



Open letter to all licensed energy suppliers regarding consumer protection for winter 2021/2022

Date: 5/11/2021

Dear Colleague,

Last month, the Commission for Regulation of Utilities (CRU) held a workshop to discuss the recent increases in wholesale energy prices, and the effect that this is having on household energy bills. The workshop brought together representatives from the CRU's Consumer Stakeholder Group (CSG) which is comprised of charities and consumer advocacy groups, and electricity and gas suppliers. The workshop sought to provide all parties with an opportunity to discuss consumer protection measures for the upcoming winter months and beyond.

The workshop was very well attended and proved to be a truly constructive collaboration where CSG attendees provided insights into the difficulties which customers are currently facing. At the session suppliers also described the range of proactive approaches you are taking to protect customers through this challenging period. The CRU wishes to thank all those suppliers who attended, presented, and positively participated at the event.

The conclusions of the workshop have been circulated and are also attached for reference. They include a series of actions which the CRU, CSG members and all energy suppliers will consider and undertake, where possible, over the coming months.

Further to the workshop actions, the CRU is now writing to all suppliers to re-iterate the minimum set of customer protections which suppliers are required to comply with. ***These customer protections are core regulatory obligations on all licensed energy suppliers and are required in addition to any incremental supplier-led consumer initiatives.***

The CRU is acutely aware that, against the backdrop of rising energy costs, this winter will be particularly difficult for many consumers, especially where the impacts of COVID 19 restrictions persist. We also note the challenging environment this presents in terms of financial resilience for energy suppliers. In that context, it is imperative that all suppliers meet their regulatory obligations with the aim of protecting and supporting consumers. The CRU will continue to work with all licensed energy suppliers to meet that goal.



CRU Energy Supplier Handbook Requirements

As you know, the CRU has a robust suite of regulatory consumer protection measures in place as set out in the Electricity and Gas Supplier Handbook 2019. These are reflected in your approved Codes of Practices which must be complied with under the conditions of the gas and electricity supply licences.

Customer protection measures include, but are not limited to:

- Engaging with consumers in financial difficulty on an individual basis, to agree affordable payment plans which take account of that customer's ability to pay and their specific circumstances.
- Ensuring that customers in financial difficulty will have their case heard sympathetically and that any offers of repayment by the customer will be carefully considered.
- Assisting customers who are in difficulty to explore ways that they can meet their energy costs – this may include the installation of pre-payment meters or budget controllers but only where appropriate.
- Providing customers in financial difficulty with details of independent consumer advice centres such as MABS or St Vincent De Paul.
- Ensuring adequate measures are in place to identify vulnerable consumers and ensuring that additional protections available to these consumers are provided. These include:
 - Maintaining and regularly updating a register (“Priority Services Register”) of customers who are vulnerable customers that are critically dependent on electrically powered equipment, and
 - Maintaining and regularly updating a register (“Special Services Register”) of customers who are particularly vulnerable to natural gas or electricity disconnection during winter months.
 - Ensuring that customers on the “Priority Services Register” are not disconnected or de-energised at any time for reasons of non-payment of bills.
 - Ensuring that customers on the “Special Services Register” are not disconnected or de-energised during the winter months for reasons of non-payment of bills.
 - Ensuring that all registered vulnerable customers are placed on the most economic tariff available for their chosen payment method and billing format.
- Providing customers who have a smart meter and time-of-use tariff with ‘*hints and tips*’ on how to reduce or shift energy consumption. This information is to



be provided on a customer's bill/PAYG energy statement. Such information can assist customers in reducing their energy costs.

- Communicating the benefits of time-of-use tariffs via the 'time-of-use primer.' The primer is a document issued by suppliers to customers who have a smart meter installed. The document explains how time-of-use tariffs work and the wider benefits of time-of-use.
- Providing customers with clear and timely communications. Customer communications, including bills, should be provided in an appropriate and accessible format for customers who have visual and hearing impairments.
- Disconnection of energy supply for non-payment of account must only be carried out as a last resort. The process for disconnection, as outlined in your approved Code of Practice, must be strictly adhered to, and have regard to the circumstances in which a disconnection may not be undertaken.

In addition to meeting the regulatory obligations set out above, the CRU commends the good work done by some suppliers through proactive consumer focused initiatives. We note those suppliers that have voluntarily signed up to the 'Energy Engage Code' which promotes engagement between consumers in difficulty and their respective supplier. The Code states that an engaging customer will not be disconnected, and the CRU encourages the continued promotion and enhancement of this important initiative by suppliers.

CRU, supporting customers and the regulatory process

The CRU will also continue to play our part in protecting customers this winter by:

- Developing an effective communications' programme. This will include promoting the existing CRU Supplier Handbook protections, such as the existence of the Vulnerable Customer Register; providing helpful information on how to register, as well as providing detail on the protections that exist within the Vulnerable Customer Code of Practice.
- Educating customers who find themselves in financial difficulty on the importance of timely and proactive engagement with their energy supplier. We will do this via our Customer Care Team and via our communication channels.
- Proactively engaging with energy suppliers when we become aware of wider consumer retail issues via our Dispute Resolution function.
- Monitoring and sharing information on key customer metrics such as customer arrears, payment plan debt and disconnection levels.



- Ongoing compliance work, conducting regular audits to ensure that suppliers are meeting their customer protection obligations.
- Facilitating further CSG and supplier engagement to enable dialogue and information sharing.

Next Steps

Thank you again for your company's attendance at the first workshop. The next workshop is scheduled for November, and again we invite all licensed energy suppliers to attend and participate. We look forward to meeting you then, and through further positive engagements on this important matter over the coming months.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Karen Kavanagh', is written over a horizontal line.

Karen Kavanagh
Director, Economic Regulation (Water), Compliance and Customer Affairs.