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## ESAN Annual General Meeting and Members’ Meeting

### Wednesday 17 July 2024 online on Zoom

### 1.32pm – 3.30pm

#### Draft minutes for approval

#### Attendees:

Prof Cosmo Graham, ESAN Chair; Angus Macmillan and Natasha Gilmour, Citizens Advice Extra Help Unit, Alice Lally and Jacqui Gehrmann, Ofgem; Tim Dodsworth, ESAN Trustee, Andrew White, Consumer Council for Water; Chris Downs, ESAN Treasurer; Graham Smith, CCNI; Meg Van Rooyen, Money Advice Trust; Ellie Gaddes, Independent Age; Natalie Ogden (and colleagues), Trust Alliance Group; Karen Smith, Centre for Sustainable Energy; Mairi Dearden, Financial Ombudsman Service; Michael O’Brien, Consumer Scotland; Vanessa Goodchild-Bradley, ESAN Coordinator

Apologies were received from: Danielle Butler, NEA and ESAN Trustee; Zoe McLeod, Sustainability First; John Kamoto, ESAN Trustee; Helen Stockton, NEA; Emily Wojcik, Martin Coppack, Maria Booker and Camila Azevedo, Fair By Design; Juliette Flach, CAP; Grace Brownfield, MAT; Andrew Lincoln and Geraint Davies, Ofwat; Laura Davies, Financial Ombudsman; Tony Leach, VRS

### A1. Welcome and introductions

A1.1 The Chair (Professor Graham) welcomed everyone to the meeting. All those present introduced themselves.

***The Chair moved to items 5 and 6***

### A5. Treasurer’s report

A5.1 The Treasurer shared his report to members (Annex 1) and explained the Treasurer’s role in highlighting the long-term issue regarding the financial sustainability of the network and the responsibility of Trustees to ensure that ESAN as a charity was financially sound.

A5.2 Danielle Butler (Trustee) was leading a working group looking at the future options for ESAN. The Treasurer invited any members with ideas to ensure the future viability and financial sustainability of ESAN to contact Danielle or himself ([chris.downs@esan.org.uk](mailto:chris.downs@esan.org.uk); [danielle.butler@nea.org.uk](mailto:danielle.butler@nea.org.uk))

A5.3 The Treasurer shared the information in his report regarding the current bank balance and the decline in subscriptions. He asked members to encourage their organisation to pay any outstanding invoices.

A6. Chairman’s update: Future of ESAN survey and working group

A6.1 Professor Graham said the working group comprised Danielle Butler and John Kamoto (ESAN Trustees); Ellie Gaddes (Independent Age) and Maria Booker (Fair By Design). He hoped that the group would provide some proposals to take to the October AGM for members to achieve a financially sustainable future for ESAN and to ensure that the network delivers the services that members want.

A6.2 Professor Graham noted that the essential services landscape and the way that organisations communicated with each other had changed a great deal in recent years. ESAN had started as a different kind of network, and it was now time for a refresh.

A6.3 ESAN was the only place for voluntary organisations across the different essential services to discuss ideas and issues with regulators. It was run by the voluntary sector and promoted the issues that were important to members.

Q&A:

Q: Which organisations no longer subscribe to ESAN?

A: FCA and Ofgem left quite a few years ago. More recently, Ofcom and Citizens Advice have left.

Q: Could ESAN cover other essential services?

A: This hasn’t been discussed in detail. We could consider other services such as transport.

It would be helpful for members to send their suggestions to the working group ([danielle.butler@nea.org.uk](mailto:danielle.butler@nea.org.uk)).

An update on the working group findings would go to the October AGM.

***The Chair moved back to Item 2***

A2 Presentations and Discussion: Progress with the ban on forced prepayment meter installations

**Citizens Advice: The Extra Help Unit - insights into affordability and prepayment meters**

Angus McMillan, Performance and Insights Manager and Natasha Gilmour, Head of Operational Support

**Introduction to the Extra Help Unit**

A2.1Natasha provided an overview of the Extra Help Unit (EHU) which is based in Glasgow and provides a service across Great Britain. The EHU team comprises 45 case workers and around 70 staff in total.

The EHU was set up in 2008 to help people in a vulnerable position with their energy and postal complaints. The EHU helps both domestic and small business consumers. Citizens Advice Scotland took over the management of the EHU in 2014.

EHU is a referral only service, with referrals coming from Advice Direct Scotland, CA Consumer Service, Energy Ombudsman and Ofgem. It has statutory powers and duties within the CEAR Act to investigate complaints by vulnerable people, to investigate when people have been or are at risk of disconnection, and to refer any compliance issues regarding these to the regulator.

The EHU is unique in that energy suppliers have to have arrangements in place with EHU to deal with complaints. This sets EHU apart from advice agencies and helps it to get responses from energy suppliers and hold them to account.

A2.2 Vulnerability was defined as consumers who are unable to resolve an enquiry or complaint without additional support. People can be vulnerable due to personal circumstances, debt, medical concerns, the complexity or urgency of their situation.

Some people might be in one of these groups temporarily.

The service delivery model identifies the key areas for this year and achieving positive outcomes for clients. This involves taking a person-centred approach and looking at how a complaint or situation has impacted on that person. Lots of work has been done on improving the service and responding to feedback. A key issue for EHU is also protecting its’ staff and their wellbeing.

A2.3 Demand in the last year has included 28,000 priority complaints, where the EHU had to act urgently, due to the risk of disconnection. Additional support referrals had resulted in securing over £6m in financial redress, benefits and support for customers.

The demand on the service had increased a lot in the last 2 years, and there is now a stronger resource to deal with the demand.

Regular customer satisfaction research carried out by the EHU was very important in showing the high levels of satisfaction and the impact of the service provided, particularly in reducing stress and mental health issues. Feedback and individual comments were shared as much as possible.

A2.4 Operational Development included a new supplier portal for suppliers to be able to see their cases and to speed up case communication and resolution. There was also funding from the Scottish Government to help use technology to quickly solve cases and provide a better solution. This will particularly help with managing workload and prioritising cases by identifying the most urgent cases and risk factors.

The EHU was very pleased to have been awarded the Kitemark certificate for Inclusive Service. The audit process and certificate helps service users to see what is provided.

**Pre-payment meters**

A2.5 Angus explained his role in overseeing the relationship with energy suppliers, engagement with Ofgem and advice agencies.

Angus summarised the situation with involuntary installations of pre-payment meters (PPM) prior to late 2023, when Ofgem imposed a ban on these. Forced installations had been a big story from the beginning of 2022 and EHU had raised its concerns with Ofgem about the rise in referrals, sometimes due to errors, and information on the problems being experienced by consumers.

At the time, the attitude of energy suppliers included two main positions. Firstly, a view that some consumers could pay their bills but delayed doing so, which EHU thought was over-stated. Secondly, that some consumers wanted a PPM to help them to manage their costs. The EHU was concerned that some companies were taking an over-zealous approach in response to rising levels of debt, and this was affecting very vulnerable people. Some of the case studies were very concerning.

A2.6 Angus shared examples of case studies, including:

* Where a supplier had not offered any help to a very vulnerable customer with young children and EHU had intervened to have the non-PPM reinstated.
* Where an error on a smart meter had resulted in an elderly, sick customer losing their supply when they had been remotely transferred to PPM, without sufficient checks on the customer’s vulnerability.
* A consumer who was unaware they had been switched to a PPM and the supplier had not properly informed her.

Angus explained that before the Ofgem moratorium there were examples of suppliers not trying to avoid these issues or attempting to identify vulnerabilities, which were often the result of suppliers not taking ownership and having a sloppy

Since the moratorium some things have changed. Most suppliers are still in a ‘trial mode’ and taking a very cautious approach to reinstating PPMs. There are now more cases of legal action and debt recovery and there is some concern that we don’t create a different problem.

A2.7 Ofgem has provided more guidance for suppliers, but the most vulnerable consumers can still be missed, and this will need to be monitored. Remote mode switch to PPM means that opportunities to identify vulnerabilities, which may have happened during site visits, may be missed. In addition, the use of PPMs as a tool to address affordability is problematic, with increasing numbers of people now having an energy debt and the level of debt rising to an average of £2,300.

Over the next few months, the EHU will be monitoring voluntary switches to PPM when this is not appropriate, or if it becomes commonplace. EHU will look for evidence that all opportunities have been taken by suppliers to identify vulnerabilities and to resolve disputes. Also, that after-care is provided, especially when a customer cannot afford to top-up their PPM.

Angus summarised some of the other problems with PPMs, such as the high volume of self-disconnection. Ofgem has advised that suppliers should always offer support to customers, including providing additional support credit. Whilst there had been an improvement earlier in the year, the volume of self-disconnection cases had risen a lot since 2022.

The EHU was seeing more people in a negative budget situation and sometimes they did not engage with support, or they did reach out for help but remained in a negative budget and their debt was increasing. However, suppliers were better at engaging with consumers now.

A2.8 Long term solutions to the situation included:

* Energy efficiency measures
* Improving peoples’ personal finances

In the short to medium term, solutions included:

* Introduction of social tariffs
* An expanded scheme to write off energy debt

There had been a big spike in energy costs, but these were now coming down. EHU thought it was time to introduce a write-off scheme, but this would probably require government support, as imposing an additional charge on bills to fund it risked driving more people into fuel poverty. In addition, there was a need for better funding of debt advice services, perhaps with energy suppliers to help fund this.

Angus shared the details for how to refer people to the EHU, including:

Citizens Advice consumer helpline or online enquiry (England and Wales)

Advice Direct Scotland helpline.

For other advisers helping clients, they can call the Ask the Adviser Service (0344 980 0041) for advice on cases.

Professor Graham thanked Natasha and Angus for the very informative presentations.

**Presentation: Ofgem: The regulator’s perspective**

A 2.9 Jacqui Gehrmann, Deputy Director Retail Compliance

Jacqui summarised her role for the past 2 years in retail compliance. Her team had been very involved in the Pre-Payment Meter (PPM) market review for involuntary installations and remote switches, by responding to the issue and investigating practices in the sector.

Citizens Advice had first raised concerns about the PPM issue in 2022. Ofgem had looked into this and written to suppliers in 2023. In response to The Times’ investigation of British Gas forced installations in February 2023, Ofgem had engaged with suppliers and agreed a voluntary stop to forced installations and a code of practice, in order to move quickly ahead of legislation.

A2.10 The review had looked at the roles around PPMs and had:

* Strengthened the licence rules, through a code of practice, so that suppliers were required to do a number of welfare visits and to take vulnerability into account.
* Strengthened the ‘do not install’ category.
* Created a ‘further investigation’ category.
* Put additional safeguards in place.
* Made rules more prescriptive, so they were not open to interpretation
* On compliance, Ofgem would undertake random, routine sampling of customer journeys. Suppliers would have to record their visits to domestic properties and send the recordings to Ofgem. The regulator would then check a sample of cases for compliance with the rules.

Only two suppliers had re-started PPM installations and home visits and had been very cautious. Several suppliers had re-started remote switching, but overall volumes were very low. Ofgem met with these suppliers every week and look for any areas of weakness, with a requirement to correct any inappropriate actions or processes.

Jacqui highlighted the need to balance consumer control over energy use with industry needs.

A2.11 Ofgem was about to launch a new stream of work on self-disconnection, to ensure that suppliers are proactively identifying vulnerable customers and are also utilising customer credit. The aim is to ensure that vulnerable customers on PPMs have control but are not then disconnecting.

Ofgem had been surprised by how many suppliers had been slow to re-start PPM installations, with four suppliers still to meet the re-start criteria. Consequently, the rate of PPM installations were now very low.

The after-care period was very important in staying in touch with consumers. Ofgem was now getting on top of issues such as this very quickly.

Jacqui highlighted the crucial relationship between the regulator, suppliers and voluntary organisations. If issues emerge, voluntary organisations can communicate these to Ofgem quickly. Suppliers also appreciate the support and guidance from Ofgem on the issue.

On redress, compensation will be paid to consumers who were wrongfully switched to PPMs. The Energy Ombudsman wanted to ensure that all suppliers had consumer protection at the front of decisions taken on remote switching or involuntary installations.

A2.12 Natalie from TAG, said that colleagues in the Energy Ombudsman had reported that before the issue of PPMs became public knowledge, a very small number of cases had gone to the Energy Ombudsman. Since 2022, this had changed, and the Ombudsman had gathered case studies of suppliers and put these into four broad categories:

* Not communicating about installations of PPMs.
* Refusing to engage or put energy debt on hold, including when there was a dispute about the debt.
* Not taking a vulnerability into account.
* When it was established that a PPM should not have been installed, not then removing this.

All of this information was passed to Ofgem.

Since then, colleagues in the Energy Ombudsman have not seen many cases.

Q&A:

Q: Meg (MAT) said: We still have uncertainty about how suppliers will recover debt. Money Advice Trust is calling for help to manage the estimated £3.3bn of energy debt. MAT do not think that county court judgements are appropriate and is not confident that suppliers have ensured that people are not vulnerable before taking them to court. MAT would like to end court collection of energy debts, as enforcement action against someone on a negative budget is pointless. MAT would like Ofgem to do more work on how to recover or write off debts.

A: Jacqui noted that the government had jurisdiction over county courts. Ofgem had been looking at an alternative support mechanism for consumers on negative budgets and the role of suppliers in this. Ofgem had strengthened the rules on compliance and had some powers on standards of conduct and how suppliers behave. Policy development includes work on debt and affordability and what solutions can be put in place for consumers.

Q: Problems include suppliers using the Priority Services Register (PSR), people not being on the PSR when they should be, and suppliers getting in contact with consumers in appropriate ways. How can we give people confidence to go on the PSR and then how can we integrate this into suppliers’ obligations.

A: Suppliers have problems with engaging with some consumers. Often, they won’t open letters. We are trying to encourage consumers to reach out to their supplier. Ofgem works with suppliers on identifying vulnerabilities. However, this is a sensitive issue, and we need to consider data protection and what is appropriate. There is training for call centre staff to explain the benefits of PSR. We are looking at what consumer bodies and networks such as ESAN can do to publicise PSR.

Q: Consumers do not always want to disclose their problems. This isn’t always due to a failure by suppliers. People need to be able to raise issues via voluntary organisations or consumer bodies, so that these organisations can then advocate for them. On PSR, we want people to register but we need to promote what benefits this brings.

A: This is a reasonable question. Being on the PSR will mean that suppliers then have to take account of vulnerabilities and there are some obvious benefits, such as more frequent meter reading. It would be good to do more on this and perhaps develop a more meaningful set of special protections, to encourage more consumers to register.

Professor Graham thanked Jacqui and her team at Ofgem for the very interesting presentation.

***Network Break***

### A3. Presentation: **Consumer Council for Water**

### **Update on the Guaranteed Standards Review and Consultation and Call for Input on a review of the WaterSure support scheme**

Andy White, Senior Policy Manager

A3.1 Andy explained that the review of the Guaranteed Standards was now in its’ concluding stage. GS provides service guarantees and was introduced in 1999 with privatisation. It was last updated in 2001, and compensation levels have remained at around £20 since then. Some companies have voluntary schemes that offer higher standards and compensation.

The review had included looking at the scheme to ensure that it offered a meaningful level of compensation. It also included customer research and formal approaches such as the call for evidence and an industry working group.

A3.2 Recommendations include:

* Increasing compensation and having an automatic uprating for compensation.
* Looking at the extreme weather exemptions.
* Areas to expand the scheme into, such as incorrect debt action; meeting PSR commitments; water quality incidents; metre reading and installation.

It was hoped that the recommendations could be published this week, but Defra have taken these on board and now plan to use the CCW recommendations as the basis of a consultation in the next few weeks. CCW is very pleased that its’ recommendations will move forward quickly, and Defra will consult. CCW think this will lead to improvements for consumers much earlier.

A3.3 The WaterSure support scheme aims to avoid consumers cutting back essential water use, by capping bills for those people with medical conditions, with 3 or more children, or on benefits.

CCW’s had looked at how companies manage the scheme currently, to see how they can improve. It was clear that it was time for a full review, which will include looking at the current position and options for change.

Eligibility criteria:

* On benefits, should the recommendations also include all pensioners?
* On family size, should other types of families be included, not just based on the number of children?
* On medical conditions, should we expand the number of conditions?

Bill support:

Currently, bills were capped at an average amount of all bills. Options included:

* To cap at average metered bill level?
* To cap at lowest of local metered bill level or industry average metered bill level?
* Replace cap with a percentage or a fixed amount discount?

A3.4 CCW are open to views on these options and launched a call for input today. Andy encouraged members to share this with their contacts and to send their feedback on the options. Link:

The call for input will inform development of the recommendations and CCW will present to Defra and the Welsh Government by the end of February 2025.

Q&A:

Q: Will you include the gap between eligibility and take-up and whether there is scope to look at more automatic applications?

A: 220,000 customers currently benefit from the scheme. On medical conditions, we know from social tariffs work that we could expand the number of people supported. WaterSure is based on means tested benefits so companies can work with the DWP. We could do more on auto-enrolment.

Professor Graham thanked Andy for the very useful updates on water.

A4 Member updates

Members shared the following updates:

A4.1 Independent Age: Ellie Gaddes shared an update on IA work on water and social tariffs, with the aim of ending the postcode lottery regarding the cost of water bills. IA were coordinating an open letter to government and would like other organisations to sign this. Ellie would share the draft letter and encouraged all ESAN members to sign.

A4.2 Trust Alliance Group (Ombudsman Services): Natalie Ogden reported that TAG were engaging with the new government, particularly with the DMCC Act and policy developments on energy and communications.

A4.3: Money Advice Trust: Meg Van Rooyen shared details of a new MAT report: Broken Budgets, which was an analysis of MAT clients, many of whom were on a deficit budget. This would be shared in the July newsletter. [Link](https://moneyadvicetrust.org/wp-content/uploads/2024/09/Money-Advice-Trust-Broken-Budgets.pdf)

A4.4 Dr Tim Dodsworth (ESAN Trustee) said he would be moving from Newcastle to Reading University from August. Tim shared details of a 17 September conference to launch a new book on contract law and consumer vulnerability.

A4.5 Professor Graham thanked all speakers for the very interesting presentations and encouraged all members to send their reactions to and priorities for the new government to include in the next ESAN newsletters. Professor Graham also asked members to send any ideas for topics at future meetings to the Coordinator at [admin@esan.org.uk](mailto:admin@esan.org.uk) .

***The Chair moved back to Item 7***

A7. Minutes of the ESAN members’ meeting held on 30 April 2024

A7.1 Members approved the minutes of the meeting held on 30 April 2024 with no amendments.

A7.2 Matters Arising:

There were no matters arising.

### A8. Any Other Business

None.

### A9. Dates of future ESAN meetings:

A9.1 The next meeting would take place in October.

Professor Graham reminded everyone that this meeting was also the AGM. Details of the meeting would be shared after the summer holidays. At this meeting, it was hoped to include suggestions from members for how ESAN would move forward. It was important for members to make decisions for the future.

There being no further business, Professor Graham thanked all speakers and members attending.

The meeting closed at 3.30pm.