

Energy suppliers aim to help their customers, and in particular their most vulnerable customers, and provide them with the appropriate support they need to manage their energy use. The UK's six largest suppliers have voluntarily agreed to abide by a set of principles known as the Safety Net for vulnerable customers, governed by Energy UK. Under the Safety Net, signatories have pledged to never knowingly disconnect a vulnerable customer at any time of year, where for reasons of age, health, disability or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household.

The report provides headline results of the 2017 Safety Net audit and sets out the commitments that participating suppliers are rigorously audited against.

Results

Award	Number of suppliers	Suppliers
Gold	6	SSE, Scottish Power, British Gas, EDF, E.ON, npower
Silver	0	n/a
Bronze	0	n/a

General findings

This report represents the third year running in which the results of the Safety Net audit have been published. The commitment to publish the results reflects the increasing priority that Energy UK members place upon protecting their most vulnerable customers.

The results of the Safety Net audit for 2017 show that for the first time ever, all six suppliers attained the highest 'Gold' award which recognises the significant efforts they have made to comply with the Safety Net commitments. A breakdown of what each classification means is provided in appendix one below.

The annual audit shows good application and adherence to the Safety Net principles by all six members. Compared to 2016/15 results, compliance has improved as a result of the implementation of last year's audit. There were no instances of non-compliance noted.

Since the Safety Net was founded, the nature of debt and disconnection in the UK energy retail market has changed beyond recognition. In 2003 there were around 16,000 disconnections of domestic customers for debt in the UK. In 2016 - the most recent year for which published data exists - there were only 210 disconnections for debt.

Dave Reeman, PwC said:

"PwC undertook a robust review of the processes and controls in place at each member to assess their ability to comply with The Safety Net Code. I believe that maintaining transparency of the suppliers compliance with The Safety Net is important and demonstrates the importance with which participating members view the code and their desire for more in the industry to sign up to its principles. All suppliers have continued to have a positive attitude towards the audits and supported the process, and the results demonstrate their commitment to ensuring that all vulnerable customers receive an appropriate level of support."

Lawrence Slade, Chief Executive of Energy UK said:

"It is brilliant to see all six Safety Net signatories achieve gold standard for the first time. This demonstrates industry's commitment to protecting vulnerable customers. The challenge now is to raise standards further while bringing new suppliers on board and Energy UK will be working hard this year to meet that challenge."

Performance

Participating energy suppliers are judged against 13 key Safety Net objectives:

- **Communication of the Safety Net principles**

Ensure all business functions, both internal and external, who may have contact with vulnerable customers, are aware of the provisions of the Safety Net.

- **Policies & Procedures**

Apply the agreed definition of vulnerability within a framework of best practice guidance.

- **Specialist teams**

Have specialist teams to assist vulnerable customers and support the implementation and ongoing administration of vulnerable customer policies.

- **Additional Safety Net Provisions**

This includes, a customer being added to the Priority Services Register (PSR) or the use of external Debt Collection Agencies (DCAs).

- **Domestic consumers with a non-domestic supply**

This identifies suppliers implementing the required systems and processes to ensure vulnerable consumers whose domestic household makes use of a non-domestic supply (including dual usage and where the meter is in a third party property) are not disconnected for reasons outside of their control.

- **Disconnection**

Never knowingly disconnecting a vulnerable customer at any time of year, where for reasons of age, health, disability or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household.

- **Post-Disconnection**

Make attempts to contact all customers following a disconnection with the aim of agreeing a repayment plan with the customer.

- **Approval of disconnections**

Obtain senior management authorisation prior to any disconnection.

- **Reconnections**

Reconnect any customer who has been found to be vulnerable after disconnection as a priority, and within 24 hours of confirming that the customer is vulnerable.

- **Repayment arrangements**

Monitor any repayment arrangements after set up, in line with Ofgem's Key Principles for ability to pay.

- **Debt repayment options**

Offer a range of debt repayment options in order to find the most appropriate solution for vulnerable customers to manage any debt.

- **Advice/support agencies**

Work, where appropriate, with advice agencies, support services and charities to offer vulnerable customers the most suitable support to help with their energy debt.

- **Vulnerability flags**

Wherever possible, attempt to capture information about customers and identify potential vulnerability.

- **Reassessing vulnerability**

Ensure that vulnerable customers' internal records are updated to indicate that special attention is required.

Suppliers were assessed on their performance against each objective in three areas:

- Understanding - An understanding of the process was gathered by conducting system and process walkthroughs and reviews of existing policy and procedural documents.
- Testing - Sample testing of customer accounts was performed across each of the key areas outlined below.
- Reporting -We collated our findings and areas of good practice within a report which was presented to each member for their review and management comments.

The auditors

PwC audit the Safety Net. This is the third year PwC has carried out the audit.

Appendix one

Classifications

Report classification	Rating	Points	Commentary
Gold medal	Excellent	4 points or less	Supplier has been audited and is fully compliant with the Safety Net code.
Silver medal	Good	5 – 14 points	Supplier had at least one area of the Safety Net which was compliant with actions or had a number of areas that were compliant with minor issues.
Bronze medal	Needs Improvement	15 – 29 points	Supplier could not prove compliance in one area of the Safety Net or had a number of areas that were compliant with actions.
Unsatisfactory	Unsatisfactory	30 points and over	Supplier could not prove compliance in 2 or more areas of the Safety Net or had a number of areas with persistent non-compliance or that were compliant with actions.