

christians  
against  
poverty

**CAP**

# **Code of Practice for Consumers in Vulnerable Circumstances**

CAP's official response to the Utility  
Regulator Best Practice Framework  
Consultation

June 2023

# Best Practice Framework Consultation Proposals: Code of Practice for Consumers in Vulnerable Circumstances

## Summary

Christians Against Poverty (CAP) has more than 25 years of experience in delivering debt help. CAP supports over 8,000 people on their journey out of debt each year 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 creditors.

- CAP broadly welcomes the final definition of “vulnerable,” albeit with reservations as expressed, and previously expressed in our submission on the Best Practice Framework in January 2022.
- CAP broadly welcomes the proposals around industry working groups but with some suggestions around the requirement to consult.
- CAP welcomes many of the specific proposed decisions in respect of the ten principles but with some reservations in relation to:
  - Requirements for reaching customers set out in principle 4, measure 4.4
  - The case by case basis in which “breathing space” cases will be determined in measure 7.2 where there is a need to ensure that companies offer reasonable time and this is monitored to ensure it is being properly implemented to benefit relevant customers.

## Questions

### Section

**Q1: Do you agree that where this document has an impact on the groups listed, those impacts are likely to be positive in relation to equality of opportunity for utility consumers?**

CAP has not provided an answer to this question.

**Q2: Do you have comments on any of the UR proposed decisions set out in section 2? I.e. To implement new definition of vulnerability and to implement a single mandatory Code of Practice for consumers in vulnerable circumstances**

We broadly welcome the final definition of 'vulnerable' and the careful consideration that has gone into this process. We welcome that the definition recognises that both a person's personal characteristics and other circumstances can play a part in vulnerability. CAP explored this further in March 2019 when we published our report *Stacked Against*.<sup>1</sup> It reads *'To effectively identify and offer support to people in need, it is key to understand what vulnerability means in real people's lives and interactions with key services.'*

The discussion around the proposed definition recognises some concerns we had raised previously around the impact of market factors and the transient nature of vulnerability, and we note the Utility Regulator's (UR) careful consideration of these points. However, as it is proposed that the definition will not change, we remain concerned that these factors have been omitted.

We welcome the mandatory nature of the Code of Practice and the benefit this will bring to consumers in terms of accessibility and understanding.

**Q3: Do you have comments on the UR's proposal on industry working groups as set out in section 3?**

We welcome the formation of industry working groups, as well as the fact that the UR may intervene if agreement on issues or procedures cannot be reached (and that the UR's decision will be final in that regard). We further welcome the reporting requirements

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<sup>1</sup> Stacked Against, Christians Against Poverty (March 2019) - Can be found at [https://bynder.capuk.org/m/567ead6c48c95d6d/original/Stacked-against.pdf?\\_gl=1\\*1fcd0nv\\*\\_ga\\*OTc0MjM0Nzc5LjE2NjI2MzA4ODc.\\*\\_ga\\_JDHF1MTESF\\*MTY5MTU4MDYzNS4xNzluMS4xNjIxNTAwNiQ1LjUwLjAuMA](https://bynder.capuk.org/m/567ead6c48c95d6d/original/Stacked-against.pdf?_gl=1*1fcd0nv*_ga*OTc0MjM0Nzc5LjE2NjI2MzA4ODc.*_ga_JDHF1MTESF*MTY5MTU4MDYzNS4xNzluMS4xNjIxNTAwNiQ1LjUwLjAuMA)

established for these groups. Whilst we welcome the fact, at 3.18, that working groups “may” seek independent views from the likes of Consumer Council NI (CCNI) or the Information Commissioner’s Office (ICO), more emphasis could be placed on this being a requirement. Therefore we suggest the wording:

*We propose that the industry ~~may~~ **must** seek independent views from other parties such as the ICO or the CCNI to assist in the development of proposals in this paper.*

We would like to see working groups strongly encouraged, at a minimum to take on board a wide range of views. CAP would suggest the UR should consider a wider list of possible consultees who could be added. It may be that a two level consultation process is suitable - where working groups “must” or “should” seek views from bodies like CCNI and ICO, while they “should” or “may” also seek wider views from other named bodies.

#### **Q4: Do you have comments on the UR proposed decision set out in section 4?**

As set out in our previous response, we broadly welcome the ten principles in the new Code of Practice (subject to any specific points we had raised in respect of each). We further welcome the UR’s openness to consider a suggestion in respect of an annual review of tariff and payment when consulting on the new Consumer Protection Programme later this year, as well a more general openness to reviewing and amending the principles should monitoring and reporting highlights any gaps or issues with them.

#### **Q5: Do you have comments on any of the UR proposed decisions set out in section 5? Numerous (approx 35) measures to apply to all (or specified) industries set out in detail at Appendix 2 See below**

***Please clearly state in your response (using the measure number) which decision your comments relate to.***

The following comments can be attributed to the specific measures under each principle. Please note, not all are commented upon. CAP also refers back on occasion to comments made in our submission on the Best Practice Framework made in January 2022.

### **Principle 1**

1.1 We welcome the definition, with caveats, as set out above.

1.2 We note that the introduction of BS ISO 22458:2022 is recommended but not required and, as this is the case in Great Britain, we are content with this decision.

1.3 We welcome the measure that companies should have a specialist vulnerability team or person at a senior level. We note the comments about engagement and that companies will be encouraged to engage with consumer groups - however under the current framework there is no requirement to do so, and therefore risks this initiative being ignored by companies who may not prioritise this activity. We broadly welcome this measure but will want to see this in action, to ensure that there is actual meaningful engagement. Implementation and reporting/sharing of information with the likes of Consumer Protection Action Group (CPAG). We welcome the fact that the UR has said it will be involved to facilitate this if need be.

## **Principle 2**

2.1. The measure regarding training relevant staff is very welcome.

2.2 We welcome the fact that call duration targets are to be removed for certain types of call.

2.3 As stated in January 2022, we particularly welcome this measure.

2.4 /2.5 We welcome the idea of a partnership between consumer representative bodies and suppliers/network companies to raise awareness of the existence of customer care registers amongst members and clients. We also welcome the fact that this should be intentionally cultivated and maintained and cooperation readily evidenced. We were pleased to see the requirement that processes should be put in place to enable a warm handover of consumers in vulnerable circumstances who are in need of additional support and feel this can be of great benefit to consumers. Work will be needed to create trust and confidence in such a process but this is welcome.

2.6 We welcome the provision of a non premium phone number and measures around this to ensure customers who find themselves in vulnerable circumstances can more easily contact companies.

## **Principle 3**

3.1 We welcome this measure.

3.3 and 3.4 We welcome the additional detail around these measures around steps to be taken and evidence to be provided.

3.5 We welcome measure 3.5

3.6 We further welcome measure 3.6

## **Principle 4**

4.3 and 4.4 We noted our concerns, in our January 2022 response, that measures 4.3 and 4.4 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. We repeat this, but welcome the fact that this is stated to be the **minimum** requirement on contacting registered customers, and that companies are welcome to go above and beyond these requirements.

We remain concerned that consumers should not be removed from care registers following failed attempts to reach them, as there may be times when individuals are temporarily unable to engage with utility companies, although we welcome detail that three attempts must have been made to contact the customer by their preferred means of communication.

## **Principle 5**

5.1 The extension of the period (from 1 October to 31 March, as initially proposed, to a year) during which gas and electricity suppliers are to take all reasonable steps not to disconnect relevant customers is in line with practice in Great Britain, via Energy UK's Safety Net and is therefore to be warmly welcomed. We are happy to note the change in light of previous comments. We also welcome recognition of particular Prepayment Meter (PPM) issues here in Northern Ireland and the need for more work on these. Finally, we welcome the inclusion of those with dependents under 5 and vulnerable within the definition within this measure.

5.2 We had raised some concerns about this proposed shorter period in terms of non-disconnection in our previous response and these remain. While we note the UR's view that there could be lower risk occupants in this situation, so time limits are appropriate, we reiterate our concerns about the need for more flexibility, for example if there is unseasonably cold weather in Spring. We still feel such flexibility is needed.

## **Principle 6**

6.1 We welcome this measure and the fact that 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

## **Principle 7**

7.1 We welcome the proposed measure regarding a warm handover to organisations that can do a benefits check, and the fact that Distribution Network Operators (DNOs) are included in this requirement

7.2 We had in our response asked for 60 days Breathing Space in line with the England and Wales statutory scheme. We note the proposal that this be optional, depending on the particular customer and their needs and that the period is decided on a case by case basis. While, perhaps, alignment with England and Wales would be preferable, we do feel that a

case by case basis could work, so long as companies offer reasonable time and this is monitored to ensure it is being properly implemented to benefit relevant customers.

7.3. We note that companies are to use their best endeavours to positively identify PPM users at risk of self disconnection, and provide advice and assistance. While there is some concern that “best endeavours” may be open to interpretation (although we are sure this will not be the case), we note this is to be reviewed once smart meters are in place which is welcome.

7.4 and 7.5 The measure that suppliers will target customers with PPM debt of £200 (decreased from the initially suggested £400) ties in with companies’ agreement not to disconnect anyone who is engaging with their supplier (7.5) and both are welcome.

### **Principle 9**

9.1 The proposed measure that returns are to be filed to demonstrate compliance. (and the related reduced reporting for a company with the relevant BSI ISO standard) are welcome, but needs to be monitored to ensure information filed is relevant and useful and that any returns are made in a timely fashion.

9.2 The requirement that actions taken to increase awareness of the Customer Care Register should form part of the returns above is sensible and welcome.

### **Principle 10**

10.1 The proposed measure that companies conduct research and engagement with consumers in vulnerable circumstances, and submit reports on this which are to be made public are all welcome from a transparency angle.

### **Q6: Do you have comments on the URs proposal on the new structure for registering consumers in vulnerable circumstances as set out in section 6?**

We broadly welcome the proposed streamlining of the Customer Care Registers as outlined but have nothing further to add.

### **Q7: Do you have comments on the URs proposed licence conditions as set out in section 7?**

We broadly welcome the licence conditions and the clarity these will bring but have no further comments.

**Q8: Do you have comments on the URs proposal compliance and monitoring as set out in section 8? Specifically, we seek comments on stakeholders preferred monitoring option(s).**

We agree with the UR's position regarding reporting, regular reporting that is incorporated into Retail Energy Market Monitoring reports but have nothing further to add.

**Q9: Do you have comments on the URs proposed timelines for implementation as set out in section 9?**

We agree that these measures should start as soon as possible and feel that the six month period mentioned seems reasonable to allow these measures to be implemented in a timely manner. We have no further comment.

## About Christians Against Poverty (CAP)

With a vision to see transformed lives, thriving churches and an end to UK poverty, Christians Against Poverty (CAP UK) is a national charity that equips local churches to deliver a range of services.

CAP Debt Help provides holistic support for families and individuals facing problem debt with a free face-to-face service – tackling both the financial conundrum and the wider emotional impact. CAP tackles the causes and consequences of UK poverty through free community groups, also run through local churches. This includes Job Clubs, Life Skills groups and the CAP Money course.

All CAP's services are free of charge and available to everyone, regardless of age, gender, faith and background. To find out more, visit [capuk.org](http://capuk.org).

## Requests for further information

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