



**HEAT
TRUST**

HEAT SUPPLY YOU CAN TRUST

www.heattrust.org

Supporting customers in financial difficulty

Compliance assessment and best practice

July 2022

Executive Summary

In response to the unprecedented increase in wholesale gas prices, and the knock-on impact this has had on the cost of living, Heat Trust decided to undertake a compliance project to check that its registered heat suppliers were providing adequate support to customers in financial difficulty.

A questionnaire was sent to heat suppliers in February 2022 and responses were scored. This report summarises the results from the compliance assessment and goes on to suggest best practice in this important area of operational activity.

The questionnaire focused on heat supplier performance against three high level areas

Outcome 1: heat suppliers have processes and systems in place to identify customers in need of additional support

Outcome 2: heat suppliers have support mechanisms in place that are clearly communicated to customers, easily accessed and tailored to their needs

Outcome 3: heat suppliers have processes in place to review, monitor and improve their provision of customer service and support based on the collection of feedback from their customers.

It was gratifying to see that heat suppliers registered with the Heat Trust were generally compliant with the scheme rules in this area and, in some cases, went beyond the requirements and demonstrated strong support for customers that are struggling financially.

Best Practice

The report summarises some operational activity that Heat Trust believes represents best practice under each of these categories. For example, heat suppliers should have well developed IT systems, and associated processes, that allow all customer facing staff to keep records relating to customer support needs and preferences up to date. These processes should be backed up by strong staff training programmes and proactive consumption monitoring. Additionally, communication with customers should be proactive, timely, relevant and tailored to the customer's preferences and needs. Effective communication at an early stage in financial difficulty can improve customer engagement and outcomes. Finally, heat suppliers should have strong processes in place to deal with feedback and complaints. These processes should be focused on using this valuable source of information to review and update customer service and support mechanisms. Reviews should be frequent and acknowledge that customer needs may evolve over time.

Underpinning all best practice is strong sponsorship from a senior level within the company. Recognition that these activities and processes are key to achieving good

customer outcomes, and are consequently given appropriate levels of resource, is key to successful outcomes.

Although this report focuses on the performance of heat suppliers registered with Heat Trust, the advice on best practice will be helpful for all heat suppliers. It will enable them to review their processes and prepare to support their customers during the next winter period.

It is also likely that Ofgem will have a strong focus on customer service and support when the industry is formally regulated in the next couple of years, so adoption of best practice now will be excellent preparation for the future.

Be Regulation Ready!

About Heat Trust

What we do and why we exist

Heat Trust is an independent, non-profit consumer champion for heat networks that holds the industry to account for the benefit of everyone involved. Heat Trust was launched in November 2015 with a clear ambition to place customers at the heart of a rapidly expanding, but unregulated, heat network market.

We make sure customers enjoy the benefits of heating systems fit for the future by:

- Applying strict customer service standards to heat suppliers, similar to those for traditional gas and electricity suppliers
- Providing access to an independent dispute resolution service through the Energy Ombudsman
- Working with suppliers to promote best practice, innovation and continuous improvement in customer service.

Consumer protection is essential to the long-term success of heat networks. We're putting in place the foundations of regulations that will protect customers while allowing this important new industry to flourish.

Standards

Energy is an essential service; it is important that customers can be guaranteed a minimum level of service and protection. In May 2022, Government confirmed that it will introduce new statutory regulation for the entire heat network market. While regulation is being developed, Government has strongly encouraged the market to take early action to prepare for regulation, highlighting the work of Heat Trust. Heat Trust is uniquely positioned to support all heat network suppliers as they support the transition to a low carbon energy system. Our work supports heat suppliers to ensure they are well positioned as new regulations are developed. Heat Trust's standards can apply to any heat energy suppliers who contract with domestic and micro-business properties, metered or unmetered, where the heat customer pays their supplier for their heat energy¹.

The customer service and customer protection standards set by Heat Trust are comparable to the quality and performance standards for regulated utilities (such as gas and electricity) and draw on existing regulations and industry best practice. When a heat supplier registers their heat network(s) with Heat Trust, they agree to abide by the Scheme Rules² and Bye-Laws³, which set out our standards and ways of operation.

¹ To find out more about how Heat Trust can support your organisation, please see our website <https://www.heattrust.org/join-us>

² <https://www.heattrust.org/the-scheme-rules>

³ <https://www.heattrust.org/scheme-bye-laws>

What value do we add?

Heat Trust's work aims to support customers and suppliers, and help inform policy-makers.

Customers

Heat Trust works to protect customers so they can enjoy the benefits of a reliable and sustainable heat network.

We do this by:

Setting the standard

We set minimum standards of service and customer care, equivalent to those set by Ofgem for gas or electricity suppliers; and we monitor this through regular data submissions and independent audits.

Empowering customers

We ensure customers are provided with transparent information to help understand their rights and what to expect from their heat supplier. We have developed the only publicly available Heat Cost Calculator⁴ to support transparency in the market.

Ensuring fair treatment

We make sure customers know what to do if things go wrong, including enabling access to an independent Alternative Dispute Resolution service (The Energy Ombudsman) if necessary.

Suppliers

Effective consumer protection is essential to the long-term success of the heat network market. We work with suppliers across the market to embed consistent customer service and protection standards. Our work supports suppliers with:

Supporting excellent service

Registration with Heat Trust provides a clear statement of suppliers' commitment to quality standards and can enhance existing customer protections. We can help reduce time and resources dealing with customer complaints, through prevention and clearer information provision.

Preparing for regulation

The government has made it clear that it intends to regulate the heat network market and encourages providers to register with Heat Trust. As the leading source of customer care expertise within the industry, we can help suppliers to prepare for the regulation that lies ahead, future-proof their business to meet their responsibilities to customers and create a sustainable energy network.

⁴ <https://www.heattrust.org/heat-cost-comparator>

Competitive edge

By providing clear evidence of meeting our standards, Heat Trust accreditation can give suppliers a competitive edge in the market.

Policy-makers

Our work supports government in delivering high-quality heat networks that provide resilient heat supply for communities up and down the country, supporting the transition to a low carbon energy system, and ensuring a good return on government investment. With nearly seven years' experience, Heat Trust has developed:

Strong foundations

Heat Trust is already widely recognised as the key consumer champion in the heat network market. We have unsurpassed collective knowledge of this complex, fledgling industry and have been putting in place the foundations of regulation that will protect customers while allowing the market to flourish in the future. This is an essential part of the journey towards regulation – but is just the first step.

Unique perspective

As experts in consumer protection, we are uniquely qualified to bring an objective customer perspective to the conversation between government and the industry about impending regulation. Heat Trust is the only heat network code of conduct. Our standards are consistent with those in the gas and electricity market, are overseen by an independent committee and we use audits to check compliance and publish performance data each year.

Proven approach

Since its inception in 2015, all major energy service companies (ESCOs) have registered sites with Heat Trust. Heat Trust provides a proven framework incorporating a vast body of knowledge that can be used to support development of statutory regulation. In short, there is no need to start from scratch.

Introduction

A combination of factors has resulted in the UK facing a cost-of-living crisis. This will result in an increased need for support for customers struggling to pay their bills – including those for essential for life services such as heating.

Heat Trust's Scheme Rules include provisions to support customers that are in a vulnerable situation or have additional needs and also sets out some details about the support heat suppliers must offer to customers that are struggling to pay their bills.

We reasoned that this was an ideal time to survey heat suppliers that are registered with the Heat Trust and make sure they were compliant with the requirements of the prevailing Scheme Rules and also to share best practice where we saw it. We asked all our heat suppliers to complete a brief questionnaire in order to achieve those aims. 100% of our heat suppliers provided responses to the questionnaire.

When designing the project and rating the performance of our heat suppliers we secured the services of an expert in the field that had previous experience in the energy supply industry, academia and Citizen's Advice. This report summarises our findings and sets out our thoughts on best practice. It references, and draws heavily on, important publications from organisations such as Ofgem and Citizens Advice.

The Questionnaire

The questionnaire (Appendix) asked for details about heat supplier processes in respect of three main customer outcomes.

Outcome 1: heat suppliers have processes and systems in place to identify customers in need of additional support and in vulnerable situations and capture details of their support needs and communication preferences. This enables the heat supplier to proactively communicate with a customer if they believe the customer might be struggling to pay their bill.

Outcome 2: heat suppliers have support mechanisms in place that customers are able to access seamlessly. The support mechanisms are communicated clearly to the customers and tailored to their needs.

Outcome 3: heat suppliers have processes in place to review, monitor and improve their provision of customer service based on the collection of feedback from their customers.

Delivery against Outcomes 1 and 2 aligns with the requirements of Scheme Rules 12, 13, 14, and 16. Outcome 3 does not relate to a compliance requirement but Heat Trust's expectation is that heat suppliers should constantly strive to improve the service and support they offer to customers.

Rating Performance of heat suppliers and high-level summary of results

The assessment was made on the information submitted. Some heat suppliers provided extensive details and others only brief summaries. If information was incomplete or overly brief it is likely the rating we applied will indicate a high risk of adverse customer outcomes and non-compliance. The evidence from some heat suppliers was particularly strong and we have therefore rated some answers as 'gold'. We have classified the RAGG rating as follows

Red rating	indicates high risk of non-compliance / adverse customer outcomes in evidence submitted
Amber rating	indicates a risk of non-compliance / adverse customer outcomes in evidence submitted
Green rating	indicates a low risk of non-compliance / adverse customer outcomes in evidence submitted
Gold rating	indicates very low risk of non-compliance / adverse customer outcomes with best practice which would benefit other Heat Trust Registered participants.

Individual performance ratings were shared with each heat supplier together with the number of heat suppliers rated under each category so that they could appreciate the level of their performance in comparison with other heat suppliers. This report presents aggregated results.

Outcome 1

In order to ensure communications which are clear, timely and easy to understand heat suppliers need to proactively identify vulnerability to identify relevant needs. Questions regarding this outcome therefore related to the ability to identify vulnerability, store relevant needs and ensure training for staff to be able to undertake the relevant tasks.

RPs rated under each category	1	3	8	2
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Outcome 2

Active support offered by heat suppliers will be more important than ever before. Questions related to this outcome therefore made up the majority of the questions.

Questions included confirming that additional support is available from heat suppliers with an expectation that this support will be communicated clearly to customers with details of how customers are able to access relevant support. Due to the essential to life nature of heating and hot water, an important element of support from heat suppliers is maintaining supply wherever it is safe to do so. There was therefore a specific question regarding policies on disconnection for debt.

RP's rated under each category	1	2	10	1
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Outcome 3

Although not a matter of scheme compliance it is important that heat suppliers proactively collect and act on feedback from customers. Questions regarding Outcome 3 therefore focused on monitoring of customer satisfaction, particularly customers in vulnerable circumstances.

RP's rated under each category	0	3	10	1
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In summary

We were not surprised to see that the majority of Heat Trust registered heat suppliers had solid processes in place enabling them to comply with the requirements of the Scheme Rules.

Only one supplier gave us cause for serious concern. We commenced a bilateral engagement with this company and asked them to develop a plan to address the compliance findings. However, further discussions revealed that the company did not have the resource to comply with the majority of the Scheme Rules. The company has now resigned from the Heat Trust scheme.

The results of this compliance exercise are encouraging, in that the majority of Heat Trust registered heat suppliers clearly have processes in place to support customers and comply with the Scheme Rules. It is important to stress that the continued success in terms of customer outcomes will only be realized if there is strong internal sponsorship for supporting customers in financial difficulty and that these workstreams are adequately resourced. Additionally, resource is required to make sure that IT infrastructure and other processes are kept under frequent review and updated as customer needs evolve and as technology improvements allow for improved customer service and support.

Outcome 1

Heat suppliers have processes and systems in place to identify customers in need of additional support and in vulnerable situations and capture details of their support needs and communication preferences. This enables the heat supplier to proactively communicate with a customer if they believe the customer might be struggling to pay their bill.

RP's rated under each category	1	3	8	2
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In order to ensure communications which are clear, timely and easy to understand heat suppliers need to proactively identify vulnerability and other support needs. Questions regarding this outcome therefore related to the ability to identify vulnerability, store relevant needs and ensure training for staff to be able to undertake the relevant tasks.

Overall, most heat suppliers were compliant with the letter and intent of the Heat Trust Scheme rules. Best practice from heat suppliers included proactive, regular review and ongoing training regarding identification. To support identification of self-rationing⁵, systems which support capture of relevant factors including usage as well as nonpayment will be particularly relevant in 2022.

The majority of heat suppliers were compliant with the letter and intent of the Heat Trust Scheme rules. Heat Trust recommends that all heat suppliers review their processes and ensure they are fit for purpose as an ever increasing number of customers are likely to struggle to pay their bills.

Staff training – Customers in a vulnerable situation are very likely to experience difficulty in paying their bills and it is vitally important that staff are trained to identify customers in a vulnerable situation and be able to let those customers know what additional services they can provide to support them. Heat suppliers should design their training to best enable their staff to support the needs of their customers. In general Heat Trust thinks that training courses should incorporate the following

- Definition of customers in a vulnerable situation
- Recognition that the vulnerable situation may be permanent or transient
- Recognition of customers in common vulnerable situations
- Recognition that there is no exhaustive list of vulnerabilities – referral back to definition

⁵ 'self-rationing', is where customers limit either energy use to save money, or restrict spend in other areas to ensure sufficient funds are available to keep the PPM topped up. (source – [Citizen's Advice](#))

- Recognising signs that a customer is in a vulnerable situation. For example - difficulty hearing, difficulty understanding, confusion, sounds in the background
- How best to have a supportive conversation with the customer once vulnerability has been identified
- Knowledge of what support is available and how best to tailor the support to the customer's needs.
- Empowered to make decisions and referrals where appropriate
- Recording the details of a customer and offering to add them to the Priority Services Register

Most of the heat suppliers that responded to our questionnaire had a training program in place to support their frontline staff that deal with customer contacts. Heat Trust recommend that any training program is not a one off endeavour and that ongoing refresher training is periodically available together with post training assessment. If heat suppliers choose to provide the training using in house expertise then they need to make sure that training remains up to date and relevant. The training should be rolled out to all staff that are likely to communicate directly with customers including field based staff such as engineers.

The importance of proactive identification and support of customers in vulnerable situations cannot be over emphasised and heat suppliers should make sure that adequate resource is deployed to make sure that their staff are well trained to do this – senior sponsorship within the company is crucially important.

IT systems and processes – It is important that heat suppliers have well developed IT systems to enable capture and storage of information about customer support requirements and communication preferences. It is not sufficient for heat suppliers to only capture such information at the start of their contract with the customer.

IT systems should be designed for easy management of the data held recognising the fact that support needs may change over time and that some may be temporary in nature. If possible, the systems should be integrated into a CRM system such that all information about a customer is held in a single place reducing the risk of holding duplicate or contradictory information. Processes should be in place to allow update of information held on the IT system not only by staff that deal with incoming customer contacts but also staff such as engineers and others that might have face to face contact with the customers. IT systems should be designed to provide automated prompts to the heat supplier whenever a change in customer support need is identified – for example missed payment or failure to adhere to a repayment plan. The heat supplier can then consider what type of outbound communication to the customer is needed.

When engaging with a customer, staff should also have live access to details of support mechanisms that the heat supplier is able to offer. This will reduce the risk of relevant details of the most up to date offerings being omitted in error during a

conversation or other live contact. Live access to helpful definitions may also be useful to assist staff in identifying customer's needs, preferences and whether the customer is in a vulnerable situation.

Consumption monitoring – as the use of smart meters and meters that allow remote reads to become more prevalent the routine monitoring of customer heat consumption becomes possible. Heat suppliers should put in place processes to identify changes in consumption that might indicate a change in customer support needs. For example, lower than usual consumption might indicate self-rationing (or in the case of customers with PPM meters, self-disconnection) caused by financial distress and higher than usual consumption may indicate increased time spent at home due to illness or loss of employment. Automated monitoring of customer consumption or other regular review can be a useful tool in identifying those customers that may be experiencing financial difficulties for the first time. The frequency of monitoring should be greater than the billing frequency. Further to the review, or automated prompt, the heat supplier can consider what type of outbound communication to the customer is needed. Better customer outcomes are achieved when those in financial distress are supported as early as possible.

Definitions – Underpinning training and processes should be clear definitions enabling staff to easily recognise customers that may be in need of additional support. As mentioned above there is no exhaustive list of circumstances that would result in a customer being in a vulnerable situation. Heat Trust believe that the following definition is helpful

Heat Customer in a Vulnerable Situation means a Heat Customer whose personal circumstances and characteristics combine with aspects of the market to create situations where they are:

- a) significantly less able than a typical consumer to protect or represent their interests in the energy market; and/or
- b) significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.

In the questionnaire Heat Trust also asked heat suppliers whether they had definitions of 'low income' and 'financial insecurity' – these are terms used in the Scheme Rules. Heat Trust require that registered heat suppliers consider these as situations that might give rise to vulnerability. Heat Trust does not define these terms but found the following definitions shared by registered heat suppliers as helpful

Low Income

Households are in low income if they live on less than 60% of the median income. Median income is around £29,000 for a couple with no children

Low income may mean that a customer cannot afford to buy important things for themselves or their family.

Evidence of the customer being in receipt of an Employment Related Support Allowance and / or other welfare benefits would be a clear indicator of low income.

Financial Insecurity

Customers who are in financial insecurity are those who are potentially living in debt. They have overdrafts with no savings and are unsure if all their bills will be covered each month.

Outcome 2

Heat suppliers have support mechanisms in place that customers are able to access seamlessly. The support mechanisms are communicated clearly to the customers and tailored to their needs.

RP's rated under each category	1	2	10	1
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Active support offered by heat suppliers will be more important than ever before as we head into the next heating season. Questions related to this outcome therefore made up the majority of the questions in the questionnaire. Questions included confirming that additional support is available from heat suppliers with an expectation that this support will be clearly communicated to customers, with details of how customers are able to access that relevant support. Due to the essential to life nature of heating and hot water, an important element of support from heat suppliers is maintaining supply wherever it is safe to do so. We therefore asked a specific question regarding policies on disconnection for debt.

There was a wide variety in the communications from heat suppliers. It is important to note that one-off communication of support available is insufficient and it would be valuable to ensure support is described in plain English and available on the front page of a heat suppliers' website.

The majority of heat suppliers reported processes that deliver compliance with our requirements, in that they provide flexibility regarding the timing and amount of debt repayments. However, the identification processes for proactive provision of support varied. Heat suppliers should consider the resource required to support increased numbers of their customers likely to be in debt, some for the first time.

While efforts to maintain supply for consumers in vulnerable circumstances was highlighted by the majority of heat suppliers (particularly in the context of a winter moratorium) only two heat suppliers have a specific policy of not disconnecting for debt. While a minority of heat suppliers noted that they had never undertaken disconnection for debt, reassurance that this would not occur in any circumstances is an important consideration in a time of particular strain for people's mental health.

Communication – There is no 'one size fits all' communication strategy that will work for all heat suppliers. The characteristics of customers will vary from one heat network to another, and heat suppliers should be prepared to tailor their communications strategies accordingly.

In general, one-off communications about the support available at the start of a contract, or reminders included on bills are not sufficient. Communications need to be timely, relevant and must take into account the customer's individual

communication preferences in order to stand the best chance of engaging positively with the customer – this is why it is so important that heat suppliers have excellent systems in place to identify customer communication preferences and support needs. Some key points to consider are as follows:

- Communication should be sent via the customer's preferred communication channel
- Where the customer's first language is not English, heat suppliers should be able to offer translation services
- It should be clear who the communication is from and what it concerns
- The actions that the customer needs to take should be clearly articulated
- The tone of the communication should be non-judgemental and supportive
- Many customers may find it difficult to acknowledge that they may benefit from support and do not regard themselves as being in a vulnerable situation – front line staff should use language carefully to stand the best chance of engaging positively with customers
- In the case of verbal communications heat suppliers should consider whether a written summary should be provided after the conversation

Heat suppliers may wish to consider face to face communications when they need to communicate with customers regarding issues that have broad impact at a particular location such as large bill increases or supply interruptions. In these cases, heat suppliers should consider making themselves available in person at 'town hall' type meetings so that customers can voice concerns in person. The opportunity to reach out to a large number of customers at a single event should not be underestimated both in terms of delivering a message and receiving feedback.

Heat suppliers should keep their outbound communication strategies under review and should not be afraid of trialling new templates and channels as the characteristics of their customers may evolve over time. The document published by Citizen's Advice entitled [Supporting People in Energy Debt](#) provides some excellent guidance on communicating with customers.

The paragraphs above very much deal with outbound communication from the heat supplier to the customer. There will be customers that want to deal proactively with their emerging financial concerns, of which the heat supplier is not yet aware. Consequently, we recommend that links to debt advice and available support are prominent on the landing page of heat supplier's website and on regular communications to the customer such as bills and price reviews. Some heat suppliers have also provided helpful hardcopy advice pamphlets in communal areas. Access to advice should be available and free of charge to access through multiple channels to accommodate a wide variety of communication preferences ([Ofgem's Consumer Protection Report](#) has an excellent example of the use of assistive technology on an energy suppliers website – p.37). Many customers may find it difficult to contact the heat supplier during working hours so some provision for out of hours contact should be available. It is important that staff dealing with contacts are well trained and

empowered to make decisions and referrals relating to all steps of debt support. It may well have taken the customer some time to pluck up the courage to contact their heat supplier and discuss a very sensitive subject, so the journey from this point needs to be as seamless and easy as possible.

Support – The support provided by heat suppliers of heat networks should at the most basic and fundamental level offer repayment plans to address any accrued debt. The repayment plans should be based on frank and open discussions with the customer and consider the heat customer's ability to pay – a review of typical income and expenditure is useful here. The heat supplier should ensure that the customer completely understands the terms of the arrangements and the amount and frequency of repayments. The repayment plans should then be the subject of frequent periodic review to make sure that the terms of the agreement continue to meet the customer's needs over time. These are requirements of Heat Trust Scheme Rules.

Heat Trust believe best practice would go further than this and see heat suppliers form strong partnerships with debt charities. Once a heat supplier has worked with a customer to understand the degree of debt and the customer's ability to pay, they may decide that referral to a debt charity will lead to the best customer outcome. Debt advice charities might also be able to sign-post customers to local charitable trusts or any local authority funding available to help with energy bills. Heat suppliers should have processes in place to explain to the customer the benefits of referral and make the referral quick and easy for the customer. Debt charities are skilled at working with people in debt to understand their overall financial situation and can deal with a debt situation more broadly to achieve better customer outcomes. This assessment can take some time and it is important that heat suppliers allow a payment holiday while assessments are completed, and repayment arrangements are established (in some cases there may be a [legal obligation](#) to provide this breathing space). [Ofgem's Consumer Protection Report](#) (page 36) has an example of how a supply company working with debt charities enabled outcomes that benefitted both the company and the customer. Payment holidays may also be appropriate when a customer is facing a delay to income such as when they first apply for benefits such as Universal Credit.

Heat suppliers should monitor the customer outcomes of cases that they refer to debt charities such that improvements to their referral processes can be embedded in future reviews.

Heat suppliers should also make customers aware of grants and other opportunities to write off portions of any accrued energy debt and provide assistance and direction in the application for these opportunities. At the very simplest level this would involve working with the customer to understand whether they may be eligible for support under the [Warm Homes Discount](#) scheme offered by their electricity supplier. Some heat suppliers are part of a company that also supplies electricity to customers so

they may be sighted on the opportunities for the customer to apply to an energy supplier's trust fund. Larger suppliers could consider setting up a trust fund for their heat customers.

Softer support options – When heat suppliers become aware of customers that are in the very early stages of financial difficulty then their situation may benefit from some very simple and easy interventions on the part of the heat suppliers. Some heat suppliers offer a variety of tariffs. At the very simplest level, tariffs with lower standing charge and higher unit charge may benefit those customers that are low consumers and conversely tariffs with higher standing charge and lower unit charge may benefit customers that are high consumers. Heat suppliers should also consider whether they can be flexible on payment frequency, or agree for payments to be taken on a certain date each month, if this would fit better with a customer's income arrangements.

Use of Debt Collection Agencies ('DCAs') – When managing repayment plans that have been agreed with customers heat suppliers may employ the services of DCAs to collect funds on their behalf. When the sector is formally regulated by Ofgem in the future it may be that the regulated heat supplier will be responsible for the actions of the DCA. If a heat supplier chooses to employ the services of a DCA it should make sure that the SLA in the contract between DCA and the heat supplier is based on customer outcomes and not solely the recovery of funds.

Pre-Payment Meters (PPMs) – A number of heat suppliers reported that they worked with customers to install PPMs at the property and in some cases wrote off a portion of the debt as an incentive for PPM installation. Heat Trust believe that the choice to change from a credit meter to a PPM should be an active one made by the customer once the pros and cons of the decision have been explained to them. Heat Trust acknowledges that installation of a PPM can be a helpful aid to budgeting for some customers but advise heat suppliers to establish that installation of a PPM will have a net positive benefit on customer outcomes before going ahead.

Installation of a PPM can lead to self-rationing and potentially self-disconnection when funds available to spend on heating are low. In the case of self-disconnection the customer ceases to accrue debt due to unit charge costs but often continues to accrue debt due to standing charge costs on a daily basis.

Depending on the functionality of the meter Heat Trust understands that accrued debt can be transferred to a separate register within the meter and that repayment arrangements agreed such that a certain percentage of any top up payment goes towards settlement of the debt. These arrangements need to be kept under very frequent review to make sure the customer continues to have access to heat.

Certainly, a PPM should not be installed at a property where the suspension of the supply of heat could have serious adverse impacts on the health of any residents at the property. When serving new customers with existing PPMs at their property a

heat supplier should undertake an assessment in order to understand whether a PPM is a suitable payment option for the new customer – if it is not, or disconnection of supply would pose a danger to health, then the heat supplier should arrange for the PPM to be replaced by a credit meter, or for sufficient credit to be added to the PPM to ensure the heat supply is always maintained.

Disconnection – The Heat Trust Scheme Rules prohibit the disconnection of customers in a vulnerable situation during the heating season (October through to March). The rules do allow for disconnection of customers that fall outside of these provisions. However, Heat Trust believes that disconnection of supply to a customer due to accrued energy debt should be a last resort and a very rare event. The provision of heat is an essential service and as such, disconnection of this service must not be undertaken lightly. Heat Trust is of the opinion that a policy of not disconnecting supply due to the accrual of energy debt is best practice. Heat Trust monitor supply suspensions by heat suppliers registered with the scheme and may engage with companies where a large number of events are reported.

If heat suppliers are of the opinion that disconnection is appropriate in some extreme circumstances, then it should only be undertaken when every other possibility has been exhausted. We recommend that the heat supplier makes all possible efforts to support customers in debt both through offering restructured payment plans and referral to third party organisations. Only after multiple attempts at offering support through multiple channels have been rejected or ignored should heat suppliers even consider disconnection of supply. When a heat supplier is considering the disconnection of supply then the decision should be taken at a very senior level in the company, preferably director or above. When considering the proposal to disconnect the decision maker should be sighted on indisputable evidence that all alternative options have been exhausted. Heat Trust sets rules around the costs that can be charged for disconnection and reconnection of supply, although we recommend that these costs should not be passed on to the customer.

To reiterate, Heat Trust are of the opinion that a policy of not disconnecting supply due to the accrual of energy debt is best practice.

Outcome 3

RPs have processes in place to review, monitor and improve their provision of customer service based on the collection of feedback from their customers.

RP's rated under each category	0	3	10	1
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Ultimately, customer outcomes cannot be perfectly predicted by any heat supplier. Questions regarding Outcome 3 therefore focused on monitoring of customer satisfaction, particularly customers in vulnerable circumstances.

Proactive monitoring is key to ensure that intended outcomes materialize. This requires measurement of, and response to, customer experiences. Heat suppliers took a variety of approaches to collection of feedback, and action on that feedback, from very structured and frequent approaches to more ad hoc and less frequent. We think that frequent collection of feedback from customers at the present time is very important as the support needs of many customers are evolving as they begin to struggle with the cost of living. The practices and processes of heat suppliers will need to change in response to evolving needs of the customers. We therefore advocate development of internal processes that enable both frequent collection and review of feedback in a very structured way. We have set out our thoughts under a number of headings below

Frequency – Ideally every interaction that the heat supplier has with a customer would offer the opportunity for feedback whether it be good or bad. This high frequency of feedback collection should be underpinned by less frequent and more formal customer satisfaction surveys enabling comment on the breadth of services offered by the heat supplier.

Communication preferences – When requesting feedback from customers the heat supplier should take into account any recorded communication preferences that are recorded for the customer. For example, a customer may prefer to receive a request for feedback through a hardcopy letter and respond through the same channel. The heat supplier should be prepared to accommodate these preferences.

Training / Recognition – The customer will have interactions with staff from different operational areas. All staff that are likely to have face to face or other interactions with customers should have training on requesting, recognition and recording of feedback. Some feedback will be given without prompt and it may be just as valuable as that which is asked for.

Targeted use of feedback – Heat suppliers have systems in place to hold information about customer characteristics and support needs. As such they should make sure that feedback from customers can be associated with recorded support

needs. This association of feedback and support need can then be used to potentially develop targeted support mechanisms for other customers with similar support needs.

Internal feedback – channels should be set up for staff to feedback when they have observations about the impact internal processes have on customer outcomes. Customer facing staff can be an invaluable source of intelligence for the heat supplier as they pick up on subtle comments and feedback from customers through their day to day interactions. Ideally, representatives of customer facing staff should contribute to meetings where actions to address feedback are identified.

Collation and Analysis – heat suppliers should have a system in place to record feedback in a consistent format and all customer facing staff should be trained to use the system. Ideally the heat supplier should be able to analyse the information held in the system to identify thematic opportunities to improve customer service.

Review / Action / Outcome tracking – Frequent meetings should be set up to review new feedback and identify new opportunities for improved customer service with clearly defined action plans. The meetings should be attended by staff senior enough to commit to completing required actions as well as customer facing staff that will have pertinent input to make on the viability of the planned actions. The meetings should also be used to track progress on previously identified actions. Once implemented new processes and procedures arising from the identified actions need to be tracked to make sure they achieved the desired improvement in customer outcomes. Good use of project management tools will be important to make this process run well. Integration of the feedback processes into a well developed complaints process may offer efficiency gains and reduce the risk of duplication of effort.

Internal Sponsorship – Senior individuals in the heat supplier need to provide strong sponsorship and endorsement of this workstream. It must be seen as a core part of the business and resourced accordingly.

Culture, Update and Review

Heat Suppliers must keep processes and infrastructure under constant review in the search for ways to best serve their customers as their needs evolve

In the future we will see customer needs evolve in ways that we cannot predict. Heat suppliers must remain committed to adapting their support and service provision such that they continue to meet the needs of all customers. Within heat supply companies there needs to be a culture of continuous improvement in this area accompanied by adequate senior sponsorship and resource to deliver the best customer outcomes.

Appendix – Questions from Questionnaire

Section heading	Question number	Question	Notes
Outcome 1	1a	Do your systems have the ability to capture and store data regarding consumer vulnerability, including communication preferences and/or affordability challenges?	
	1b	Please set out how you identify customers struggling to pay their bills	We would particularly like to see how data captured in systems from question 1a is used to assist identification of customers most in need of support
	1c	Do you staff receive training on and quality assurance support regarding supporting customers in vulnerable situations? If so, please see note.	Please provide a summary of training content and frequency of any refresher training
	1d	How do you define customers in vulnerable situations within your organisation?	
	1e	How do you define low income?	
	1f	How do you define financial insecurity?	
Outcome 2	2a	Do you offer additional support to those struggling to pay their bill?	
	2b	When supporting a customer struggling to pay their bill, what support do you enable.	<ul style="list-style-type: none"> - Please include details of - details of processes used to assess customer's ability to pay - restructuring of payments - calculation of repayment amounts and frequency of collection - monitoring suitability of these arrangements and the process to update arrangements if they are found to be unsuitable - referral to third party support (for example Fuel Bank Foundation, Step Change, Citizen's Advice)
	2c	How is the availability of additional support communicated to your customers	Please ensure you include details of all channels you use (including digital), metering types (credit and PPM) and examples of when the customer does not respond to contact. Please specify where this includes provision of accessible information including the guidelines for staff that help them to identify customers in need of additional support.
	2d	This year there are likely to be a number of customers that may be struggling to pay their bill for the first time what changes to your processes have you put in place to identify and support this type of customer?	
	3a	Do you have a freephone number for people struggling to pay their bills	
	3b	If you have a freephone number available, how do you promote it to customers?	
	3c	If you have a freephone number available, what are its opening hours?	
	4a	Are there any circumstances when you would suspend supply for debt (rather than safety)?	
4b	Please describe what processes are in place to ensure that suspension of supply is only used proportionately and as a last resort (see note)	<ul style="list-style-type: none"> - Including, - assessment of the impact on the customer and other residents at the address - circumstances where your company would not suspend supply - seniority of staff in your organisation that are able to authorise the decision to suspend supply to a customer. - charges for suspension and resumption of supply 	
Outcome 3	5a	Do you collect feedback specifically from customers in vulnerable situations, particularly those with alternative communication preferences and those struggling to pay their bills, to improve your services?	
	5b	If you collect feedback in line with the above, please describe the way in which this feedback leads to service improvements such as any Key Performance Indicators monitored and accountable leaders in the organisation	