

Energy Consumers Network

Note of First Meeting

Friday October 6th 2023

Consumer Scotland Offices, Glasgow

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| Chair | Lewis Shand Smith |
| Advice Direct Scotland | Pamela Stewart |
| Age Scotland | Adam Stachura |
| Changeworks | Laura Webb (until item 6) |
| Consumer Scotland | Douglas White / Kate Morrison Sam Ghibaldan (until item 5) |
| Energy Action Scotland | Frazer Scott |
| Fuel Bank Foundation | Matt Cole |
| SFHA | Cassandra Dove / Eli Harji |
| Trust Alliance / Energy Ombudsman | Craig Wilson |
| Wise Group | Ewan McCall |

Individual member

Dan van der Horst University of Edinburgh

Secretariat

Consumer Scotland Andrew Faulk

Observer

Ofgem Adam Cochrane-Williams

Welcome and Introductions

1. The Chair welcomed members of the Network to the meeting.
2. Apologies were received from David Hilferty (Citizens Advice Scotland) and Harry Mayers (Energy Saving Trust)

Terms of Reference

3. The draft Terms of Reference were agreed without changes.

Update from members

4. Consumer Scotland:
 - A brief response on the SEIC report, to which the majority of Network members had contributed, had been received from the Scottish Government, with a fuller response expected
 - Alongside other network members, contributed to Scottish Government Ministerial groups

- Continuing to gather data on consumer experience, through the [energy consumer tracker](#) most recently updated August 2023,
- Specific work continuing on understanding energy challenges for disabled consumers
- [Consumers and Net Zero report](#) (now) published, including some questions on understanding of and attitudes to energy and low carbon technologies.

5. The Wise Group:

- Experience of both work delivering the Home Energy Scotland contract in west and central Scotland and separately through their own heat team, clients are still coming in crisis, with advisers finding it difficult to get beyond that to longer term change; people more interested in short term support.
- In part in response, a new Relational Mentoring Service has been recently introduced, support by the Fuel Insecurity Fund. The service provides holistic support with entry through energy; people rate and track themselves against metrics, in conversation with advisers. Often, clients rate themselves more positively at the start of the process, but recognise challenges on reflection at future meetings.
- Also noted that a strongly negative perception of smart meters exists among many clients.

6. Advice Direct Scotland:

- Client numbers remain almost identical to last year for q2. Self-disconnection is still an issue, more so than normal at this time of year, and demand for the Home Heating Fund also remains high. Also seeing some questions on switching, as limited competition returns to the market
- Debt numbers particularly shocking – regularly seeing £7,000 energy debt. Consequently, piloting scheme to look at what can be done for people who will never pay back. Standing charge part of the issue for PPM users building up debt over the summer.

7. Energy Action Scotland:

- Lots of media work on predicting what's about to happen and seeking Government intervention especially in relation to
 - o lower income / lower users for whom unit prices are effectively higher given increases in standing charges
 - o need for social tariff
- Also noted that forced installs of PPMs is likely to return as an issue, alongside remote switching to PPM mode for those using smart meters

8. Fuel Bank Foundation:

- 47% demand up on comparable quarter
- Consequently, forecasting huge increases in demand for fuel vouchers, with demand in Scotland (and Northern England) rising faster than elsewhere

- Noted that the recommendations of the Scottish Government [Fuel Poverty Advisory Panel](#) overlap with much of the discussion

9. Changeworks

- Similar to others, no evidence of traditional dip in demand over the summer
- HES teams report more interest in renewables

10. SFHA

- Continue to be more concerned about the experience of tenants off the gas grid and using electric heating, as described in [A Perfect Storm: Fuel Poverty in Rural Scotland](#), research carried out by Changeworks
- Also continuing to work on heat networks
- In response to the issues described by others, some housing associations are trying to do more preventative work, including tenant sustainment intervention in relation to energy

11. Trust Alliance / Energy Ombudsman

- Complaints to the Energy Ombudsman are up to 130,000 this year, from 60,000 last year
- 75% of cases upheld
- 50% of complaints relate to billing, 20% to smart metering, 15% customer service
- Evidence also that trust in energy companies is very low

12. Age Scotland

- Recent survey results show that energy bills top financial concern, with food as fairly close second and Council Tax third: all of these are unavoidable commitments
- 42% of pensioners in Scotland have incomes under £12,500 highlighting the scale of the challenge facing older people

Energy Affordability

13. In line with the updates above, members agreed that energy affordability remains the most pressing issue for winter 2023/245. However, members also recognise there is no indication from UK Gov that there will be any further support this winter, above what has already been [announced](#), and time constraints mean there are very limited options other than direct payments.
14. Given that circumstance, the key question is what would a good intervention look like? Members agreed that:
 - A UK wide approach widening and deepening existing measures is needed, in line with ongoing social tariff discussions; and
 - In Scotland, any available funds should be directed to increasing the resource available to the Winter Heating Allowance group and through the existing strands of the Fuel Insecurity Fund

15. Additional support for off gas consumers is also necessary, especially given recent price falls have reduced the price of gas to a greater extent than for electricity.
16. Members agreed that the Chair should write to both Scottish and UK Government Ministers. The letter should emphasise the need for a long-term solution, but recognising the current position, also be clear about what could and should be done in Scotland in the immediate future in practice.

Action: Secretariat to draft text and circulate

Future Topics to be considered by the Network

17. Members agreed that core functions of network meetings, in relation to informal exchange of information and views on emerging issues, are helpful and relevant. No other group provides such a forum for consumer energy issues.
18. The data mapping exercise set out in the background paper provided for the meeting should also be taken forward. Members recognise there may well be practical limits to what can be done with data collectively, but there would be value, in understanding what is gathered and how it is used by different organisations, as context for any future possible work.

Action: Secretariat to follow up with members individually

19. Other possible topics for consideration covered in the paper were discussed. Members agreed that all the issues were relevant, so the question was more one of timing and relative prioritisation.
20. Audiences will vary depending on the topic, but most if not all will be relevant to the Scottish Government. As above, the Scottish Government convened a series of Minister-led meetings on energy issues over the summer and early autumn, with some overlap with likely ECN topics.
21. Members agreed that the Scottish Government should be invited to future meetings both as an observer, and to facilitate informal discussions.
22. More widely, the Chair noted that:
 - As noted in the ToR, the network is a Strategic Leadership Group of the Scottish Energy Advisory Board (SEAB), and the Chair attends SEAB meetings. ECN views feed directly into those discussions.
 - He also sits on the Green Heat Finance Task Force, from which a final report is expected in the next few months. The summary view from those discussions is that private sector finance is available in theory, but there is very limited interest among consumers in taking it up in ways which provide a commercial return. Surveys show consistently that consumers are put off by work which is disruptive and / or expensive – and as above, many consumers are understandably focused on short term costs rather than longer term investments.
 - The Heat in Buildings Bill has been delayed but is now due out for consultation towards the end of November – depending on the content and timing, exchange of network member views on the Bill may be a future agenda item.

- The Scottish Director of Nesta is keen to engage, and could be an interesting guest presenter; Nesta now incorporates the nudge unit previous part of the UK Government.

23. Following from this, members agreed that:

- The second network meeting will be arranged for late November / early December, and should focus on affordability and associated options, including exchanges of information on current thinking on social tariffs.
- The third network meeting will be arranged for late January / early February. As some members will be consulting on annual work plans at that time, exchange of information on those plans would be helpful in avoiding gaps, and providing a chance for members to work together if the opportunity arises.

Action: Chair / Secretariat to identify and circulate dates

Presentation by Ofgem

24. Ofgem outlined existing and possible future work of interest to the Network, including:

- Forthcoming decisions on measures designed to improve consumer service standards, an issue highlighted strongly in the SEIC report
- Early discussion on possible abolition of standing charges for some consumers
- Likely consultations on the future of price protection, timing dependent on UK Government

25. Network members welcomed the opportunity for ongoing discussions.

Possible workshop on Radio Teleswitch Meters

26. A background paper had been circulated to the Network explaining the context and technical issues around this topic.

- There are both growing pressures on industry to replace RTS meters, and potential benefits to consumers in gaining access to a wider range of tariff options
- However, RTS meters have not been prioritised historically, and many consumers using RTS systems with traditional electric storage heaters are among more disadvantaged and less engaged groups

27. Hence, the focus of this discussion was to assess stakeholders perceptions of the current state of play and interest exploring this more deeply, including the detailed issues which might be covered.

28. Network members appreciated the importance of this issue, and the helpful information provided in the briefing. However, the information available to them as organisations and especially to consumers is complex¹.

¹ [Complex Multi-Rate Meter & Heating types | The OVO Forum \(ovoenergy.com\)](#)
[RTSmeters | Gas and Electricity Company | ScottishPower](#)

29. Network members identified a number of challengers facing consumers:
- Lack of communication
 - Lack of knowledge among some supplier customer advisers in response to proactive enquiries
 - Practical issues in relation to replacement of RST meters with smart meters, given current issues around slow progress of smart meter rollout in rural Scotland
 - Confusing messaging, including the advice in some cases that consumers need to engage an electrician in advance of a meter exchange
30. However, as noted in the paper, continuity of supply is the most fundamental issue for consumers, and network members consider that to be the responsibility of suppliers.

Action: Consumer Scotland to follow up on workshop proposals with industry partners

Great British Insulation Scheme(GBIS) – DESNZ

31. The scheme has very recently been launched. DESNZ gave a short presentation showing the start of the customer journey through the [self service website](#).
32. Network members raised a number of questions around the detailed operation of the Scheme in practice.

Action: Secretariat to collate questions from network members