

Data held in one or more sectors in relation to trust, confidence, shopping around, switching, satisfaction and complaints	
 <p>Finance, Telecoms, Energy</p>	Consumer use and perceptions of comparison sites
Water, Energy, Telecoms	<ul style="list-style-type: none"> • Consumer confidence in understanding key terms/tariffs and own service needs • Satisfaction with overall service provision at sector level
Energy, Legal, Water	Perceptions of firms' attitude to consumers
Finance, Energy, Water	Trust ratings in own providers
Legal, Energy	Importance of range of factors influencing consumer choice of provider/service
Finance	Nature of problems with service/supplier and to whom complaints were made (e.g. to service provider or 3rd party)
Legal	Consumer understanding of where to direct complaints
Telecoms	Confidence rating in having the best deal

Qualitative insight and discussion questions

The table below provides an illustration (not exhaustive) of the qualitative insight available that might complement the quantitative data in helping understand lived experience, attitudes and service design.

Source	What it tells us
The Behavioural Insights Team (BIT): <u>Poverty and decision-making: How behavioural science can improve opportunity in the UK</u>	Explains how financial worries absorb mental capacity – or bandwidth – needed for attention and problem-solving.
The Money and Mental Health Policy Institute (MaMH): <u>Seeing through the fog – how mental health problems affect financial capability</u>	Explains how mental health problems can lead to financial difficulties: capacity to engage and make decisions can fluctuate with mental health and can result in higher spending and poor financial management.
The Money and Pensions Service (MaPs, formerly the Money Advice Service): <u>Developing a rule of thumb to help those going through a negative life event adjust to a sudden income drop</u>	Proposes clear messaging, developed from consumer insight, to be used in communications to people whose income drops because of a negative life event to help them prioritise and organise their finances.

3. Consumer outcomes

Quantitative research data

The table below summarises the contents of the large research datasets across different sectors in relation to access to suitable services and tariff, prices paid and the experience of debt.

Data held for all sectors	
N/A	
Data held in one or more sectors in relation to access to suitable services and tariff, prices paid and the experience of debt	
 Water, Energy, Telecoms	Incidence of debt/arrears in previous year
 Legal, Energy (including Northern Ireland)	Value of bills and tariff/fee types
 Finance	<ul style="list-style-type: none"> • Numbers of consumers who are being declined/offered unreasonable terms for financial products • Levels and cost of (attempted) scams • Incidence of increases in auto-renewed insurance premiums • Numbers of consumers falling behind on consumer credit products, mortgages, rent, council tax and utility bills • Consumer perceptions of response of consumer credit firms to repayment difficulties • Number of consumers referred to and using debt advice/services

Table continued on page 15...

Data held in one or more sectors in relation to access to suitable services and tariff, prices paid and the experience of debt continued...	
 <p>Energy</p>	<ul style="list-style-type: none"> • Level of priority service registrations and associated service provision • Number of consumers are on debt repayment plans, average repayment rates, disconnections for debt, number of pre-payment meters installed for debt and number of pre-payment meters installed for debt under warrant*. <p>*This is not research data but is published analysis of Ofgem’s firm-level regulatory data published in the Ofgem report Vulnerable Consumers in the Energy Market 2019:</p>
 <p>Telecoms</p>	<ul style="list-style-type: none"> • Perceptions of whether different services are affordable and whether some services are foregone for affordability reasons • Average spend per customer for telecoms services** <p>**This is not research data but is published analysis of Ofgem’s firm-level regulatory data published in the Ofcom 2019 report Pricing trends for communications services in the UK.</p>
 <p>Water</p>	<p>Perceptions of whether services are affordable and awareness of low-income tariffs, affordability schemes and priority services</p>
 <p>Aviation, Rail</p>	<p>Use of and satisfaction with passenger assistance services***</p> <p>***This is the only reference to quantitative data from the rail sector in this summary and is summarised in the ORR’s Measuring up - Annual rail consumer report.</p>

Qualitative insight and discussion questions

The table below provides an illustration (not exhaustive) of the qualitative insight available that might complement the quantitative data in helping understand lived experience, attitudes and service design.

	Source	What it tells us
Financial outcomes – prices	Citizen’s Advice: <u>The Mental Health Premium</u>	Explains how people incur costs where poor mental health reduces someone’s ability to carry out daily activities and models the extent of these.
	Scope: <u>The Disability Price Tag</u>	Explains how disabled people and families with disabled children face extra costs of living and models the extent of these.
	Citizens Advice: <u>Loyalty penalty super complaint</u>	Customers in vulnerable situations are disproportionately affected by higher costs as a result of not switching providers. Older, lower income and less educated consumers are more likely to face the loyalty penalty.
	Centre for competition Policy UEA <u>Fairness in Retail Energy Markets</u>	Chapter 5 of this report explains the lived experience of those in fuel poverty and proposes it should be tackled via aligned work across a number of drivers, e.g. cold homes alongside low incomes and unstable employment.

Table continued on page 18...

	Source	What it tells us
Financial outcomes – debt	StepChange: <u>Breaking the link – a closer look at vulnerable people in debt</u>	Clients with vulnerabilities were more likely to be behind on their household bills and to have a negative budget.
	Money Advice Trust: <u>A decade in debt 2018</u>	Overall levels of debt have decreased but there is an increasing number of people with negative budgets and struggling with arrears on council tax, utilities and other everyday household bills.
Service needs/ outcomes	Citizen’s Advice: <u>Beyond good practice guides: Improving support with essential services for people with mental health problems</u>	Makes recommendations to address the experience of consumers with mental health problems in accessing support with essential services, in particular poor communication of support, unnecessary barriers to accessing it and inconsistent unreliable experiences across and within sectors and firms.
	MaMH: <u>Access essentials: giving people with mental health problems equal access to vital services</u>	Makes recommendations to address the difficulties customers experiencing mental health problems can face when managing essential services.
	Scope: <u>Travel Fair</u>	Makes recommendations to address the problems and inconsistency experienced by disabled people when they travel and explains the impact this has on them.

Case studies

This section provides some examples of good practice from across industries when it comes to identifying and supporting consumers in vulnerable circumstances.

Identifying vulnerability

British Gas: understanding transient vulnerability in the target market and customer base

British Gas has adapted its vulnerability strategy to tackle risks associated with transient vulnerability. This includes people leaving hospital treatment, young adults living independently (16-18), and people experiencing life events such as divorce and bereavement.

British Gas has implemented a script for staff to help them identify and review vulnerability at key points such as switching to the provider, moving house, or taking out a different product. Where a vulnerability is thought to be temporary, agents agree a review date with the customer, and place reminder flags on the account.

British Gas has a specific strategy for tackling risks of harm associated with transient vulnerability. It has implemented this to help identify potentially vulnerable customers with specific needs and considered how to meet.

Dŵr Cymru: 'face to face' home care visits

Dŵr Cymru piloted a scheme that involved staff making home visits to customers who had previously not engaged with it (such as those with low literacy and numeracy skills). The company reported that the success of this pilot has led to an extension of the trial in North Wales, using a third party organisation to engage with customers.

Dŵr Cymru indicated that one of the benefits of this pilot has been to identify customers who need even more support – for example, in the form of monthly home visits. Following the success of this scheme, the company is procuring the services of a partner to provide these visits on its behalf – possibly by a small core of directly employed 'community agents' who will visit customers with more complex circumstances that require a greater degree of ongoing support.

Nationwide: identifying vulnerable consumers

Nationwide chose to take a pro-active approach to identify and address consumer vulnerability. Nationwide's specialist teams have done this by building on work undertaken to tackle problems associated with debt and mental health, and to apply this to other forms of vulnerability. This has involved:

- avoiding definitional confusion – Nationwide does not want to create barriers to vulnerable customers receiving support. Therefore, it is in the process of rolling out a single group-wide

definition of a vulnerable customer. This will ensure consistency and clarity among staff, and a greater chance of customer needs being identified.

- listening to customers (triggers, indicators, and key questions) – Nationwide staff are encouraged to listen carefully to what customers say about their circumstances, and to listen for known risk factors (such as health conditions, age-related difficulties, or social circumstances which might raise the risk of detriment for that customer), as well as cues that the customer might have difficulties in understanding what is being said, making decisions, or generally communicating.
- giving staff the pointers to ask questions – where specialist staff are concerned about a potential vulnerability they are encouraged to follow the TEXAS¹ model, including asking about vulnerability-related difficulties in repayment, communication, or assistance from a third-party. Recently, Nationwide have also been supplementing the TEXAS approach with IDEA² for ‘difficult conversations’.
- referrals from the frontline have to ‘make sense’ – Nationwide’s Specialist Support Team accepts referrals from across the building society. However, frontline staff have to write clear and concise notes (collected and stored in a compliant manner) to explain why they believe the customer is vulnerable, and what help the customer needs.

Nationwide are rolling out the existing best practice in their specialist teams across their organisation.

PayPlan: raising practice standards

PayPlan is continuing to support vulnerable clients as part of the referral process while managing creditor expectation of it as a debt provider.

While all of its clients are vulnerable due to their debt situation, PayPlan has a responsibility to identify the particularly vulnerable. This is an ongoing process as a client may become particularly vulnerable at any point during the process of managing their debts.

A client’s first year in a plan is particularly difficult as they learn to adapt to living within a budget. Frontline staff complete courtesy calls throughout this first year to provide extra guidance.

Staff are also trained to look out for any changes in clients’ circumstances, for example, erratic payments, changes in spending patterns and level of contact.

¹ **Thank** the customer, **Explain** how the information will be, **eXplicit** consent should be obtained, **Ask** the customer questions to get key information, **Signpost** or refer to internal and external help.

² **Impact** – staff should ask what the mental health problem either stops the customer doing in relation to their financial situation, or what it makes harder for them to do. **Duration** – staff should discuss how long the customer has been living with the reported mental health problem, as the duration of different conditions will vary. **Episodes** – some people will experience more than one episode of poor mental health in their lives. **Assistance** – creditors should consider whether the customer has been able to get any care, help, support or treatment for their condition.

Annual financial reviews provide a good opportunity to identify the particularly vulnerable by enabling a case officer to engage with the client on a personal level. If they are spending too much, it might suggest that they are struggling with their budget and need extra support.

Helping staff identify indicators enables them to make adjustments to a client's plan and provide feedback to the creditors.

Training from the Money Advice Trust and Royal College of Psychiatrists has been very helpful to Payplan in this respect.

Frontline staff have received training on working with vulnerable clients. They are also trained in customer service and basic debt awareness so they acquire the knowledge and understanding of what a client is experiencing.

Proactive communications and good customer care

UK Power Networks: temporary access to PSR services

A customer contacted UKPN about a power cut while her family were staying with her. One of her guests used an oxygen machine and another needed to keep medication refrigerated. As guests their needs were not registered on the PSR, however, UKPN quickly arranged for a generator to provide power for the fridge, oxygen machine and heating.

The customer felt reassured and supported during a stressful time.

Wessex Water: ‘Go to the Extra Mile’ and affordability action plan

Wessex Water has adopted a policy of ensuring excellent customer care to all customers, without rigidly defining groups for ‘vulnerable’ customers. In interviews, Wessex Water emphasised the importance of:

- “... having a service that is inclusive and accessible ... to all”;
- “... giving staff the tools and training to deal with ... situations they come across;
- “... encouraging staff to put themselves in the customer’s shoes and go the extra mile when they can”; and
- maximising opportunities for signposting and partnership working.

Flexibility and partnership is also embedded in the company’s affordability action plan, which focuses on:

- wider promotion through multiple channels, media and partners with community
- engagement at its heart;
- better information for customers using more engaging language;
- partnering with multiple customer and advice organisations; and
- improving referral and application processes (through online applications, hotkeys and funding structure).

Southern Water: proactively finding and assisting customers in vulnerable circumstances

Southern Water is the first company in the water sector to provide specialist advisors to help customers complete application forms in their own homes. The service is aimed at customers with long-term debt issues. Traditionally, the sector’s approach has been to leave application forms for the customer to fill in on their own. But this can be a barrier to customers in situations of vulnerability receiving help – particularly for those with low-level literacy/numeracy skills or mental health problems. In 2015, Southern Water provided 14,000 households with this service.

The company also offers a free service to every customer who applies for a support tariff to check their benefits entitlement. Over the five years the service has been on offer, Southern Water has helped customers access an additional £3 million in benefits. And it provides a conditional payment match scheme for former customers who have moved out of the Southern Water region but who

still owe money. While most companies offer a three-month repayment period to former customers, Southern Water does not limit the repayment period because it recognises that customers whose circumstances make them vulnerable may require a longer time frame.

EE: dedicated vulnerability team

EE has a dedicated vulnerability team in its collections team. EE noted that, a lot of the time, the fact that a consumer is vulnerable will first be picked up at the point where they miss a payment. Having a team placed in that division means appropriate support is given at that point in time.

Western Power Distribution: communicating available support

Western Power Distribution has a suite of animated and subtitled videos to help give its customers an idea of what its priority service register is, the support available and how to register.

Employee training and guidance

Scottish Gas Network: frontline staff training

Scottish Gas Network is delivering extensive training to its frontline engineers on additional services and the identification of vulnerable consumers.

Sky: sign language training

Sky has introduced sign language training for their engineers who do home visits.

Barclaycard: training and guidance

Barclaycard have worked to improve their credit card applications and credit limit increase procedure to assess and support people with mental capacity limitations. This has included providing guidance to frontline staff (including off-shore telephony teams) on dealing with customer disclosure of a limitation, as well as helping staff to identify indicators of potential limitations

Work has also been undertaken to respond to a potential mental capacity limitation. This involves a member from Barclaycard's specially trained team talking with the customer to assess the impact of the potential mental capacity limitation, with an emphasis on providing reasonable support to that customer to enable them to make their own decision about the credit card or credit card limit increase.

Barclaycard staff have received training on working with customers with mental capacity limitations, with additional guidance being given to managerial and design teams by the Royal College of Psychiatrists.

HMRC: 'Just Ask' initiative

HMRC has developed an internal e-learning package called 'Just Ask'. The aims are to:

- raise awareness of how to interact with people with communication issues;
- encourage a focus on the needs of the individual rather than their disability; and
- raise awareness of HMRC's responsibilities under the Equality Act.

The e-learning encourages staff to 'Just Ask' the customer what kind of adjustments (if required) could be made to support them, rather than make assumptions. This is in recognition of the fact that the customer is the 'expert' in terms of their own particular needs and therefore will know what will or won't work for them.

The learning package aims to help staff to understand how to communicate effectively, particularly by telephone. It also aims to enable staff to: apply the appropriate behaviours and skills to ensure that customers are dealt with effectively and with due consideration; provide a service to the customer to make them feel more comfortable; use their listening skills so that any problems are identified and are addressed appropriately; and to understand and meet responsibilities under the Equality Act.

Prices and billing

Southern Water: helping customers to understand their usage

Southern Water has introduced a billing innovation to educate customers about water efficiency, investing £13 million in improving its billing systems. Using a simple ‘thumbs up’ or ‘thumbs down’ symbol, the company can show each customer how water efficient they are compared with other customers.

Wessex Water and Bristol Water: joint billing for customers

Bristol Water and Wessex Water formed a joint billing company called ‘Bristol Wessex Billing Services Limited’ in 2001. It provides a seamless billing service for more than half a million customers that receive water services from Bristol Water and sewerage services from Wessex Water. The companies work closely together to harmonise their customer policies where they can to deliver a consistent customer experience for all.

This way of working enables customers to receive one bill and have one point of contact. This is particularly beneficial to those customers who are in circumstances that make them vulnerable.

The companies also work together to offer extensive support for customers in financial difficulty. Customers can access the same social tariff or debt repayment schemes from both companies. More recently, they worked together to develop and research a new social tariff that will offer pensioners on low incomes a discount on their bills from April 2016. The companies work collaboratively to raise awareness and increase take-up of their affordability assistance.

Virgin Media: protection from high prices

Virgin Media has introduced new measures designed to help overcome some of the obstacles that vulnerable customers face. Virgin Media is committed to understanding better how vulnerabilities may create barriers for some customers when it comes to contacting the company, as well as ensuring that they are receiving the best possible deals and services.

Some customers who have not made contact with Virgin Media for a prolonged period of time will have their prices frozen and automatically receive an annual package review. One of the company’s specially trained agents will assess whether a customer is on the best tariff available to them based on the services they use. If no contact can be made, the customer will be moved to the most appropriate and best available package.

In addition, for customers finding it difficult to manage their finances, unexpected monthly bill variations will be addressed by a specialist team through proactive customer engagement and account management.

Using data

UK Power Networks: protecting vulnerable customers through mapping

UKPN overlay asset data with its vulnerability mapping tool to inform maintenance programmes. Where the mapping tool indicates that a large number of vulnerable customers would be impacted by a planned outage for tree maintenance near overhead lines, UKPN aims to do the work without cutting the power. Where this is not possible, UKPN provides additional welfare support to vulnerable customers affected.

Outcomes:

- 80% of all tree clearance work is done without cutting power.
- Mapping tool was shortlisted for the Chartered Institute for IT Awards 2017.

Wessex Water: 'Go to the Extra Mile' and affordability action plan

As part of its affordability action plan, Wessex Water carries out geographical mapping of areas of deprivation compared with take-up of social tariffs, and makes this available to Bristol Water through its Affordability Action Plan Steering Group. This enables both companies to better target the promotion of affordability assistance.

According to Wessex Water, this approach has resulted in:

- an increase of 25% in the take-up of its affordability schemes;
- the award of the British Standard for Inclusive Services (BS 18477);
- the award of a Louder than Words charter mark from Action on Hearing Loss;
- a Keep me Posted Best practice mark;
- a customer service excellence award; and
- compliance with our existing best practice guidance.

Bournemouth Water: using customer data to profile 'at risk' households

Bournemouth Water uses credit reference data to identify customers who are in financial difficulty and cannot pay their bills because they are in circumstances that make them vulnerable, to separate them from customers without visible financial difficulties who are not paying their bills (that is, they 'won't pay'). The company also builds a geographical profile to identify 'at risk' households.

One way of adding to a richer understanding of customer vulnerability is to use data on leading indicators of vulnerability. Bournemouth Water monitors local statistics for measures such as unemployment, on a quarterly basis. It also monitors national policy movements regarding benefits and taxation changes.

Anonymous: large life office

A large provider is using work processing tools to enable the sharing of data and case studies on vulnerability between departments. The depositories enable Customer Champions from across the

business to access and collaborate on cases of vulnerability and to use this as a learning experience to refine the existing approach to identifying and handling vulnerable cases. In addition, the firm uses an internal social platform for communicating between teams to allow individuals to collaborate and share information. As part of an ongoing commitment to refine its vulnerability policy, the case studies in these depositories are used to inform and identify training needs.

The Co-Operative Banking Group: collecting medical evidence

Historically, the Co-Operative Banking Group's collectors would not have been so alert to signs or indicators of mental health issues. However, the training provided by the Royal College of Psychiatrists and the Money Advice Trust, and the investment and focus that has been provided to its staff during the past two years, has created greater awareness and empathy.

The Co-Operative's specialist vulnerability and mental health team aims to better act-upon mental health problems through actively listening to the individual needs of each customer. On referral, a specialist collector will explain their role to the customer, how they will record information, and also agree methods of communication with them.

The decision to collect medical evidence (primarily through the use of the Debt and Mental Health Evidence Form) is also down to the Co-Operative's specialist team – critically, this is no longer an automatic process, but depends on customers' needs.

Password schemes

Anonymous: home visits

If the company needs to visit a customer's property during a power cut, it offers a password scheme to help them confirm that the caller is genuine. Building on this, the company is replicating Uber's arrival alert service, to call customers to give the engineer's name and estimated arrival time, and again once they arrive.

South Staffs Water: defending against scams

South Staffs Water noticed a rise in bogus caller 'Water Board' incidents so the company piloted sending a proactive text to older customers see if they want to register a password for use when water company staff need to visit them.

Out of 579 customers who responded, 144 of them have returned passwords and these have been updated on the customer's account.

Partnerships

British Gas and ScottishPower: young people with cancer

During 2017 both British Gas and ScottishPower launched initiatives with CLIC Sargent in Manchester and Glasgow respectively. These initiatives support families, who have a young person diagnosed with cancer, with their energy bills. CLIC Sargent estimates that families are circa £600 per month worse off following a cancer diagnosis and energy costs are a disproportionate part of their expenditure.

When a child receives a cancer diagnosis, both they and their family are immediately referred to the onsite CLIC Sargent social worker. The social worker will carry out a support review and identify if energy costs are currently a concern for the family or if they are likely to become one during the course of the child's treatment. If energy costs are identified as a current or anticipated concern and the family are supplied by ScottishPower or British Gas, a referral will take place. The referral process ensures that the suppliers know up-front about the situation the family are facing and specially trained advisors will support them as sensitively as possible and design the account review process at a pace that suits them. Every aspect of the family's energy needs will be reviewed.

British Gas estimates that 20 families have used this referral service and ScottishPower have supported a few families. Both suppliers will be continuing these initiatives into 2018 with ScottishPower rolling this out across Scotland.

Northumbrian Water: partnering with other utilities and third party organisations

Northumbrian Water is a member of Infrastructure North, a coalition of Northern Powergrid, Yorkshire Water, Northern Gas Networks, and Northumbrian Water, which have joined forces to help tackle some of the key social issues affecting people in the north of England.

The company also collaborates with third party organisations with expertise in reaching out to groups of customers whose circumstances make them vulnerable. For example, 'Know Your Money' is a service for 16-24 year-olds in Middlesbrough, which provides financial life skills education.

Northumbrian Water gets involved with projects like this to listen to customers and to offer help. For example, when the SSI steelworks in Teesside closed down with the loss of 2,200 jobs, the company collaborated with local Citizens Advice Bureaux, and explored support options aimed specifically at SSI workers.

UK Power Networks: Repowering Brixton

UKPN worked with Repowering London to provide tailored energy saving advice and support to residents of one of the UK's most deprived council wards. This innovative, community-based approach also aimed to raise awareness of UKPN and the PSR amongst in a hard-to-reach community and gain a better understanding of these customers and their needs.

UKPN also provided training for people who regularly come into contact with vulnerable people as part of their work.

Outcomes:

- £4,325 saved through on-the-spot switching advice.
- £1,960 saved through benefits advice.
- 1,550 customers reached, including one school through a solar panel making workshop.

Dŵr Cymru: signposting to specialist help

Dŵr Cymru has a specialist team to whom customer care staff can refer customers with particular vulnerabilities. The company also works with organisations like StepChange on a mutual referral basis. And it has links with the Welsh Government energy efficiency scheme, NEST. When NEST agents identify customers who might need help with water payments in the course of performing energy assessments, they refer the customers to Dŵr Cymru.

UK Finance: guidance on supporting customers

As a case study to demonstrate how the industry is working collectively to support customers who might in other circumstances have considered themselves vulnerable, UK Finance has been working closely with its members to support customers (i.e. travellers), former staff and suppliers affected by the Thomas Cook Insolvency. UK Finance has provided members with guidance on helping affected customers in vulnerable circumstances that is anchored to the FCA's draft Guidance (including application of the 'shoulds')

Facilitated by UK Finance, the industry has alerted financial difficulty teams, who will take proactive steps to support customers and employees of Thomas Cook; will issue clear communications to customers so that they understand who they should approach to make a claim for a refund and associated out of pocket expenses; and readied claims teams, who are prepared to receive these claims and process them in a timely and sensitive manner.

Contact details

If you have any comments or questions about this document, please get in touch:

By email: UKRN@caa.co.uk

Via Twitter: [@UKRegulators](https://twitter.com/UKRegulators)

www.UKRN.org.uk