

Consultation Response Form

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Are you responding as an individual or on behalf of an organisation?	YES
Organisation Name	The Heat Network
Would you like the name of the organisation you represent to remain confidential?	NO
Would you like to receive further information on the development of Heat Trust?	YES
May Heat Trust contact you for clarification or further information on your response?	YES

The Heat Network is a peer group of social housing providers who meet to discuss and share good practice about district and communal heating. We bring together our own communal heat experiences and share the lessons we've learnt with colleagues across the sector through our [website](#).

We currently have 13 housing association and 6 local authority members, as well as representation from the National Housing Federation. Collectively, over 80,000 homes on over 900 networks, 7% of all heat networks as defined by BEIS and 17% of all customers.

In responding to this consultation, we've tried to strike a balance between what we want Heat Trust members to provide for our customers living on their schemes, with what we as heat network operators can provide: with the forthcoming regulation of the heat network market we want to protect our customers but at the same time not create a system that will ultimately be impossible/too expensive for us to implement on our own schemes.

The Heat Network also responded to Ofgem's Draft Consumer Vulnerability Strategy in August 2019. This is publicly available [here](#).

Question 1: Should Heat Trust include other considerations that may give rise to need for additional communications support? For example, those who are digitally excluded (and therefore lack access to the internet)? And how could those customers be identified?

Yes, the Heat Trust should include additional communication support for customers such as those who are digitally excluded and also those in supported living or extra care schemes. Customers should be given opportunities to self-identify, for example when move into a scheme, when they sign a heat supply agreement, when they receive the annual statement or when they contact the heat supplier. They should also be able to nominate family or support staff to act on their behalf where appropriate.

Question 2: Should Heat Trust require Registered Participants to undertake a physical meter reading if the customer is unable to do so and unable to nominate an appropriate other person to read their meter for them?

Yes, heat network operators should be required to take physical meter readings if the customer is not able to do and if remote readings are not possible. The location of the meter should also be borne in mind when customers are asked to provide a physical reading: if they're behind large or heavy objects, or awkwardly positioned, the customer may not be able to access them.

Question 3. Are there any other additional services that would be relevant for Heat Trust to consider further?

No

Question 4. Should Heat Trust encourage Registered Participants to maximise use of data they collect to identify those requiring additional support, whilst ensuring this is GDPR compliant?

Yes, heat network operators should use all the information at their disposal, within the rules of the GDPR, to provide the best service possible to all their customers.

Question 5. Given the transitory nature of some vulnerabilities, should Heat Trust ask Registered Participants to show how they keep their vulnerability register up to date, and help identify more customers in vulnerable situations?

The shift from talking about 'vulnerable customers' to 'customers in vulnerable circumstances' inevitably means that people's needs will change. It is vital that this is kept up to date so that appropriate support can be offered. This applies not only to the 'current list' of customers in vulnerable circumstances, but to those who will need to register with heat network operators for additional support for the first time (even though they may have been living on the heat network for a while already).

Question 6. Do you agree that Heat Trust should update its wording to refer to Customers in vulnerable situations, or vulnerable circumstances, instead of Vulnerable Customers?

Yes, we agree with this change in wording.

Question 7. Heat Trust is keen to hear views on additional minimum considerations for identifying vulnerability - for example, should health considerations include both physical and mental health? And are there any additional requirements Heat Trust should consider?

Defining vulnerability should be decided on a case by case basis so that each customer's needs are taken into account, but with guidance categories as outlined in the consultation paper. We agree that mental health should be included in the considerations for identifying customers in vulnerable circumstances. Other considerations could include:

- Addiction / dependency / substance abuse
- Critical / chronic / severe illness
- Dementia
- Learning disabilities

- Severe financial insecurity
- Families with young children or expectant mothers

Question 8. Heat Trust is seeking to align the heating season with Ofgem's definition. Do you have any comments?

On the whole, we support the proposal for the Heat Trust's definition of the 'winter period' be shortened from October-May to October-March, in line with Ofgem's definition. However, with changing and erratic weather patterns we can sometimes have very cold snaps in April or May: this should be dealt with as if it was still the 'winter period'. We also strongly believe that customers in vulnerable circumstances should be supported regardless of the season.

Question 9. Heat Trust is keen to hear views on whether heat suppliers currently make provision for hot water as well as heating for vulnerable customers during supply interruptions. Should Heat Trust ask Suppliers to also consider the provision of hot water to Customers in Vulnerable Circumstances as well as heating during interruptions in supply?

The provision to provide alternative heating to customers in vulnerable circumstances for planned interruptions is too long. Contact should be made with all registered 'vulnerable customers' before the planned interruption to assess what support they require: we suggest that alternative heating should be offered if the planned interruption will be longer than 6 hours, and much shorter in the winter period. If the solution is plug-in electric heaters for example, a contribution should also be made to the customers' additional electricity bill. Planned works should be carried out in the summer wherever possible to avoid this being an issue.

We think the emergency provision of hot water is much harder to provide. In homes with gas or electric heating, we would expect customers to rely on boiling kettles etc for hot water if the heating failed. A similar approach would be appropriate for customers on heat networks.

Question 10. Heat Trust proposes to include a requirement to provide alternative heating to vulnerable customers if an unplanned interruption lasts for longer than 12 hours, as well as planned interruptions. Do you have any comments?

Unplanned interruptions should definitely also be included in the Heat Trust's requirements. Although we recognise that unplanned interruptions often require crisis management, we also feel that 12 hours without heat in the depths of winter for some vulnerabilities winter would be too long. Perhaps a stipulation could be added to required Registered Providers to prioritise their response to customers with registered vulnerabilities.

Question 11. Heat Trust is keen to understand current practices on charges for suspension and resumption of supply. We are seeking to assess whether further guidance is required. Do you have information on current practices within the heat network and other utility markets on charges for disconnection and reconnection?

Members of The Heat Network do not charge disconnection/reconnection charges for any PAYG customers. The nature of the technology means the customers can disconnect/reconnect every day if they are managing their credit 'just in time' and

they should not be penalised for this. Nor should they be penalised if they are away from home (eg on holiday) when the credit runs out, in effect disconnecting them. PAYG meters disconnect/reconnect automatically when funds are available at no cost to the heat network operator, therefore there should be no cost to the customer.

Credit meters are slightly different however as there can be a lot more admin in chasing and recovering debt. A cap should be put on what is a 'reasonable cost' for disconnection/reconnection and this should be published by the heat network operator. This may be tiered: for example, if a site visit is required (eg to reconnect the meter or repair damaged systems) then this would be more expensive than if all the costs incurred were office based. Provision should also be made for the customers to repay these charges as part of a debt management plan.

Also note that one of our members has a policy not to disconnect credit metered customers.

Question 12. Should Heat Trust incorporate the Ability to Pay principles into its standards? What would be the best way of doing this?

We agree with Ofgem's Ability to Pay principles: for many social housing heat network operators, the principles encapsulate what is already simply good practice in the sector. More thinking may be required as to how to apply the principles for the wider heat network industry.

Question 13. Customers on heat networks in particular could fall into further financial difficulty as debt continues to accrue via a standing charge even if customers have self-disconnected from a PPM. Should Heat Trust add any requirements on self-disconnection? For example, to work more closely with customers at risk of self-disconnection from PPM. Or to identify those who have self-disconnected and offer advice on debt and options for payment plans.

Yes, any customer who is struggling to pay should be offered support and advice. Heat network operators should be pro-active in this regard, using the scheme data at their disposal to identify low users or customers who regularly use emergency/friendly credit or indeed self-disconnect. As the heat network industry matures, different tariff structures are being explored which look at ways of moving away from standing charges (but at the same time covering the fixed costs of the scheme). Heat network operators could also develop partnerships with third party organisations who can offer debt or energy efficiency advice, to refer their customers on to. Customers with very high usage may also need support.

Question 14. Heat Trust is considering updating the monitoring requests to seek detail on self-disconnection. Do you have any views on the type of metric that could be used?

While we recognise the value of data, we also think that reporting on disconnections of anything less than 1 day is over-onerous, particularly where customers are on PAYG. We must remember too that Ofgem's suppliers are much better resourced than many heat network operators. If the Heat Trust wanted to mimic Ofgem's proposals, we suggest 1-3days, 3-7days, 7-28days and 28days+ will be sufficient.

Question 15. Do you have views on whether Heat Trust should include a requirement for Registered Participants to ensure it is safe and reasonably practicable to install a PPM and that a customer has the ability to use it, where the customer is in a vulnerable situation?

Making sure that PAYG meters can be safely and practicably installed is a sensible approach. We find that many of our customers in vulnerable circumstances prefer PAYG as it helps them to budget and so we wouldn't want the option to be taken away from them. With remote technology, heat supply valves can be easily opened and closed which limits the risk of vulnerable customers being without heat. Several of our members only install PAYG meters, partly because this also avoids a debt risk to the organisation. That said, with the move to digital-only PAYG meters, it's important to make sure that customers have access to their account information in cases where they are not digitally connected (see Q1).

Question 16. To what extent is friendly credit used in addition to emergency credit in the regulated market?

While we can't comment on the regulated market, in social housing-managed heat networks friendly credit is very widely used where PAYG meters are installed. This offers a safety net to our customers out of office hours (eg evenings, weekends and Bank Holidays). We do not on the whole have many problems with customers then having to top up when the friendly credit period ends.

Question 17. Heat Trust is considering what steps might be helpful to encourage Registered Participants to take to further explain standing charges, in addition to the breakdown of the heat charge already required in the Scheme Rules. Do you have any views or suggestions on best practice?

The Heat Network has published some 'communication principles' which we think should be the cornerstone to all customer engagement (see <https://www.theheatnetwork.org.uk/guidance-1>). We think all customer engagement should be:

- Open/transparent
- Early
- Frequent
- Easy to understand

Communication about tariffs and standing charges should also adopt these principles.

Question 18. Should Heat Trust include a requirement for Registered Participants to ensure that at least one method of payment available works for each customer in a vulnerable situation e.g. if the nearest shop to pay by cash is too far away can they use the internet to pay?

Yes, there should always be a suitable way for any customer to pay for their heat and hot water. Many metering and billing solutions now allow for online payments.

Question 19. Should Heat Trust add that information provided to customers should not be mis-leading?

Yes - see our response to Q17 above. Examples of 'mis-leading information' would help to steer heat network operators in the right direction.

Question 20. Should Heat Trust include the overarching objective of Ofgem's Standard of Conduct to ensure that all customers are treated fairly, in all aspects of their business?

Yes

Question 21. Are there specific instances that warrant a different approach for heat networks compared to the regulated market, in relation to customer vulnerability? If so, please detail which instances and explain why a different approach is warranted?

No comment

Question 22. Are there any other parts of the Scheme Rules in relation to customer vulnerability that Heat Trust should consider revising, and why?

No comment

Question 23. Are there any aspects of Heat Trust's standards relating to customers in vulnerable situations that could be a barrier to new heat network schemes joining Heat Trust? Please explain your answer.

No comment