

Fuel Poor

A code of practice to help fuel poor customers



Atlantic Electric and Gas
energy made better

- 1 Customers of Atlantic Electric and Gas are deemed to be living in fuel poverty when 10% of their total household income is used to heat and light their home. 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 and quality of 'priority' services, Atlantic Electric and Gas' 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, efficiently delivering services to their customers and for the prices which they charge for electricity and gas, although this is largely influenced by international wholesale markets. Prices 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. Atlantic Electric and Gas 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 sustained rises in wholesale energy prices and other upward pressures on domestic prices, Atlantic Electric and Gas aims to protect all of its customers from the worst effects.
- 3 It is poor households who are most in need of the lowest possible prices for electricity and gas. For this reason, Atlantic Electric and Gas' 'social' tariff which is offered to fuel-poor customers will always be the lowest cost tariff that is made available by it to any type of customer. This will ensure that the lowest-cost tariffs are available for the 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 the 'social' tariff is the lowest cost tariff made available to customers, Atlantic Electric and Gas will also ensure that any such tariff is lower than the average UK direct debit tariff for both dual and single fuels.
- 5 In the absence of data that will allow suppliers to target their efforts more effectively, Atlantic Electric and Gas will commit to review each year at least one third of customers likely to be vulnerable to fuel poverty including those who are on the priority services register and those with excessive levels of debt to ensure they are taking advantage of the best Atlantic Electric and Gas tariff available and are in receipt of the most relevant energy efficiency advice. Further opportunities to use customer information to better target households most in need of help will be continually reviewed.
- 6 Atlantic Electric and Gas recognises that fuel-poor customers are different people with different needs. For example, many customers who have pre-payment meters (PPMs) use them because they have low incomes or have had difficulty in paying their bills. Atlantic Electric and Gas therefore, offers a variety of ways of helping poorer households such as 'social' tariffs (see above), charitable donations, donations to trusts, reducing surcharges for PPMs, targeting energy efficiency support over and above CERT obligations, bespoke services for vulnerable customers, work with advocate organisations and community-based programmes.
- 7 Just as fuel-poor customers are different people with different needs, it is also the case that they need help from different organisations. Sometimes that will be their supplier; at other times, it will be a public sector organisation or a nongovernmental organisation. Working in partnership to find and help the most vulnerable customers is crucial and as part of its effort to help them, Atlantic Electric and Gas will commit specific and bespoke resources to working with other organisations to ensure that help is most effectively targeted.
- 8 Government's announcement following Budget 2008, delivered on 12 March 2008, marks the start of a revised approach to helping fuel-poor customers, and it is from that date that Atlantic Electric and Gas believes suppliers' efforts to help fuel-poor customers should be scrutinised and measured. The efforts of the energy industry as a whole will be measured on the basis of customer numbers. However in practice, over the years to March 2011, Atlantic Electric and Gas' efforts will ensure measurement against the current annual turnover of its domestic electricity and gas supply business.
- 9 Suppliers must not simply help fuel-poor customers: they must be seen to really help them. For this reason, their activities to help fuel-poor customers should be the subject of tough and independent monitoring and analysis. Subjecting their efforts to this analysis, and thorough and public scrutiny of suppliers' performance, will be a spur to excellence in support for fuel-poor customers. Atlantic Electric and Gas will welcome a tough and open approach to judging the efforts of all of the UK's energy suppliers to help the fuel-poor.

10 In addition to external independent analysis of Atlantic Electric and Gas' efforts alongside other suppliers in the UK energy industry, Atlantic Electric and Gas will appoint an independent adviser with relevant expertise on issues relating to fuel poverty. This will help ensure that the interests of fuel-poor customers are represented at the highest level of Atlantic Electric and Gas' management team. As part of the transparency and accountability that suppliers should demonstrate generally, this adviser will conduct an annual analysis of Atlantic Electric and Gas' performance against this Code.

Finally, Atlantic Electric and Gas 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 Atlantic Electric and Gas' initiatives to help the fuel-poor remain as progressive as they can be.