IMPACT

FROM INSIGHT TO INFLUENCE

Qualitative findings summary

NIA Project: LIV Segmentation

Prepared for Electricity North West

Prepared by Impact & ESC

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Introduction

The report summarises the key findings from the qualitative phase of this research program. The approach was structured around the following broad themes: finance, new technology, safety, energy supply and customer relations and featured a combination of 10 group discussions and 50 phone interviews with a wide range of customers in vulnerable circumstances. The fieldwork was conducted between 16/02/23 and 10/03/23 by a team of experienced moderators.

The primary objective of the qualitative phase was to provide detailed guidance for the development of a comprehensive quantitative research program. This new research will be used to identify new, more targeted ways to classify customer vulnerabilities beyond the broad classifications generally in use at the moment. With this in mind, the qualitative phase sought to answer two broad questions:

- What issues do customers most need help with (from an energy provider)?
- What specific actions could a DNO/GDN take to help them?

Key findings

Finance

The first of the two underlying themes that were repeated by customers across all discussion themes was finance.

Many of the respondents recruited to attend the sessions focused on finance fitted the industry classification of 'fuel poor', and many were uncomfortable with the amount they were paying for their energy, if not actually struggling to make payments. As a result, the main support packages respondents were looking for within finance, centred around help with bills. There was a view that whilst it is not the DNO's responsibility to set bill levels, or even be involved in the process of charging customers, they certainly could be working with other organisations to try and keep bills down.

One example given was for DNOs to lobby the Government to offer greater support to households and extend current support measures so that more can qualify by taking personal circumstances into account more. One respondent in particular highlighted that due to a medical condition of their son, there was a need for bed linen to be washed daily, resulting in much higher bills for washing and drying. Under current support mechanisms, this condition alone would not qualify them for help, however they felt that they should be eligible. There were strong views that any solutions that were offered by the Government need to address immediate needs first, rather than being so future-focussed that customers would not see the benefit for a number of years.

In addition, customers felt there was a need for the 'super vulnerable' i.e., those really struggling with bills, or with multiple conditions that classify them as in need of help, to receive further support and in some instances free services. These includes:

- Free boiler and electricity safety checks
- Free light bulb changing service to LEDs
- Free draught excluders
- Free checks on current technologies to ensure are still working

Customers saw these as costly purchases to make, especially for those that were most struggling to make ends meet, and therefore would choose to spend their money elsewhere, despite there being financial benefits to each of them down the line. This backs up the suggestions that government support needs to be made available now, not years in the future.

The other key area of support that customers were looking for within finance involved being able to pay for new technologies. Some customers felt that the DNO/GDNs could offer support themselves, but others felt their role was, again, more to collaborate with others to ensure support was given.

The key theme within financing new technology was around ensuring all different types of customers were able to purchase and install different types of technology, not just those that had higher disposable income. One group repeatedly mentioned by respondents was those living in rental accommodation or social housing. They felt it was often homeowners that have the greatest ability to install technologies such as solar panels and electric vehicle chargers, leaving tenants unable to reap the benefits of using them both. Customers felt that DNOs could be working with housing or tenants' associations to help install these two technologies, so that all customers have access to them. As the resulting increase in the use of both of these technologies would help decarbonisation of the electricity network, customers feel DNOs should be pushing this as much as possible. In addition, partnering with these sorts of organisation could help give the DNO better visibility of locations where solar and EV chargers are likely to be installed, therefore helping their planning and upgrade programmes.

On the flip side, customers also felt that landlords have a role to play in ensuring tenants were able to access the support they needed, and there was a role identified for DNOs and GDNs in helping them achieve that. They felt that some support could be given directly to private landlords, especially those with multiple properties, to install lower carbon technologies or energy efficiency measures, in the homes they let out. It is likely that they would need financial support in achieving this, given the high upfront cost of new appliances, or replacing multiple lightbulbs, across a number of properties.

Respondents felt that additional means-tested support could be given to customers to help install various technologies in the home. Again, there was a feeling that this support didn't necessarily need to come from the DNO or GDN, but definitely felt they had a role to play in ensuring the right customers got the help they needed. This support could come in the form of grants for those on lowest incomes, or free installation of products that have wider benefits than just reducing bills for an individual. If they are unable to provide this support directly, then the DNO could sign-post customers to the support available from other parties.

Technology

The second underlying theme discussed most by customers, across all discussions, was technology, and the perceived digitalisation of the electricity supply.

There was a group of respondents, predominately the most elderly, that explained they have no interest in using low carbon technologies in their home, or in digitalisation. There was recognition of 'being left behind' in this energy transition, but some in this group specifically were happy with that. They understand there could be benefits of, for example, changing their heating system or upgrading an appliance, but felt they were happy with what they had currently, and saw no need to change. That said, they did express frustration that much of the contact they have with service providers is becoming online-only, which they're uncomfortable doing. They made the point that choice is needed so that a customer can contact their DNO, or supplier, in the way they feel most comfortable, such as over the phone.

Other respondents, those that were open to digitalisation, felt there was a clear role for the DNO/GDN in educating customers more about low carbon technologies and clearly explaining the benefits, but also any downsides. Whilst knowledge of DNOs and GDNs is relatively low, those that did know their role felt they are seen as trusted, non-political technical experts, so are well-placed to give trusted advice. Once those less aware of the role of a DNO/GDN had it explained to them, they agreed they could be a vital source of information. They also felt a DNO/GDN's net zero strategy should be shared, or at least the key points of it, so that customers are aware of what work is being done. In addition to sharing information on low carbon technologies, customers felt a DNO/GDN could be sharing information on reducing usage effectively, whether this is through digitalisation, or other means.

Aside from sharing information, customers felt there was a role for the DNO/GDN to collaborate further with local authorities, housing associations and landlords, to help those with lower incomes access new technologies. In addition to what is already reported in the finance section above, they felt there could be support packages put in place to encourage installation of solar panels, charging points for electric vehicles and low carbon heating systems in rented properties and social housing. There was a perception that the Government might not have the money to

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front such schemes and it was also queried whether the DNO/GDN could afford to do so. For solar panels especially, customers felt they should be compulsory.

Further collaboration with the Government was also encouraged to help customers access new technologies. There were suggestions made that a similar policy could be implemented to the boiler replacement scheme, backed by the Government, for other appliances in the home. This would allow old appliances to be replaced, helping mitigate against safety risks (covered in more detail in the later section), but also allow customers to benefit from the latest technologies, such as smart washing machines, or dishwashers, which help reduce carbon footprint and/or energy bills.

Finally, within technology, customers felt DNO/GDNs could be involved more in the smart meter rollout, particularly with those that live in properties that are less compatible with smart meters, e.g., high rise flats or multiple occupancy homes. They felt more one-to-one support could be developed, to help these customers have a smart meter in their home, and access the benefits they bring.

Remaining themes

The remaining three themes covered in the research were all viewed primarily in terms of ensuring that customers were supported day-to-day, and in the event of a power cut. These themes were:

- Safety
- Energy supply
- Customer relations

Safety

Within safety, customers felt there is a clear responsibility for a DNO/GDN to help customers reduce hazards in their home. They felt that sharing information on the following, would help customers understand the actions they need to take:

- Leaflets teaching customers how to reduce risks in the home
- Education campaigns in school
- 'Fire awareness' type campaigns in the local community
- How to keep young children safe

This information could be shared via different advertising methods, including social media campaigns, or with leaflets, as mentioned above. Older customers also recalled small flyers attached to their fridge, which contained information on what to do in a power cut, so similar schemes could be suitable in this instance.

In addition, customers felt the following should be offered by the DNO/GDN free of charge, to help ensure the appliances they have in the home are safe:

- Fitting and checking of smoke alarms
- Fitting and checking of carbon monoxide detectors
- Boiler checks
- Freephone number to get information of potential safety issues in the home

Customers also felt that a DNO/GDN could again collaborate more with agencies like Help the Aged or Red Cross. This would not only help a DNO/GDN identify which customers are most in need of support but launch further support schemes on the back of work already done by these organisations, in line with what is mentioned above.

Energy Supply

With regards to energy supply, customers would also like to see more done in local communities to mitigate against the impact of a potential a power cut, such as putting generators in local community halls. These could then be turned into community hubs, in areas that were most prone to power cuts, for people to visit during a power cut.

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One further idea given by customers was a 'power cut kit' to be provided if a power cut were to exist. This would be given to those in the community that most needed it, and could include the following:

- Torch or small lighting gadget
- Batteries
- Candles
- Emergency heat packs
- Blankets
- Heaters

Additionally in the event of power cut, customers would like to see a 'triage system' implemented, similar to the approach taken in hospitals, where the most vulnerable, or at risk, are prioritised for support. This could include services already covered on the PSR but extend to meal vouchers if the power cut is short but around meal time, or make hotel accommodation available for longer disruptions, along with transport to help those that need it most. For those most reliant on energy supply, customers would like to see generators supplied to people's homes.

Thinking more generally, customers would like to see DNO/GDNs advertise the PSR more, to ensure those that are eligible know what support they can access. Advertising the PSR can be done in similar ways to educating customers on new technologies, and in addition through public announcements, like those done regularly during the COVID-19 pandemic.

Customer relations

This idea of advertisements links in with what customers would like to be done on the subject of customer relations, as much of the conversation centred around the DNO/GDN working to get all eligible customers registered on the PSR. They felt both DNO/GDNs could do a lot more to raise their profile generally, and engage with customers across a range of channels, including social media.

There was a strong feeling among customers that DNO/GDNs need to make sure any communication they had with customers was courteous and professional, and take customers' personal circumstances into account when speaking to people. This would include storing communication preferences for particular customers, such as the following:

- A ring back service for physically frail people, or those suffering with anxiety, to avoid long call waiting periods
- A text service for people with hearing impairments
- Information available in a range of languages
- Call centres with staff trained to recognise mental impairments and have enough time to deal with them

Staff making contact also need to understand personal circumstances quickly, not ask questions or judge. One respondent mentioned they have an elderly relative in their home with dementia, who was prone to outbursts, which may sound like they are aimed at the call agent. In this instance, is it particularly important to have notes stored on individuals, to know they wish to continue the call.

Language options were extremely important to some customers, given their difficulty communicating fully in English. These customers would want the advisor to know that they may wish to speak in English, things just need to be explained simply and slowly. There were also suggestions that some customers would have a mix of languages spoken in the home, so having second and third numbers for particular households would help mitigate against communication issues.

The theme of choice continued to be raised, with some respondents wanting quick access to humans, not interactive voice response (IVR). This is particularly important for older customers and those with difficulty communicating in English, as they are likely to have further trouble communicating with a IVR over a person.

Finally, the relationship between landlords and DNO/GDNs was mentioned again, with customers suggesting there is a role for landlords to play in providing information to their tenants regarding what help is available with bills, how to use their heating efficiently and getting the most from their appliances. If the DNO/GDN can engage with

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landlords to help provide this information, it would allow tenants to access the benefits to low carbon technologies most effectively, whilst living in rental accommodation.

Recommendations

Overall, the majority of suggestions as to what a DNO/GDN can do to help customers fitted into the category of financial support or providing information to customers.

Firstly, on finance, there is a need to collaborate more with national government, and other organisations such as local authorities and tenants' and landlords' associations. While it may not end up being the DNO/GDN that provides the support that customers need to purchase and install various low carbon technologies, or help reduce their bills, they are well placed to highlight which areas need the most investment and can be heavily involved in the set up process.

Regarding information, customers firmly believe there is scope for the DNO to become a trusted source of information, as they are not linked directly to the Government, or are seen as profiting from high energy prices. This information should include the following:

- Basic guide on how energy consumption is calculated, and how to control energy costs
- How to reduce hazards in the home
- Who is eligible for the PSR and how to register
- Pros and cons of certain low carbon technologies

The other area of support a DNO/GDN can give revolves around having an individual relationship with their customers, to ensure they are given the support they need day-to-day and during a power cut. When engaging with their customers, personal circumstances need to be taken into account, to ensure the individual is given the support they require, in a way that works for them.

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