

# Fuel Poor

A code of practice to help fuel poor customers

1. Customers of SWALEC are deemed to be living in fuel poverty when 10% of their total household income is spent on fuel costs. There are three determining factors that may lead to a household being in fuel poverty: a low income, poor energy efficiency of, and within homes; and energy that is difficult to afford. This Code of Practice is designed to ensure that, in addition to discharging effectively responsibilities to improve the energy efficiency of homes under the Carbon Emissions Reduction Target and to providing a range of “priority” services, SWALEC’s voluntary programmes of assistance are coherent and credible and make a genuine difference for fuel poor customers.
2. Suppliers are responsible for procuring energy on behalf of their customers, for efficiently delivering services to their customers and for the prices which they charge for electricity and gas, although the latter is largely influenced by international wholesale markets. Nevertheless, prices charged to customers are the factor over which suppliers have greatest influence, and so those who charge most for electricity and gas should contribute most to help vulnerable customers. SWALEC will aim to be the last (or one of the last) of the major energy suppliers to increase prices if it has to, and the first (or one of the first) to lower prices if it can. At a time of volatility in wholesale energy prices and other upward pressures on domestic prices, SWALEC aims to protect all of its customers from the worst effects.
3. It is poor households who are most in need of help with their gas and electricity bills. For this reason, SWALEC provides assistance through a winter rebate scheme or a social tariff, depending on the level of need. The winter rebate will provide a benefit to customers at the end of the winter period, while the social tariff will be the lowest tariff we offer to our customers in that region, irrespective of payment method. These methods of assistance will ensure help to those customers who have most difficulty in paying their energy bills.
4. In a competitive market, suppliers offer different prices, but the average UK direct debit tariffs (“dual fuel”, electricity and gas) provide a benchmark against which prices can be measured. For this reason, in addition to ensuring that our social tariff is the lowest cost tariff we make available to our customers, Scottish Hydro will also ensure that any such tariff is lower than the average UK direct debit tariff for both dual and single fuels.
5. In addition to our joint initiatives with the Department of Work and Pensions to share data, Scottish Hydro will continue to proactively identify customers who are fuel poor and in need of assistance. This will be done through ongoing communication with customers, by utilising information from our priority services register and in dealing with customers with debt, to ensure that help is provided where needed.
6. We will continue to build on our relationships with external agencies, working closely to identify customers who will benefit from the assistance available and to deliver appropriate assistance, according to customers’ needs.
7. SWALEC recognises that fuel poor customers have specific needs. For example, many customers who have pre-payment meters (PPMs) use them to manage their payments because they have low incomes or have had difficulty in paying their bills in the past. SWALEC therefore offers a variety of ways of helping poorer households – social tariff, winter care rebate, charitable donations, donations to trusts, targeting energy efficiency support over and above CERT obligations, bespoke services for vulnerable customers, work with advocate organisations and community-based programmes. In doing so, SWALEC will commit specific and bespoke resources to working with other organisations to ensure that the help is most effectively targeted.

8. Recognising and understanding that many people, particularly those who are vulnerable, experience times of financial difficulties, SWALEC offers flexible payment arrangements. Not only will we provide an arrangement to pay over a period of time, we also take into account ability to pay in debt situations, regardless of the amount due. In addition, we recognise that there are times when customers will need help from different organisations. Sometimes that will be their energy supplier; at other times it will be a public sector or non governmental organisation. Working in partnership to help vulnerable customers is crucial and as part of our effort to help them, SWALEC will commit specific and bespoke resources to working with other organisations to ensure that help is most effectively targeted.
9. With a view to encouraging a holistic approach to tackling fuel poverty, SWALEC will ensure that free energy efficiency advice, information and advice on grants and benefit entitlement checks are available to customers placed on its social tariff.
10. Fuel Direct is generally considered a payment method of last resort for particular consumers who experience major difficulties in budgeting. Access to Fuel Direct requires that a domestic consumer should be in debt for gas or electricity and that they should be in receipt of particular benefits. Recognising the vulnerability of customers paying through this method, SWALEC will provide assistance to all customers on this payment method, either through our winter care rebate or social tariff.
11. Suppliers must offer customers' help and advice that will really make a difference to their circumstances. For this reason, supplier activities to help fuel poor customers should be subject to tough and independent monitoring and analysis. SWALEC has welcomed this thorough and public scrutiny of performance in providing support for fuel poor customers and believes that this is a spur to excellence in support for fuel poor customers. SSE continues to welcome this tough and open approach to judging the efforts of all of the UK's energy suppliers to help the fuel poor.
12. In addition to external independent analysis of SWALEC's efforts alongside other suppliers in the UK energy industry, an Independent Advisor has been appointed with significant expertise on issues relating to fuel poverty. This has and will ensure that the interests of fuel poor customers are represented at the highest level of SWALEC's management team. In addition to advice and guidance provided by the this Advisor in relation to the strategy for helping fuel poor customers, this also provides an independent opinion when reviewing our performance against our Fuel Poor Code of Practice.

Finally, SSE aims to be at the forefront of industry efforts to help Britain's fuel poor customers. As a result, we will keep this Code of Practice under six monthly review in order to ensure SSE's initiatives to help the fuel poor remain as progressive as they can be.