

AURIGA SERVICES: RESPONSE TO
VOLUNTARY REDRESS SCHEME
CONSULTATION

Auriga Services Response



FAO

Sophia McGuigan

redress@ofgem.gov.uk

Dear Sophia,

Response to the Ofgem Voluntary Redress Scheme Consultation

Auriga is one of the UK's leading providers of services to people in financial difficulty. Our principal aim is to support people struggling with bills who are in a vulnerable situation, tackling fuel poverty and water affordability is central to this. We are charity owned and operate as a Public Benefit Entity.

One important service we provide is the administration of three of the largest water charitable assistance schemes in England and Wales. Alongside this we work for water and energy companies, directly helping to identify and support consumers in vulnerable situations. We also administer water company social tariff schemes which have led to successful outcomes for thousands of low-income households.

Our role is critical to addressing both water and fuel poverty; we work on a range of UK wide advice and financial support schemes – and offer learnings and insights in these services.

Auriga welcomes the opportunity to respond to the Ofgem Consultation, to review the Energy Industry Voluntary Redress Scheme and help to ensure it is delivering the maximum benefit for Great Britain's energy consumers.

Yours sincerely

Mark Abrams

Chief Executive

Background

Auriga works on a daily basis with consumers in vulnerable circumstances to provide assistance with money, welfare benefits and debt. All our assistance is free to consumers, as it is delivered on behalf of clients and organisations including the NHS, local authorities, charities and the utilities sector.

We currently manage the independent charitable trust funds for **Severn Trent, United Utilities, Thames Water and British Gas**, and are passionate about securing the best outcomes for all consumers nationwide. In addition, we also manage further assistance payments, emergency fuel payments and other support tariffs. In total these funds, managed by Auriga, exceed £20 million per year. We are welfare benefits and debt experts; licensed by the FCA to give debt advice and holding the Advice Quality Standard quality mark. Our services include:

- Trust Fund Management and administration
- Income maximisation, including appeals and representation at Tribunals
 - Access to grant-aid
 - Help with bills/ tariff switches
 - Intensive 1:1 casework including home visits and outreach work
- Benefits checks and realisation
- Debt advice
- Social tariff referrals and assessments
- Energy & water efficiency assessments
- Emergency Payments processing
- Project management, monitoring and audit
- Consumer Vulnerability training and awareness

Our commitment to support consumers experiencing fuel poverty

As part of our Emergency Fuel Payments service, Auriga works with a wide range of clients to deliver fuel vouchers to energy consumers in vulnerable circumstances. Our clients range from Citizens Advice Bureaus, Local Councils, Energy companies (e.g. Npower) through to established charities such as Barnardo's and Midland Heart. We are recognised for our professionalism and helping vulnerable customers feel at ease who may be struggling financially or in difficult circumstances. Auriga operates a customer support line for emergency fuel voucher recipients, and we have extensive experience of the positive impact fuel vouchers make on vulnerable consumers. Some recent feedback highlights how our customers feel about the service we provide;

"I just wanted to share some lovely feedback from a vulnerable customer who said he really appreciates everything we do and we are lovely people. We are so kind by helping people in need and we work really hard".

Mandeep Barmi – Emergency Fuel Payments Co-ordinator

Our Comments

Question 1. Do you consider the funding split between the Main Fund, Innovation Fund and Decarbonisation Fund to be appropriate?

Auriga feels that to deliver the maximum benefit from the voluntary redress payments, the current funding split between the Main Fund, Innovation Fund and Decarbonisation Fund is well balanced and aligned to the purpose of setting up the Energy Redress Scheme.

a) 70% Main Fund: Supporting energy consumers in vulnerable situations through various types of projects.

Auriga agrees that the 70% allocation is appropriate and will help to ensure that energy consumers in vulnerable circumstances are supported by charitable organisations (and possibly other organisations in the future). This is particularly prescient during the ongoing Covid-19 pandemic, which has led to an increase in consumers experiencing fuel poverty, combined with increased energy usage as more consumers work from home (as well as an increase in young adults and children studying from home).

Auriga has experienced a significant increase in the emergency fuel vouchers we issue during Covid-19: in the year 2019/20 we issued 9,899 vouchers, while in 2020/21 we issued 66,822 vouchers, a 670% volume increase in vouchers issued. We have added over 40 clients to the emergency fuel payments service in the last year, with the client base continuing to grow. We feel that this demand for fuel vouchers will remain for the coming year (at least), as the financial impact of Covid-19 continues to be felt across the UK.

Reflecting on the impact of Covid-19 on fuel poverty and vulnerable energy consumers, we feel the main focus of the energy redress fund should absolutely be on supporting energy consumers in vulnerable circumstances, and the 70% fund allocation reflects this.

b) 15% Innovation Fund: Developing innovative products and services to benefit all energy consumers

The 15% split to the Innovation Fund is an appropriate, well-balanced allocation of the Energy Redress Fund. Innovation is extremely important in supporting all energy consumers, and the Energy Redress Scheme should continue to encourage an innovative approach in ensuring consumers get the best possible support. With regards to vulnerable consumers, the innovation challenge is to ensure they get the right help at the right time.

Based on feedback from our customer support teams, a key issue is that a significant proportion of energy consumers in vulnerable circumstances do not have access to online support or technology enabled support services;

- Consumers may prefer a phone call or physical letter over technology when accessing support from charities or support organisations,
- Consumers may be hard to reach in terms of location, or may not be comfortable categorising themselves as a vulnerable consumer,
- Often, energy consumers in general are often not aware of the difference between their energy distributor and their energy supplier, so may not be aware of the support provided by energy distributors.

Innovation related projects that address these issues would be particularly welcome. Auriga is constantly developing and maturing our operational and technology processes, to tackle these issues and ensure vulnerable energy consumers are provided with help and support as and when they need it. This has not been possible without an approach of constant innovation and seeking to continuously improve the service we provide.

Case Study: Auriga has developed a digital product for the Utilities industry named the Priority Services Register (PSR) Portal, which is a ‘One Stop Shop’ for consumers that would like to register for priority services with their utility provider. This solves the problem of multiple registration channels which can discourage consumers from registering. We are actively engaging with Water and Energy companies to sign up to the PSR portal, and are also facilitating a pilot data sharing project in the South East with Thames Water and UK Power Networks. The prototype PSR portal can be found at the following link: <https://www.aurigaservices.co.uk/auriga-launches-online-portal-to-support-innovation-in-the-uk-utility-sector/> .

The Trust Funds (Severn Trent, Thames and United Utilities) would welcome the opportunity to apply to the Innovation Fund, however we feel there should be a clear criterion around eligibility for funding, with further guidance around specific themes a project should be aligned to.

Case Study: The Ofwat Innovation Fund also puts innovation at the heart of its activities, and has identified five strategic innovation themes to encourage solutions which tackle specific challenges the water industry is facing. Further details on the 5 Strategic Innovation themes can be found in the link below; <https://waterinnovation.challenges.org/the-5-strategic-innovation-themes/>

If the Innovation Fund provided similar detailed guidelines for applicants to tailor their funding proposal, we think that could help to encourage even more high quality applications to the Innovation Fund, thus maximising the positive outcomes for energy consumers.

c) 15% Decarbonisation Fund: Developing products and services that tackle decarbonisation, to benefit all energy consumers

The allocation of 15% to the Decarbonisation fund is wholly appropriate, as it acknowledges that decarbonisation should be a key focus area for energy consumers over the coming years as the UK transitions to Net Zero carbon emissions, especially around consumer understanding of what decarbonisation means for them. We feel the key consumer challenges for the Decarbonisation Fund to address are;

- *WHY decarbonisation:* Defining and promoting the financial and non-financial benefits of decarbonisation, i.e. the consumer value proposition, consumer research on the problems they are facing to support decarbonisation.
- *HOW decarbonisation will affect consumers:* On a practical level, how will decarbonisation impact consumers e.g. energy bills, electric vehicle market.
- *WHAT the consumer and the charitable sector needs to do:* It is currently not common knowledge what consumers and charities can do to support decarbonisation.

Based on our regular interactions with energy consumers and charitable organisations which support those consumers, we do feel there is currently a knowledge and awareness gap of how Decarbonisation and the Transition to Net Zero will affect energy consumers (especially those experiencing vulnerable circumstances). Some key questions arise;

- What does an energy consumer need to do to help the UK meet decarbonisation goals?
- Is there a financial implication for the consumer? And if so, how much?
- How will an energy consumer benefit from decarbonisation?
- What do vulnerable consumers need to do to ensure they are not left in behind in the transition to Net Zero?
- How can charitable organisations help to ensure vulnerable consumers aren't left behind in the transition to net zero carbon emissions?

We feel there generally needs to be more guidance for charitable organisations and all energy consumers to help answer these queries, so that charitable organisations can align their practices with the evolving energy sector landscape and the Transition to Net Zero.

While Ofgem's Decarbonisation Action Plan provides a roadmap to achieving net zero by 2050 (e.g. driving behavioural change, encouraging the use of electric vehicles), we think it would be useful to have more detail around the specific problems that applicants for decarbonisation funding should focus on trying to resolve.

We think it would be beneficial for further research to be performed regarding the impact of Decarbonisation on vulnerable consumers, e.g. an advisory report or roadmap to advise consumers and consumer support organisations on how to implement a seamless transition to Net Zero, without negatively impacting vulnerable consumers.

Often, charitable organisations may not have the skillset to perform detailed analysis and report on the challenges facing vulnerable customers (and how best to address them in the transition to net zero). Organisations that work with charities but have a different structure (such as Auriga, Centre for Sustainable Energy, Nesta, Open Data Institute) have a wide reaching skillset, and could potentially maximise the impact of Decarbonisation funding, to address the Net Zero challenges facing all energy consumers.

In conclusion, Auriga's view is that the proposed '70-15-15' funding split is well targeted and maximises the long-term positive impact of voluntary redress payments for energy consumers across Great Britain, and in particular those in vulnerable circumstances.

Question 2. Do you consider the proportionate funding split between vulnerable consumers and all energy consumers to be appropriate? i.e. 70% to vulnerable consumers and a total of 30% to all energy consumers.

We feel the split is appropriate, as it reflects the challenges and corresponding costs of serving consumers in vulnerable circumstances.

Covid-19 has not only increased the number of fuel vouchers being issued, the economic impact (e.g. increased unemployment) has seen more consumers fall into the 'vulnerable' category and increased the demand for money, welfare and debt advice. There is a greater number of people who are new to receiving benefits and debt that need support in navigating welfare and debt management processes. We have responded by creating a free debt advice service for consumers and delivering a consumer facing website to provide free money advice.

Furthermore, it is important that enough funding is allocated to support vulnerable energy consumers given the scale of the challenges as the industry continues to evolve, e.g. smart meter usage, decarbonisation, Priority Service Register targets. This 70% funding split towards vulnerable consumers will greatly support Ofgem achieving their goals as set out in their Consumer Vulnerability Strategy 2025: <https://www.ofgem.gov.uk/publications-and-updates/consumer-vulnerability-strategy-2025>.

It is also worth noting the latest figures around fuel poverty in the UK;

- More than 1.2 million homes currently live in fuel poverty,
- During the winter months, families in cold, leaky homes face heating bills of £124/month, compared with £76/month for well-insulated homes, a difference of £49/month,
- Over the last five winters the number of excess winter deaths due to living in a cold home is estimated at approximately 10,000 per year,

- In 2017/18, the number of excess winter deaths (EWDs) across England and Wales exceeded 50,000, the highest recorded for over 40 years,
- The Committee on Fuel Poverty has estimated that while the Government has promised a further £2billion in funding to meet their fuel poverty targets by 2030, this still leaves a £7billion shortfall in order to meet those targets.

(source: https://www.nea.org.uk/wp-content/uploads/2021/02/NEA-Response-to-BEIS-Improving-home-energy-performance-through-lenders_Website.pdf)

Furthermore, Covid-19 has directly led to the following;

- An increase in energy use, due to more people spending more time at home,
- A reduction in income, as many jobs were either lost or placed on furlough,
- Increased affordability issues and therefore debt, leading to energy rationing,
- Reductions in smart meter and energy efficiency installations,
- Difficulties in accessing support, especially where households are digitally excluded or only speak English as an additional language.

(source: <https://www.nea.org.uk/wp-content/uploads/2020/12/NEA-response-to-reviewing-the-potential-impact-of-C19-on-the-default-tariff-cap.pdf>)

Allocating funding to support vulnerable consumers actually proves a long-term advantage to all energy consumers, as this funding could help minimise the increase in bills for all consumers (which may be otherwise be required). Consumers who have always been employed are now out of work, which has increased the demand for debt and money advice as well as further assistance for households struggling to pay their utility bills and other costs (e.g. food, rent, childcare etc). If a consumer is struggling with energy bills, they will often also be struggling with other household bills, therefore Auriga offers a holistic service in order to maximise the benefit of our service to consumers.

We feel the impact of the 70% funding would be maximised by supporting holistic solutions to support vulnerable energy consumers. As an example, please see the case study on the Severn Trent Trust Fund.

Case Study: Severn Trent Trust Fund

Auriga administers the Severn Trent Trust Fund (STTF), whose main aim is to address hardship and poverty in the Severn Trent catchment area;

- On average we receive over 10,000 applications from consumers for help,
- Since the start of the fund we have received over 150,000 applications, and awarded over £56 million for the benefit of over 300,000 vulnerable consumers.

We have also funded over 16,000 white goods (e.g. beds, washing machines) since administering the Fund, and if an applicant doesn't receive a grant for water charges we offer other support;

- All applicants are given water/energy efficiency tips to save money,
- Some applicants also receive further assistance such as help with essential household items/costs,
- Some applicants may not receive a grant for water charges but do receive further assistance,
- Other applicants may not receive a grant but they are helped by way of various schemes which reduces current charges,
- In addition to this, many applicants are offered money advice such as welfare benefits advice, help to claim benefits and/or budgeting advice,

- We have also recently launched a free debt advice service to STTF customers applying for help, which is funded and supported by the Money and Pensions Service (MaPS).

In conclusion, Auriga feels the 70/30 split between vulnerable consumers and all energy consumers is appropriate due to the increasing needs of fuel poor households which has been exacerbated by Covid-19, and Auriga's first-hand experience of the costs involved in supporting vulnerable consumers.

Question 3. Should a fuel voucher fund remain a permanent feature of the overall Energy Redress Scheme, so that it can react quickly to specific crises?

We feel a fuel voucher fund should absolutely remain a permanent feature of the Energy Redress Scheme, as it provides a quick, direct and impactful outcome to vulnerable consumers, something Auriga has experienced first-hand.

During Covid-19, Auriga has seen a significant increase in the emergency fuel vouchers we issue: in the year 2019/20 we issued 9,899 vouchers, while in 2020/21 we issued 66,822 vouchers, a 670% volume increase. We have added over 40 clients to the emergency fuel payments service in the last year, with the client base continuing to grow. We feel that this demand for fuel vouchers will remain for the coming year (at least), as the financial impact of Covid-19 continues to be felt across the UK.

Keeping the power going to a household in crisis is a big responsibility, requiring professionalism, a quick response and high levels of customer service when issues arise. Fuel vouchers are a lifeline for many people, and are needed to pull people out of crisis and enable them to seek support for other challenges they are facing. The volume of energy consumers requiring this support is unlikely to decrease in the near future.

Based on the huge increase in demand for fuel vouchers over the last 12 months, outlined below are some key challenges we think should be addressed;

- Emergency fuel vouchers are extremely useful in supporting an energy consumer in crisis, but regulators and the energy sector needs to ensure that support is also provided to fix the route of the issue i.e. the circumstances that have led to a consumer being in that position of crisis. Investment should be provided for the support mechanisms such as benefit checks and income maximisation services to try and prevent emergency fuel vouchers being used regularly.
- Thought should be given to how fuel vouchers can be used with smart meters: many vouchers are not topped up via a key card and have to be done via an app. Organisations with the right skillset should be encouraged to develop a solution and to implement the right technologies to resolve this issue.
- A key fraud risk is where an individual can apply for vouchers via several emergency funds without being detected.
- Ensuring the right consumers are getting support by assessing applications for vouchers based on strong verifiable evidence.
- Ensuring an energy consumer can access a fund directly (as some people may not have access to a local provider of fuel vouchers).

In conclusion, we feel that a fuel voucher should definitely remain a permanent feature on the overall Energy Redress Scheme, and there are indeed challenges to overcome to ensure that more eligible energy consumers can benefit from emergency fuel vouchers quickly and effectively. The fuel voucher scheme should be part of a wider solution which ensures a holistic approach to helping a consumer in vulnerable circumstances improve their financial situation.

Question 4. If a fuel voucher fund is set up, what type of consumer should be eligible to apply for these vouchers? e.g. vulnerable consumers, pre-payment meter consumers.

We suggest the following consumers should be eligible to apply for fuel vouchers;

- Consumers in vulnerable circumstances, that meet a pre-defined criteria as to what constitutes a vulnerable consumer,
- Pre-payment meter consumers,
- A consumer who can demonstrate they are unable to top up their supply and are low or out of credit.

Furthermore, we feel the following consumers should be strongly considered to be included as part of a fuel voucher fund;

- *Consumers that use a Smart Meter:* many of these consumers have to top up their pre-payment smart meter via an online app and are therefore not eligible for a fuel voucher. As more companies move towards smart metering, we feel this is an area that needs to be considered, to ensure vulnerable consumers that use smart meters can benefit from a fuel voucher fund. There are also many types of smart meter, which may create a technological challenge for ensuring vulnerable consumers that need support aren't held back by different smart metering technologies.
- *Consumers who pay via a Direct Debt or Payment Plan:* these consumers may be struggling to pay their energy bill, and a fuel voucher could prevent them reaching a point of crisis. In these cases, that vulnerable consumer may be required to have a prepayment meter installed, resulting in potentially higher energy consumption charges. In this instance, a fuel voucher could act as a preventative measure to improve that consumers situation and avoid them spiralling into further debt, thus requiring further assistance.

Question 5. What are your views on expanding the applicant scope beyond charities and organisations that partner with charities? If you think the scope should be expanded, do you have any suggestions for how eligibility should be defined? (e.g. what legal structures/status should qualify? Should there be other qualifying criteria?)

With regards to expanding the applicant scope beyond charities and their partners, we feel the scope should be widened to allow community interest companies, community benefit societies, social enterprises, public benefit entities, as well as other third sector and not-for-profit organisations with a proven skillset and delivery experience in supporting vulnerable consumers, innovation and/or decarbonisation.

A Community Interest Company (CIC) is a limited company that wants to operate for community benefit. In England and Wales alone, 524 Community Interest Companies have been registered in February 2021, based on data published by the Office of the Regulator of Community Interest Companies: <https://www.gov.uk/government/publications/community-interest-companies-new-cics-registered>

This shows that there has been a great increase in popularity in these companies. Aligned to the ongoing Coronavirus pandemic, some of these companies will begin to build a wide network of organisations that support energy consumers. If those CICs were to be eligible for Energy Redress funding, then we feel the positive outcomes from that funding could be even further reaching.

Case Study: The Active Wellbeing Society

The Active Wellbeing Society (TAWS) is a community benefit society based and operating in Birmingham that tackles inequality and promotes community development, and is a good example of an organisation that is currently ineligible for funding under the scope of the Energy Redress Scheme, with a wide network that can be utilised to create a positive impact for energy consumers through fuel voucher distribution.

As a community benefit society, The FCA clearly states that “the conduct of a community benefit society’s business must be entirely for the benefit of the community.” There can be no other purpose, including any that may preferentially benefit the members of the society. Any profits cannot be distributed to members of that society, they must be used to benefit the community they serve, and their assets must also be used to benefit that community.

TAWS’ network of local organisations, foodbanks and community groups provide emergency food support and other assistance. One of their key outcomes during Covid-19 has been distributing over 60,000 food parcels: they have incredibly high levels of customer engagement, are trusted by their partners and consumers alike, and do have capacity to establish a fuel voucher project with a really big impact. They are grounded in the Birmingham communities where inequalities are at their highest. TAWS cannot currently apply for Energy Redress funding due to their status as a community benefit society: they know that many of the people they help are in fuel poverty but they don’t have direct access to fuel vouchers.

Their network includes 23 Trussell Trust foodbanks, 73 independent foodbanks, 51 organisations that organise hot meals for vulnerable people, and a further 115 support organisations providing support for mental health, the elderly and young children/families, domestic abuse, bereavement support, clothing and more. If TAWS was eligible for Energy Redress funding, we are confident they could support more energy consumers.

With regards to applying for Innovation and/or Decarbonisation Funding, we think it’s important to allow organisations that have the technology, engineering and decarbonisation expertise to plan, deliver, executive and report on Energy Redress funded projects, in order to maximise the benefit for the energy consumer. While these skillsets may not often be found at charities, they may be as part of organisations that work closely with registered charities. Therefore, there should be some weighting given to the people that are applying and their ideas and experience, as well as past projects they may have delivered.

In conclusion, we strongly feel the scope of eligibility for Energy Redress Scheme funding should be widened to include the following organisations;

- Community Interest Companies,
- Community Benefit Societies,
- Social Enterprises that may be registered as a limited company, charity, CIC co-operative, sole trader or business partnership,
- Public Benefit Entities.

For these organisations we feel the following characteristics should be assessed to determine whether the application is suitable to receive funding;

- A strong, varied skillset and infrastructure,
- Evidenced network of charitable organisations, or partnerships in place,
- First-hand experience with energy consumers in vulnerable circumstances,
- Demonstrable ability to manage a fund (to avoid reporting and accounting issues that have arisen with smaller organisations applying to the government’s Covid-19 Fund),
- Organisations with proven experience and skillset related to Innovation and Decarbonisation.

If the scope of eligibility was widened, we think that more energy consumers could benefit from Redress funding, quicker and with the maximum impact.

Question 6. How did you find the application process?

Auriga has applied to the Sixth Round of the COVID-19 Crisis Fund, on behalf of the Severn Trent Trust Fund, Thames Water Trust Fund and United Utilities Trust Fund. This is an emergency fund to support households in vulnerable situations during the COVID-19 pandemic, to maintain adequate energy supplies for health and wellbeing and to avoid self-disconnection.

We found the forms and guidance systematic and a very logical way to describe the project. We think the crisis fund is very focused, easy to follow and gives a clear idea of what the Energy Redress Scheme wants from applicants. At the same time, it allows the three water Trust Funds to reflect whether they can deliver and if they can demonstrate the necessary skills to deliver the fuel vouchers.

During the application process, staff at the Energy Saving Trust were incredibly helpful in supporting Auriga to complete the application. They were open to discussing our approach and would always be willing to clarify information or discuss specific situations, e.g. thoughts on seasonal demand.

As a result of our successful application, all three Trust Funds have hit the ground running and are each ready to deliver 4,900 vouchers between March and August 2021.

Question 7. Did you have a good understanding of the eligibility criteria?

Reflecting on the eligibility criteria for the Redress Fund, we feel that the guidance covered most of the points. From our perspective, we have extensive experience of processing fuel vouchers on behalf of our clients, and have built a good understanding around delivering emergency fuel vouchers directly to vulnerable consumers.

Where we did require clarification with regards to the eligibility criteria, a couple of conversations with the staff at the Energy Saving Trust helped us obtain that additional information on our points. For example, we wanted to clarify our approach to assessing a consumer's actual levels of need for a voucher.

We feel the Energy Saving Trust had all the information at hand to help us gain a full understanding of the eligibility criteria, and were easy to liaise with in that regard; we found them objective, they gave constructive advice and were analytical to make sure the water trust funds could take on the role of delivering emergency fuel vouchers.

Question 8. Do you have any feedback on what would have made the process better?

Regarding the application process, we feel it was appropriate and therefore do not have any specific feedback on how to improve the application process.

As a general point, during the application process it may be useful to refer to case studies of projects that successfully applied for Energy Redress funding, and the outcomes of those projects. This would help to provide some background on the perspectives that existing redress projects can bring to the table: it would be great to have an insight into other fuel voucher application and assessment processes.

Question 9. Should we consider any other areas regarding the Energy Redress Scheme? If so, please provide an outline explanation of your suggested area(s). If possible, please outline any associated benefits and costs with your suggestion(s).

While the current scope has allowed for tangible positive outcomes for energy consumers, we feel that there are other areas which should be considered within the Energy Redress Scheme. We have outlined these areas below, with associated benefits;

a. Money advice

The ongoing Covid-19 pandemic has resulted in high redundancy rates, thus putting more pressure on consumers and their household. It is vital consumers get sound advice from qualified professionals on how they can manage their current financial situation, check what help may be available to them, and generally ensure they try to maintain a healthy financial home during Covid-19. Auriga's Money Advice service has been running since 2015, and has the following key aims;

- Increase household income,
- Increase a consumer's ability to manage their household budget,
- Enhance a consumer's awareness and understanding about financial health,
- Improve a consumer's overall financial wellbeing.

We are regulated by the FCA and hold the Advice Quality Standard (AQS) certification.

b. Debt advice

As a result of Covid-19, more consumers are struggling with debt of various kinds. In response, Auriga has launched a debt advice service in April 2021, funded by the Money and Pensions Service (MaPS) and delivered by qualified MaPS debt advisors. In the first week of operation we have received 24 referrals for debt advice from only one of our Trust Fund clients, which highlights the current demand for debt advice services.

We would welcome any interest or further discussion on opening our money and debt advice services up to the Energy Redress Scheme.

c. Further assistance payments to vulnerable consumers

Auriga currently delivers over £15million in funding each year to consumers in vulnerable circumstances. While a consumer may be struggling to pay their energy or water bill, they may also be eligible for further assistance from our Trust Funds. For example, a consumer may need white goods such as a washing machine, bed or fridge: Auriga can arrange for the ordering, payment and safe delivery of these items. We have seen the positive impact this can have on vulnerable consumers, and we feel extending the scope of the Energy Redress Scheme to providing further assistance for energy consumers will help to maximise the positive impact for consumers and their household.

Case Study: Dawn was referred to Auriga as she was experiencing issues with her energy supplier. Her direct debit had been cancelled and she was accruing arrears on her account. She had a non-standard meter in situ, causing issues with billing, and other suppliers wouldn't allow her to switch while the issues were outstanding.

Dawn's mental health was suffering, she had become extremely distressed due to the increasing debt and feeling trapped by not being able to switch suppliers. To reduce her stress and improve her finances, Auriga:

- Queried the debt and the meter, and after several exchanges with the energy provider the bill was recalculated resulting in a refund to Dawn of £1,464.
- Continued to work with Dawn's energy provider to get her meter changed. This was eventually changed and allowed her to switch provider, saving money on bills.
- Helped her secure Attendance Allowance welfare benefit, increasing her income.
- Investigated more in-depth assistance, and secured hardship funds to buy her a new fridge freezer and cooker.

Dawn was in financial trouble and had never sought advice for her money problems before. With our support she took several critical steps forward to deal with financial difficulties and manage her debt problems.

d. Income Maximisation

Maximising incomes and minimising the cost of living is at the heart of this service. In order to maximise the impact of the Energy Redress Scheme for consumers, funding should be considered to an Income Maximisation service, where trained advisors could help consumers in vulnerable circumstances get support with regards to their benefit entitlement, or other entitlements such as free NHS prescriptions.

Auriga has a team of trained experts in benefits, claim processes and eligibility criteria, to offer consumers highly effective and income maximisation advice. They provide confidential advice and practical support to help maximise household income, including;

- General welfare advice and information on benefit changes,
- Backdating and challenging claims for benefits,
- Advice on and representations at welfare benefit appeals.

Case Study: Auriga currently provides a service on behalf of the Severn Trent Trust Fund in the West Midlands, to advise vulnerable consumers being treated with Chronic Kidney Disease on financial capability and income maximisation. The effectiveness of this service has meant that;

- Just over 900 patients received assistance from Auriga, ensuring they were receiving what they are entitled to and not at risk of slipping into financial stress and fuel poverty.
- 300 patients received an uplift in their income, gained a grant or reduced their debts and bills.
- The total gains across all patients who realised a financial gain was £1,834,069; an average gain of £5,688 per person.
- Over 90% of patients stated that Auriga had made a big difference to their situation.
- 94% of patients stated they were feeling less stressed as a result of Auriga's work with them.

In financial terms, for every £1 invested in the service over the period reviewed, £14.52 in social value has been generated, through a mixture of direct financial benefits, non-monetary benefits and improvements in financial comfort, reduced stress, patients feeling in control of their own life and increased confidence.

e. Alignment with the UK Community Renewal Fund

The government is providing £220million funding in 2021-22 through the UK Community Renewal Fund, to support local communities pilot new projects to tackle local challenges, e.g.

building skills, supporting local businesses, employment support, decarbonisation. In order to maximise the benefit of the Energy Redress Fund, perhaps funding can be focussed on supporting projects within those priority places. The Fund has documented a list of 100 priority places based on an index of economic resilience, which can be found below;

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

f. Cross collaboration between the water and energy industry

A cross collaborative approach between water and energy companies can maximise the benefit of funding for vulnerable consumers. For example, Western Power Distribution shares data relating to consumers on their Priority Services Register with water companies in the catchment area, e.g. Severn Trent, Wessex Water, Bristol Water etc. By sharing these details, consumers in vulnerable circumstances will get the extra support when they need it from their water supplier as well as their energy supplier. We would encourage Redress funding to support schemes which help consumers with water debt as well as fuel poverty, to ensure funding achieves the optimal benefit for energy consumers.

Question 10. Do you have any other general comments or feedback you would like to provide?

Auriga would like to thank Ofgem for the valuable and positive impacts made through the allocation of funding from the Energy Redress Scheme. We feel very worthy causes are being supported by the scheme, and it is having a real direct impact, e.g. through the emergency fuel voucher scheme. We do feel that by opening up the scope of projects and organisations that are eligible for funding via the Energy Redress Scheme, the funding could go even further to maximise the benefit for energy consumers, especially those consumers who are in vulnerable circumstances.

We would welcome an allocation for Redress funding that would support an independent review on the effectiveness of a funded project, e.g. a Social Return On Investment (SROI) report. This would provide valuable metrics to measure the success and tangible effectiveness of projects that the Energy Redress Scheme funds.

We also think there is scope for the Redress Scheme to fund longer term projects (e.g. 3-5 years), to iteratively develop a product/service that can deliver a specialised, innovative scheme that goes further to benefit energy consumers. This long-term approach would allow a funded project to;

- Perform extensive, detailed and quantitative consumer research to define the key problems that need to be solved in the coming years for energy consumers,
- Create the optimal Product/Service-Market fit,
- Launch and iteratively improve that product/service based on consumer feedback, user metrics, etc.
- Deliver and report on real-world successful outcomes for energy consumers.