

christians  
against  
poverty

**CAP**

# ***Consultation on approach to delivering the Best Practice Framework programme***

***CAP's official response to the Utility Regulator's  
consultation on the Best Practice Framework  
programme***

January 2022

**always hope.**

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## Summary

Christian's Against Poverty (CAP) has 25 years of experience in delivering debt counselling, and in supporting vulnerable consumers. CAP reaches over 2,500 clients each year with debt help and has specialist in-house teams to support vulnerable individuals. Through this experience CAP has developed insight into the varied and complex needs of vulnerable consumers, and their relationships with utility providers.

CAP strongly supports the development of the Utility Regulator's (UR) Best Practice Framework, and has provided feedback on the proposed principles and measures.

### Key points:

- CAP is broadly in support of principles 1-10 outlined in the Best Practice Framework (BFP).
- The Utility Regulator (UR) should explicitly encourage suppliers to go above and beyond the stated mandatory measures to encourage ambition and continuous improvement.
- The UR should stipulate specific goals and positive outcomes within proposed measures for companies to aspire to, and implement measures to review these outcomes.
- More flexibility is needed within some of the proposed measures in order to accommodate varying needs amongst different groups of vulnerable consumers.
- The UR should require direct signposting of vulnerable consumers who are in debt to trusted debt advice organisations.

## Questions

### 1. Do you agree that where this Approach document has an impact on the groups listed, those impacts are likely to be positive in relation to equality of opportunity for utility consumers?

No response given.

### 2. Do you support the UR's definition of vulnerability?

CAP supports the definition's embrace of personal characteristics and circumstances, and concern for detriment and fair outcomes. The definition, however, omits two important factors.

Firstly, the definition fails to acknowledge that vulnerability can also stem from factors within the market. CAP recommends that the UR incorporate some mention of the structural causes of vulnerability, as Ofgem have done in their definition of vulnerability.<sup>1</sup>

Secondly, the definition makes no mention of the fact that vulnerability can be short-term or long-term. With the implicit assumption being that vulnerability is a long-term characteristic, this could lead to the neglect of consumers who are temporarily vulnerable (for example as a result of bereavement, sudden job loss, or illness). Transitory vulnerability is especially important to consider in light of the current cost of living crisis, which may lead to heightened short-term as well as long-term vulnerability.

### 3. Do you support the development of a mandatory Code of Practice for consumers in vulnerable circumstances that is based on a combination of both high level principles and 'required measures'? If not, what approach do you suggest the UR takes in order to develop a Code of Practice for consumers in vulnerable circumstances?

CAP strongly supports the introduction of a mandatory Code of Practice, and the use of principles alongside mandatory measures. The principles create a clear expectation and guide for suppliers about the outcomes that should be achieved. The UR should, however, explicitly encourage and recommend suppliers to go above and beyond the stated mandatory measures. This would help to encourage ambition and continuous improvement among suppliers.

### 4. What are your views on principles 1-4?

CAP is broadly in support of principles 1-4. Feedback on specific principles is given below.

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<sup>1</sup> [Ofgem, 2013](#). Consumer Vulnerability Strategy.

**Principle 1:** CAP welcomes the focus on culture and proactivity. The principle emphasises how protecting vulnerable consumers is not just a tick box exercise, but is something that should be deeply embedded in company values, operations, and processes.

**Principle 2:** This is a strong principle, with a welcomed focus on tailored support and positive outcomes.

**Principle 4:** As well as stating an ambition to record needs, there is a need to add reference to reviewing whether there is relevant support available to meet those needs.

## 5. What are your views on the proposed measures under each principle?

CAP broadly welcomes these proposed measures. Feedback on specific measures is given below.

**Principle 1 measures:** CAP particularly commends measure 3 and its commitment to including staff at a senior and board level.

**Principle 2 measures:** CAP questions whether the steps outlined in measure 1 will be sufficient to identify vulnerable consumers who use prepayment meters (PPM), and thereby have less regular communication with suppliers. It would be helpful for the UR to set some minimum expectations for how often suppliers should proactively contact PPM consumers.

CAP strongly welcomes measure 3 and its reference to flexible decision-making within teams. Within measure 4 there is a need to specifically flag up debt advice providers, such as CAP or Advice NI, to make the debt relief process as simple as possible for vulnerable consumers.

**Principle 3 measures:** CAP supports measure 2, but there is not enough detail given on how much promotional activity energy suppliers should conduct. It would be beneficial to add some targets here as a guideline to businesses.

**Principle 4 measures:** CAP is concerned that measures 3 and 4 are too prescriptive. The target of reaching consumers every two years will not be sufficient for all clients – some clients in vulnerable positions will need more regular contact. The UR needs to encourage suppliers to consider what the best form of contact will be for different consumers, as phone calls may not be an accessible or comfortable method of communication for some consumers.

CAP warns against removing consumers from care registers following failed attempts to reach consumers. There may be times when individuals are temporarily unable to engage with utility companies. Removing individuals from registers because of this could put the consumer's safety at risk. Instead, in future the UR should propose that companies set review dates for consumers who might be

considered vulnerable for a short period when adding them to the register. This would help to ensure that people are only removed from the register when it is appropriate to do so.

## 6. What are your views on the proposed timeline within which the measures should be in place?

Proposed timelines for measures under principles 1 and 2 look reasonable but the timelines should not limit ambition if the measures could be implemented sooner.

The timeline for principle 3, measure 3 looks sufficient for initial changes in IT and technology, but a longer timeline might be needed to allow for more innovative development of technology.

The timelines for the measures under principle 4 are quite long and should be made shorter where possible. This is especially true for measure 2 which builds on an existing minimum standard within the Code on Provisions of Services for people who are of pensionable age, disabled, or chronically sick.

## 7. Should any additional measures be included under Principles 1-4?

**Principle 2 additional measure:** While principle 2 places an emphasis on vulnerable consumers experiencing positive outcomes, there is nothing in the measures to define what positive outcomes are within this context, and to track whether these outcomes are being delivered. Specific targets could be outlined under measure 3, including regular reviews of complaints data as a minimum.

**Principle 4 additional measure:** There needs to be reference to a review process that assesses whether consumers are having their needs met with relevant support. This could include consideration of whether various accessibility requirements are being met by companies.

## 8. What are your views on Principles 5-7?

CAP supports principles 5-7.

## 9. What are your views on the proposed measures under each principle?

**Principle 5 measures:** CAP is concerned that measure 1 is too prescriptive. There needs to be some flexibility around who is exempt from disconnection, as there will be some individuals who fall outside of this specific vulnerability definition and still need protection.

CAP warns against stipulating this measure only between 1 October - 31 March. Spring temperatures, for example, can be very cool and require heating in order to maintain a healthy temperature. Individuals using energy intensive medical

equipment at home should be exempt from disconnection all year round to ensure that their medical needs can be met. There is also a need to block PPM installations due to debt or financial difficulty during the winter as well.

Under measure 3 the UR should consider the possibility of waiving reconnection charges for financially vulnerable households, as well as facilitating flexible payment plans.

**Principle 6 measures:** Advice and information should be prominent and easily available online, as well as via hard copies for people who may have difficulties accessing the internet. All communications should be written in plain English.

**Principle 7 measures:** Under measure 1, benefit entitlement checks could also be conducted by trained employees in-house, as well as by external consumer bodies. Under measure 2 it would be helpful to state a minimum timeframe for Breathing Space, for example 60 days in line with statutory schemes in England and Wales. The UR could also add a requirement for signposting to debt advice organisations to facilitate consumers to find sustainable solutions to debt.

#### 10. What are your views on the proposed timeline within which the measures should be in place?

No response given.

#### 11. Should any additional measures be included under Principles 5-7?

**Principle 7 additional measure:** The UR could build on measure 4 by adding a measure that ensures that all repayment plans are set with a consideration of affordability and ability to pay. This should involve using an income and expenditure tool, such as the Standard Financial Statement.

#### 12. What are your views on Principle 8?

**Principle 8:** CAP supports the idea of data sharing. The UR should explicitly state the purpose of data sharing within this principle, for example this would be particularly beneficial in relation to building care registers.

#### 13. What are your views on the proposed measure under this principle?

No response given.

#### 14. What are your views on the proposed timeline within which the measure should be in place?

No response given.

**15. Should any additional measures be included under Principle 8?**

No response given.

**16. What are your views on Principles 9-10?**

CAP supports principles 9-10.

**17. What are your views on the proposed measures under each principle?**

**Principle 9 measures:** Under measure 1, the UR should add in the need for companies to report to the UR and publicly on specific targets under the various measures.

**Principle 10 measures:** There is a need to better operationalise this principle in order for it to be an effective tool for consumers. For example, the UR could create a way for companies to attain an identifying score or kitemark so consumers can access meaningful information on how well companies support vulnerable consumers.

Research conducted under measure 1 needs to be used proactively in order for it to be meaningful. Research, for instance, could be used to identify new groups of vulnerable consumers and to highlight their needs, supporting principle 1, measure 3.

**18. What are your views on the proposed timeline within which the measures should be in place?**

No response given.

**19. Should any additional measures be included under Principles 9-10?**

No response given.

**20. Do you have any additional comments?**

No response given.

## About Christians Against Poverty (CAP)

Christians Against Poverty (CAP) is a Christian charity tackling poverty in communities across the UK through free debt help and local community groups. CAP provides award-winning free debt help through local churches. Each church's CAP Debt Centre offers emotional and practical support, while our head office team in Bradford provides bespoke debt advice and a plan to help people get out of debt.

CAP also offers community groups dedicated to tackling poverty at the root. These are run through local churches, and cover topics such as interview skills, applying for a job and writing a CV, how to budget, making money go further and key life skills.

## Requests for further information

This response has been written by Emma Hide, Policy and Public Affairs Officer for Christians Against Poverty (CAP), with contributions from:

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