supplier. The second case is an example of a vulnerable consumer who was having online account issues and who's billing was based on

⁴⁴ Based on number of cases received within April 2016-March 2017.

Table 7 Number of EHU energy issues by advice code (raised by clients in Scotland) in 2016-17 compared to 2015-16

EHU Advice code	2015-16	2016-17	% change between 2015-16 and 2016-17
Billing	424	358	↓ 16%
Metering (general)	250	267	↑ 7%
Debt/Disconnections	225	184	↓ 18%
Prepayment meters (PPM)	61	112	↑ 84%
Transfers	120	97	↓ 19%
Customer service failure	9	22	↑ 44%
Advice/information	36	19	↓ 47%
Miscellaneous	27	17	↓ 37%
Smart meters	0	9	
Networks	11	8	↓ 27%
Total	1,163	1,093	↓ 6%

Chart 8 Number of EHU energy issues by advice code in 2015-16 compared with 2016-17 (Raised by clients in Scotland)



estimates even though meter readings were being provided. In both examples the issues were fully resolved after the EHU raised complaints on behalf of the consumers and a Customer Liaison Officer (CLO) was able to visit the customers at home to assess that situation and take remedial action.

Billing Error Case Study (1)

The consumer was 89 years old and on a low income, struggling to pay his mortgage as his electricity costs were so high.

The meter was a 2-rate meter and he struggled to read the meter. The supplier had informed him they would read the meter each month but no meter reader had attended for over 3 months.

The consumer had a direct debit for £200pcm but the supplier said a balance was outstanding of £334.

The EHU raised a complaint and it was found the supplier had incorrectly reassessed the direct debit based on zero usage and collected only £1pcm for 3 months.

The supplier arranged for a Customer Liaison Officer (CLO) to visit the consumer's property. The property itself was found to be losing a lot of heat. Meter readings were taken and advice was provided regarding storage heating settings – adjustments were made to the settings to ensure maximum benefit.

A follow up CLO visit was also arranged. A reduction of £422 was provided due to the error made, leaving a credit for the consumer of £284.

Billing Error Case Study (2)

The consumer was elderly and had been on an online tariff but had experienced consistent issues over 8 months which had not been resolved.

Her bills were estimated despite her having submitted meter readings and her suggested direct debit had been varied drastically with no explanation, from as low as £5 per month to £333 per month. The current payments were £40 per month however, she was unsure if this was enough to cover the usage.

The EHU raised a complaint and the supplier arranged for a Customer Liaison Officer to visit the consumer's property. It was established at this visit that there was no timing device for her heating system thermostat therefore the system was working longer than needed and the water temperature was overly high. Advice was given for the consumer to speak to her Housing Association to resolve these issues.

It was confirmed the meter readings provided had been used on the account. There had been some errors with the direct debit which was reviewed. A goodwill gesture of £50 was agreed and the consumer was informed of the supplier's hardship fund to apply to for the remaining balance.

2. Metering

The EHU handled 267 metering issues in 2016-17. These accounted for 24% of all the issues advised on by the EHU in Scotland. As in last year's report, metering issues remained the second most common issue reported by the EHU in 2016-17. Issues recorded in the metering category commonly relate to problems with prepayment meters, including faulty gas and/or electricity meters.

The case studies below show examples of the metering issues the EHU dealt with in 2016-17. The first case is an example of a consumer who had received an unusually high electricity bill due to a problem with the supply of meter readings and data collection. The second case study is an example of a Supply Point Administration Query that had resulted in the consumer being billed for his neighbour's energy usage.

Metering Case Study (1)

The consumer suffered with stress and was signed off work. He had received an unusually high electricity bill of £5,864.

He had been told by the supplier there was a potential issue with the meter and that this needed checked. An appointment had been booked but was cancelled by the supplier. The consumer provided meter readings but the supplier said these were wrong.

The EHU raised a complaint and it transpired meter readers had only been taking readings from the storage heating meter and furthermore these had not been applied to the account. Bills had therefore been estimated resulting in a large catch up bill once corrected.

The EHU Caseworker ensured the Industry Code of Practice for Accurate Bills was applied meaning any unbilled usage older than one year was withdrawn, resulting in a reduction of £4,366. A more beneficial tariff was applied and the direct debit reviewed to ensure the consumption was covered.

A goodwill gesture of £100 was also applied. An extended payment plan was offered for the remaining balance over 5 years. A referral was also made to the suppliers' Hardship Fund to address the remaining balance of £1498.

Metering Case Study (2)

The consumer was a lone parent in receipt of tax credits and had been paying a supplier by direct debit for gas and electricity since moving into his property in August 2015. Another supplier had sent a bill for approx. £4,000 citing this as his 'first energy bill' dating back to 2015.

His current supplier had started investigations however, after the consumer contacted the new supplier in good faith to have the issue looked into they went ahead and set up a direct debit in his name. The consumer had wanted to be sure who the correct supplier was before starting payments to the other company.

The EHU investigated the matter with each supplier and it transpired the original supplier had been billing the consumer for a neighbour's supply and meters. The new supplier was found to be the correct one. The original supplier refunded payments to consumer.

The correct balances were confirmed as being £690 for electricity and £1,530 for gas, a total of £2,220. The new supplier refused to apply the industry code of practice for accurate bills as they were not a signatory of this code and offered only £100 as a goodwill gesture.

This was challenged by the EHU Caseworker and was increased to a reduction of £284. The matter was then escalated to senior staff within the Extra Help Unit and a reduction of £300 was agreed.

The matter was challenged further given the detriment to the consumer and a final reduction of £500 reduction was agreed, leaving a balance of £1,721. The consumer had received refund of £1,800 from his previous supplier therefore was left with a credit of £78.

3. Debt and disconnection

As in previous editions of this report, debt and disconnection continued to be the third largest issue seen by the EHU in 2016-17. There were 184 debt and disconnection issues advised upon, which accounted for around 17% of all Scottish energy issues advised on. Issues recorded in the debt and disconnections category commonly relate to vulnerable clients who have accrued significant fuel debts and who face threatened or actual disconnection from supply.

The case studies below show examples of the debt and disconnections issues the EHU dealt with in 2016-17. Both case studies are examples of vulnerable consumers who had self-disconnected from their energy supplies because they were unable to credit their meter(s).

Debt & Disconnection Case Study (1)

The consumer's Employment & Support Allowance had been stopped. He was awaiting an appeal decision meaning he was potentially without income for a further 3 weeks.

He had prepayment meters for both fuels and had no funds to top up. He was off supply for gas and only had £1 of emergency credit left on the electricity meter.

The consumer was awaiting a further operation on his hand following a serious accident.

The consumer had contacted his supplier but they were unwilling to provide discretionary credit as they had provided this once before within the past 12 months

The EHU contacted the supplier and they agreed to provide £60 credit for electric and £58 for gas, the equivalent of 3 weeks usage. The gas prepayment meter was reset with a shortfall of £33 re-added to the meter to be collected at a low recovery rate of £3.65 per week.

The supplier also agreed to phone the consumer the next day to assist with applying for Warm Home Discount and to refer to their energy efficiency advice team.

Debt & Disconnection Case Study (2)

The consumer had Post Traumatic Stress Disorder and was asthmatic. She had a 9-year-old son and received welfare benefits. She was unable to afford to top up her prepayment meters.

The EHU raised a complaint and the supplier provided discretionary credit of £20 for gas and £15 for electricity to ensure she had supply.

The supplier also identified the consumer was in fact worse off on the tariff sold to her and a total goodwill gesture of £116 was provided (£16 to redress the overspend on their tariff). The option of an Erroneous Transfer was offered to her previous supplier or an alternative tariff offered if she wished to remain with the supplier concerned.

4. Prepayment meters

The EHU supported consumers in Scotland with 112 prepayment issues in 2016-17, which was an 84% increase from the previous year, thereby reversing the drop seen last year. Prepayment issues accounted for 10% of all the energy-related issues dealt with by the EHU in 2016-17 in Scotland. Importantly, it should be acknowledged that this will not represent the volume of all prepayment consumers that have gone to the EHU for help, as many will have been categorised under another issue, such as billing or debt/disconnection issues.

Issues recorded in the EHU's debt and disconnections category commonly relate to: faulty meters, which can cause consumers to go off supply; self-disconnection due to insufficient funds to top-up their meter(s); or clients' prepayment meters may be recovering debt to a supplier, but at an unrealistic or inappropriate rate.

The case study below shows an example of the type of prepayment issues the EHU dealt with in 2016-17. In the example provided, the consumer was found to be on the incorrect tariff rate which had led to an incorrect debt being accrued.

Prepayment Meters Case Study (1)

The consumer thought she was being overcharged on her prepayment meter as her meter credits were running out very quickly. The property was all electric and her Housing Association had informed her that the meter was a 2 rate meter however, she was unsure of this.

The EHU investigated the matter with the supplier and provided photographs of the meter from the consumer. These photographs showed the meter was Economy 7 and that Rate 1 was being activated at the wrong times. The supplier agreed this did not look correct.

Investigations found that she had been charged on the more expensive Rate 1 at times when she should have been charged the cheaper rate.

The meter was exchanged and a goodwill gesture of £180 was provided to the consumer, calculated at £15 for each month that the original meter was not correctly charging.

5. Transfers

The EHU dealt with 97 transfer issues in 2016-17, which was a decrease of 19% from the previous year. Transfers accounted for around 9% of all the issues in Scotland advised upon by the EHU.

Issues recorded in the transfers category commonly relate to cases where consumers are trying to switch to a new supplier. Changing supplier can be blocked by an existing supplier for a variety of reasons, or the switch may not have been actioned correctly. In the most extreme cases consumers can be left with significant debts being built up or they can be left without any power.

The case studies below show examples of the transfer issues the EHU dealt with in 2016-17. The first case is an example of a consumer who had moved into a new property but his supplier had objected to a switching request for reasons unknown. The second case study is an example of an erroneous transfer being actioned against the consumers wishes.

🔍 Transfers Case Study (1)

A small/medium supplier was the deemed supplier when the consumer moved into his property. The supplier was insisting the consumer agree a new contract before he could transfer supplier to his preferred supplier.

The EHU raised a complaint and it was confirmed an account had to be set up on an available tariff

before the consumer could transfer. This was unusual however, when challenged the supplier explained the consumer would not be tied into the contract. The rates were the same as deemed rates and there was no exit fee to transfer.

It was found the supplier's business model was for consumers to use online accounts therefore this was a process issue i.e. in order to process a change of tenancy and set up an account, the consumer needed to agree a tariff.

🔍 Transfers Case Study (2)

The consumer had been informed on a number of occasions by her supplier that a new supplier was attempting to take over her gas and electricity supplies. She had not arranged this and did not authorise any transfer. Her supplier had objected on two occasions however, the gas supply was later taken over by the new supplier.

Her original supplier had attempted to reclaim the supply through the erroneous transfer process but had been unsuccessful. When attempting to contact the new supplier they had refused to engage with the consumer as the transfer was in someone else's name.

The Extra Help Unit raised a complaint and it was found the incorrect supply had been requested due to incorrect details being given by the intended transfer customer. The erroneous transfer to the original supplier was then completed.



Conclusion

The CFU's Energy Advice in Detail report provides an annual assessment of the energy-related problems clients of the Citizens Advice network in Scotland sought assistance with, and places those issues within a wider policy context. This edition of the report covers the financial year 2016-17.

The analysis presented shows a pattern of changing issues advised on by the Citizens Advice network in Scotland. In 2016-17, a total of 29,459 energy issues across the whole network in Scotland were advised on, representing a marginal 3% increase from the previous year.

The data analysed and presented in this report highlights the areas where the energy market is currently failing Scottish consumers. It is disheartening for the CFU to see so many recurring issues year on year amongst so many new problems. By way of a conclusion, a number of key issues have emerged from the analysis, which provide lessons for the CFU, as well as the UK and Scottish Governments and the GB energy market as a whole.

The evidence from across the entire Citizens Advice network in Scotland shows that major issues continue to exist with how fuel debt is managed and handled by energy suppliers. The reasons for fuel debt arising in the first place are many and complex. Some of these are avoidable for many householders, but for others they are not; being caused by external forces (such as issues with the social security system), that consumers have little or no control over. As licensed providers of energy, suppliers have an obligation to take reasonable steps to ensure that billing is timely, accurate and not misleading, so that unexpectedly high bills don't arrive, or at least they rarely do. Suppliers also have a role to play in supporting consumers in financial distress by taking a reasonable approach when it comes to setting rates of repayment for the debt that some consumers have accrued.

In previous editions of this report, issues with metering and billing have been singled out as being problematic year-on-year. This pattern has, unfortunately, continued in 2016-17, with billing and metering remaining the single biggest issue advised on across the entire network in Scotland. On the face of it, it is fair to expect that an accurate and timely billing process is fundamental to a well-functioning energy market. However, the evidence from across the network shows that when things go wrong, and unexpected or estimated bills are sent to consumers, they can cause significant distress and detriment to consumers who may struggle to pay them.

The non-regulated parts of the energy sector have continued to present particular challenges for Scottish consumers in 2016-17. Consumers of non-regulated sources of energy do not benefit from the same level of consumer protection as those who rely on mains gas or electricity to heat their homes. Unlike consumers purchasing mains gas and electricity, there is limited protection for consumers using non-regulated fuels types, including oil, LPG, and solid fuels, as well as district and communal heating systems. The price of some of these fuels can be volatile, with seasonal spikes making budgeting difficult for many consumers. In addition, when things go wrong for consumers of district or communal heating systems, there is often very little protection or redress available to them. To prevent further detriment to consumers in the unregulated parts of the energy sector, steps need to be taken to ensure that all consumers of energy, no matter what its source or where it is located in the market, are adequately supported and protected.

In 2016-17, many Scottish consumers have continued to face difficulties when it comes to accessing the government support they are entitled to receive. Case studies from across the network showed numerous examples of clients struggling to overcome barriers when trying to access support.

Some of the issues involved included consumers trying to understand complex eligibility criteria, which often varies between suppliers. There were also issues with digital exclusion, with many suppliers having online-only applications. More could be done in this area to support vulnerable consumers if a flexible approach is taken to the handling of support available to consumers.

The GB energy market is changing and is looking for new ways to modernise, innovate and be smarter and more efficient. In doing so, consumers' needs and interests should be central to the decisions that may impact the delivery and consumption of energy. As identified in this report, across the Citizens Advice network in Scotland in 2016-17, problems exist with some of the new technologies designed to make the energy market smarter and more efficient. In some instances, these developments are failing to improve consumers'

experience of the energy market or reducing their costs. Indeed, in some of the most extreme cases they are actually making things worse. These are issues for the CFU to continue monitoring and highlighting to governments when energy policy and practice is failing to deliver for consumers.

Taken together, all of the data analysed and presented in this report highlights those areas where the GB energy market continued to fail Scottish consumers in 2016-17. Many of the issues causing detriment are avoidable or easily remedied. In addition to highlighting the vital role of advice from information through to specialist support, the volume and complexity of many of the issues advised on across the Citizens Advice network remains a concern. It shows that, as a whole, the GB energy market has a long way to go if such problems are to be the exception rather than the rule.



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 of 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 CACS and EHU categories are:

- > **Billing Error** – this category refers to issues with consumers’ energy bills. The most common “billing error” issues raised with the CACS 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 and 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 payments 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 prepayment 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.



For more information about the Consumer Futures Unit, visit:

www.cas.org.uk/spotlight/consumer-futures-unit

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