



House of Commons  
Trade and Industry Committee

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**Debt and  
Disconnection:  
Government Response  
to the Committee's  
Fifth Report of  
Session 2004–05**

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**First Special Report of  
Session 2005–06**

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# First Special Report

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The previous Committee published its Fifth Report of Session 2004–05<sup>1</sup> on 10 February 2005. Ofgem's response, incorporating text from DTI and DWP, was received on 14 April 2005. It is published as an Appendix to this Special Report.

## Ofgem Response

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Three recommendations were addressed specifically to other Government Departments; this response includes the views of the Department for Work and Pensions (DWP) on the recommendation about Fuel Direct, and the views of the Department of Trade and Industry (DTI) on the recommendations about the Priority Service Register and a ban on disconnections. The DWP has also provided further information on Fuel Direct in an annex.

### Introduction

Ofgem welcomes the Committee's report and supports the findings. We do not consider that an outright ban on disconnection would be in the interests of customers. We are pleased that the Committee has concluded that the priority is for the companies to demonstrate clearly that they have taken all practical measures to resolve debt problems, and note that this is in companies' own commercial interests. Ofgem is committed to ensuring that the prevention of debt and disconnection remains high on the agenda of energy suppliers.

In 2001, disconnections for debt peaked at 26,463. They fell significantly from 17,334 in 2003 to a total of 3,280 in 2004, largely due to British Gas Trading temporarily stopping disconnections. Of the 3,280 disconnections in 2004, there were 2,553 disconnections in gas (down from 15,973 in 2003) and 727 disconnections in electricity (down from 1,361 in 2003). Ofgem will monitor the situation closely going forward to see how companies translate what they have learnt over the last year into better measures to prevent consumer debt, and effective implementation of the 'safety net' procedure developed by the Energy Retail Association (ERA) to protect vulnerable customers from disconnection.

### Identity of those disconnected

We do not believe that the statistical information is as yet either comprehensive or detailed enough to state that a specific percentage of those disconnected fall into fuel debt for this or that reason. However, clearly there are various reasons why customers incur debt and, although some may be unwilling to pay, others cannot afford to do so, or (for whatever reason) find it difficult to budget for bills, or have been presented with inaccurate bills by

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<sup>1</sup> Fifth Report from the Trade and Industry Committee, Session 2004-05, *Debt and Disconnection: Gas and electricity supply companies and their domestic customers*, HC 297-I

their suppliers. More could be done by suppliers to prevent and to limit the build up of debt. (Paragraph 14)<sup>2</sup>

It is difficult for suppliers to know the circumstances surrounding disconnection of each customer, even in those cases where reconnection occurs quickly afterwards. Nevertheless, if companies are to resolve payment problems effectively, it is important that they improve communication with their customers. This was one of the key findings of a review that Ofgem recently commissioned, jointly with energywatch, into the progress made by the six main energy suppliers with implementing good practice guidelines on debt prevention and management. The review showed that for some customers the message that help was at hand did not appear to be getting through. The review identified a number of examples of good practice on which the industry can build. Ofgem and DTI have welcomed the companies' intention, through the ERA, to establish a national fuel poverty helpline. This is potentially a very positive step forward in improving communication with vulnerable customers and their representatives, and with other agencies involved in working with the disadvantaged.

## Disconnections in error

**1. No hard information about the true scale of the problem is available, still less can we draw any statistical conclusions about the types of error that lead to disconnection. Although energywatch's analysis (which was based on 239 customers who complained that they had been disconnected in error) cannot reliably be used to extrapolate statistics, it is useful in indicating the types of problem that arise. (Paragraph 23)**

**2. Companies still make too many errors such as wrongly recorded names or addresses of customers or—most frequently—inaccurate meter readings. Even if, as the ERA suggests, such mistakes affect a small proportion of the millions of bills that are sent out each year by energy suppliers, this would still mean a significant number of customers. Errors cannot be eliminated completely from any system, but the supply companies should make greater efforts to minimise their number, and should put in place robust arrangements for correcting mistakes quickly once they have been detected. (Paragraph 24)**

Ofgem fully supports the Committee's conclusions. Even though there is no reliable evidence that disconnections in error are a widespread problem, it is vital that energy suppliers make every effort to avoid them. Ofgem has discussed with suppliers the areas where problems might arise. It is clear that the main energy suppliers are mindful of the need to avoid instances where customers are disconnected in error and have incorporated checks into their procedures to counter this possibility. Ofgem has asked energywatch to report any instances where disconnections in error have occurred.

## Debt advice

**3. The debt counselling and trust fund schemes put in place by a number of energy companies are useful and welcome. However, not all companies are doing enough. We**

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<sup>2</sup> All paragraphs in bold type in the Ofgem response are quotations from the Committee's Report

**do not wish to be prescriptive about exactly how companies achieve this, but we believe that all should give advice on managing debt, and that Ofgem should report on their compliance with best practice in this regard. (Paragraph 28)**

**4. We consider that all supply companies should be required to provide a benefits health check as a standard part of their fuel poverty programmes. (Paragraph 30)**

As already noted in this response, joint research by Ofgem and energywatch has identified a number of examples of good practice by energy companies, including the provision of debt counselling and trust fund schemes. While all companies provide access to a benefits health check, often associated with the provision of energy efficiency programs, more could be done by the companies to build this into their work on debt prevention. In a letter highlighting the importance of helping vulnerable customers at a time of rising energy prices, Ofgem's Chairman has brought the potential of benefits entitlement checks to the attention of the Chief Executives of the suppliers.

### **Use of prepayment meters (PPMs)**

**5. We recognise that it is more difficult and time-consuming to fit a PPM for gas supply than for electricity supply, but we are not convinced that gas supply companies are making enough efforts to fit such meters. This may be in part because of the widely-acknowledged shortage of qualified gas engineers, who have to carry out the process. Whatever the reason for the present situation, it leaves gas supply companies vulnerable to the accusation that they prefer disconnection as a cheap and easy alternative to fitting PPMs. To rebut this argument, they need to prove that they are making more efforts to fit a PPM wherever such a payment method is appropriate for the customer. (Paragraph 36)**

**6. Energy supply companies have suggested in the past that they are not permitted to cross-subsidise the administrative costs associated with PPMs from other customers. We are therefore pleased to note that Ofgem has recently published a paper not only suggesting that it sees no competition problem in such cross-subsidy but also encouraging it. (Paragraph 39)**

As the Committee notes, while the fitting of a PPM as an alternative to disconnection is common practice in electricity, there have been difficulties in doing this in gas because of safety concerns. Engineers working on meters have to be satisfied that appliances are operating properly when meters are exchanged, which has proved difficult when the customer is not present. Ofgem is aware that, working in conjunction with a meter operator, a major gas supplier is currently conducting a trial to test a new procedure to see how this problem can be overcome. It is hoped that the trial will demonstrate that, provided appropriate procedures are followed, a gas PPM can be fitted safely in many cases as an alternative to disconnection even when the customer is not present.

The Committee states that Ofgem has recently published a paper which encourages companies to cross-subsidise the administrative costs associated with PPMs, from other customers. This needs to be clarified. The paper states there is scope for developing innovative proposals, in relation to low income and vulnerable customer groups, which do not cause any regulatory or competition concerns. As the paper makes clear, among other

relevant considerations, this is on the basis that groups of low income and vulnerable customers are in themselves unlikely to form a separate market for the purposes of competition law. Ofgem cannot give ‘clearance’ to a particular kind of offer or set of tariffs.

## Contacting customers in debt

**7. It is not clear to us how many of the supply companies at present have implemented procedures for attempting to contact customers and sort out their non-payment problems, nor can we be sure of the extent to which best practice has been adopted in the industry. We therefore ask Ofgem to assure us that all supply companies have committed themselves to such a process. (Paragraph 46)**

**8. On the question of actual implementation of proper procedures, we are pleased to record Ofgem’s statement that it could and would impose financial penalties on companies that were not implementing debt-handling procedures properly. (Paragraph 47)**

**9. Ofgem’s quarterly reports on progress in its Social Action Plan provide a useful mechanism for keeping up the pressure on companies to follow their procedures. We urge any advisory bodies and charities involved in supporting customers in fuel debt—including Members of Parliament—to report to energywatch any clear examples of failure by companies to follow adequate debt-repayment procedures; and energywatch must notify Ofgem of any companies with poor records. (Paragraph 47)**

The report commissioned jointly by Ofgem and energywatch into the progress made by the six main energy suppliers on improving debt prevention and management concludes that a large number of initiatives are being tested and implemented by suppliers. However, more remains to be done on improving communication with customers. The report highlights a range of best practice initiatives which Ofgem will be encouraging suppliers to adopt.

## Applications for warrant to disconnect supplies

**10. Some of our witnesses expressed doubts about whether the energy companies had exhausted all other procedures before applying to magistrates for a warrant to disconnect. If the companies’ processes are as thorough and robust as they claim, then there should be little difficulty in relatively senior company officials’ satisfying themselves that proper procedures have been followed in full, and signing a document to confirm this. The document would then be presented to the magistrates when the company applies for a warrant to disconnect. We ask Ofgem to inform us what progress has been made in pursuing this proposal. (Paragraph 54)**

Under the Rights of Entry (Gas and Electricity Boards) Act 1954 (as amended), energy companies have to show to the satisfaction of a magistrate on sworn information in writing, that access to the premises is reasonably required. These procedures are under the jurisdiction of the Courts. While Ofgem supports the need for robust company procedures, it does not consider it appropriate to attempt to influence magistrates on how they exercise their discretion in these matters. However, Ofgem understands that

energywatch has sought discussions on this matter with the Magistrates' Association. Ofgem will liaise with energywatch on its progress.

## **Protecting vulnerable customers**

**11. The rewording of the definition of vulnerability to make it clear that it extends to members of a customer's household meets the most frequently-voiced concern of our witnesses and of the respondents to the Energy Retail Association's consultation paper. However, it is not clear that even this definition would apply to many of those whose energy supplies are disconnected for debt at present. (Paragraph 61)**

**12. It is impossible to judge whether the staff of energy supply companies will be able to identify most vulnerable customers and subsequently prevent the disconnection of their fuel supplies. The proof will lie in the disconnection figures. Because of the length of the disconnection process, Ofgem's quarterly reports do not yet show the effects, if any, of these initiatives. We expect Ofgem to keep the situation under close review, and we recommend our successors to return to this issue. (Paragraph 64)**

**13. It is absurd that companies should spend time and effort in identifying vulnerable customers in order to safeguard them only for this protection to be lost if the customers change supplier. We believe that the companies should, as a matter of urgency, seek clarification from the Information Commissioner about whether the Data Protection Act prevents the transfer of this information. We hope that the Information Commissioner will be able to permit it, with safeguards against use of the data for other purposes. The comfort of customer confidentiality is of little consolation if the members of the household are freezing to death. (Paragraph 66)**

**14. We were told that a further problem with transferring such information was incompatibility between the supply companies' electronic data management systems. However, difficulties with transferring data on switching of supplier do not end with the flagging up of vulnerable customers: many of the problems with billing errors that lead to the threatened or actual disconnection of supply occur when customers switch suppliers. Sorting out incompatibilities between electronic systems must form a major part of the effort to tackle the failures in the customer transfer process. Despite the expense, we believe that Ofgem should press the companies to deal with these problems expeditiously. (Paragraph 67)**

**15. While the ERA's latest proposals have reduced the burden which the earlier ones appeared to place on local social services offices, this has merely confirmed that the onus is on the companies themselves to identify, advise and support vulnerable customers. We are not convinced that they will be able to provide a complete safety net. However, they must try. (Paragraph 75)**

All the major companies have committed to implementation of the ERA 'safety net' procedures. The companies' objectives are to contact and support vulnerable customers, and take action to avoid them being disconnected. Ofgem will be monitoring companies' progress, including the effectiveness of their liaison with social services offices and other third party agencies that can help customers in difficulties.

Ofgem is also supporting work by suppliers to improve the customer transfer process. This work has resulted in a series of proposals that will provide more information to a new supplier earlier in the transfer process. Ofgem will ask companies to look into the practicalities of transferring information on vulnerable customers to the new supplier when they switch supplier, including the Data Protection Act implications of doing so.

## **Recommendations Addressed to Other Government Departments**

### **Use of Fuel Direct**

**16. Fuel Direct would not be suitable for every customer on benefits who owes money to energy companies. However, we agree with National Energy Action that it “could develop into an acceptable tariff option rather than [as at present] a virtually moribund payment method of last resort.” To achieve this, eligibility for the scheme should be extended to a wider range of benefits; the thrust of the scheme should be to enable customers to prevent the accumulation of debt rather than just to repay it when they are on the brink of disconnection; and the administration of the scheme must be automated and made consistent throughout the country so that the energy companies are not deterred from using it by its difficulty, complexity and expense. The DWP has, it appears, argued for years that what it was waiting for was automated payment of benefits. The soon-to-be-completed move to ACT provides an opportunity to revive Fuel Direct. We would like now to see an account from the Government of how Fuel Direct is to be improved, and a timetable for its implementation. (Paragraph 44)**

The Government is grateful for the Committee’s views on Fuel Direct. The Department for Work and Pensions, which is responsible for the operation of Fuel Direct, has already undertaken to ensure both that the provisions of the scheme are consistently applied and that the automation of scheme procedures is maximised. However, the Government does not propose to modify the structure of the scheme in the way that the Committee proposes. That proposal is not compatible with either the Government’s strategy of tackling financial exclusion by encouraging more people into the financial mainstream or its policy of smoothing the path from welfare benefits into employment, which represents the best route out of poverty.

DWP provides further information on the Fuel Direct scheme in an annex.

### **Priority Services Register**

**17. In its September paper, the Energy Retail Association suggested a number of ways in which the Government could help to publicise the Priority Services Register. It proposed that health workers and providers of social services encourage those eligible to register; that information could be targeted at families on child benefit, and that leaflets on the PSR could be made available in benefit offices, doctors’ surgeries, schools, and the offices of housing associations and local authorities. All of these suggestions seem sensible. We ask the Government to inform us which are being taken up. (Paragraph 51)**

On 16 March 2005, the Energy Retail Association announced its intention of establishing a fuel poverty helpline. The primary purpose of the helpline will be to encourage vulnerable customers to talk to their supplier either directly or through a third party, such as a health worker, housing association, local authority, benefits office or a range of other voluntary organisations.

Through DTI and DEFRA, the Government has also agreed to examine how other departments such as DWP and DoH can support companies' efforts to identify vulnerable customers and promote a range of relevant services, including the Priority Services Register.

The campaign being conducted by energywatch to increase the take-up of the Priority Services Register is also welcome. This campaign is being conducted with the help of a range of partners including the Pensions Service of the DWP, Age Concern, the Disabled Living Foundation and the EAGA Partnership.

### **Ban on disconnections**

**18. As the debates last year on the Energy Bill revealed, the Government accepts the supply companies' arguments that a ban on disconnection would lead to a significant rise in fuel debt. However, we endorse Ofgem's warning: if these companies are to be allowed to retain the right to disconnect supplies to customers on the grounds of debt, then they must clearly demonstrate that they have taken all practicable measures to resolve the problem earlier. They must provide more support and advice to customers in financial difficulties, particularly those in vulnerable groups, and, for gas companies, they must make much greater effort to install PPMs to avoid the need for disconnection. Moreover, they must reduce the number of billing errors, particularly in connection with the customer transfer process. Unless the industry demonstrates a serious commitment to and success in addressing these problems, we would recommend the Government to legislate to ban disconnections of domestic fuel supply. (Paragraph 79)**

The Government shares the Committee's views on the need for the industry to put in place proper debt prevention and management arrangements; the desirability of the industry's taking measures, including the installation of prepayment meters, to avoid disconnections; and the importance of the industry's billing customers in a timely and accurate way. The Government considers that the right to disconnect for non-payment represents a legitimate measure of last resort, subject to the maintenance of stringent safeguards. In this context, the Government welcomes the arrangements put in place by the main gas and electricity suppliers in September 2004, which should ensure that, as far as possible, vulnerable customers are not disconnected for debt. The Government notes that Ofgem will monitor the effectiveness of those arrangements, and that there is scope, if necessary, for further regulatory action to be taken in the light of the operation of those arrangements.

## Annex

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### *Annex from the Department for Work and Pensions*

The following information about Fuel Direct in relation to the Committee's report may be helpful.

**1. For those on low incomes for whom a PPM is unsuitable, our witnesses were unanimously of the view that one of the most effective methods of payment was Fuel Direct. This is a scheme for the automatic regular deduction of small sums of money from certain types of benefit to repay fuel debt for people who cannot easily budget and who are in imminent danger of disconnection. It is a method of last resort. However, use of Fuel Direct has declined over recent years. Ofgem said the number of people on the scheme had decreased four or five times over the last ten years. This seems to be because of the limitations of the scheme rather than through any decrease in the number of people for whom it would be helpful. (Paragraph 40)**

It is true that use of Fuel Direct has markedly declined over time. In August 1997, 168,000 people were on the scheme; this had dropped to only 40,000 by August 2004. The report suggests that “the limitations of the scheme” are responsible for this decline, rather than a fall in the number of people needing to use it.

However, this view is not well supported by the evidence. For one thing the declining trend is not confined to deductions for fuel. There are 10 items for which deductions can be made from benefit, and the majority have experienced a decline during the same period. The availability and provisions of Fuel Direct have remained constant while its users have fallen away. Nothing within the scheme itself seems to account for the downward trend. The answer could therefore lie after all in a decline in the eligible population or, more precisely, a decline in the eligible groups within that population who were once major users of Fuel Direct but are now much less so.

Pensioners, the unemployed, lone parents and disabled people are all groups eligible for Fuel Direct if they receive income support, income-based jobseeker's allowance or Pension Credit. In practice its use has always tended to be dominated by working age customers. This may be because pensioners, usually retired and settled, are less prone to the kind of domestic crisis—unemployment, injury, relationship breakdown for instance—which can disrupt household finances and may precipitate the need for a last-resort scheme like Fuel Direct to step in (usually temporarily). Thus, for example, of the 168,000 on Fuel Direct in 1997 only 18,000 were pensioners (10%), while the leading user was lone parents with 84,000, exactly half.

Since then, the income-related pension population has either remained roughly the same year on year or marginally increased. However, as employment has flourished, there has been a corresponding decline in the numbers receiving either jobseeker's allowance, or income support as lone parents. In turn, this decline has been mirrored in a fall in the numbers of those two client groups on Fuel Direct—and also on the other deductions from benefit whose clientele is mainly drawn from the same two groups.

This is illustrated most noticeably by the drop in the number of lone parents on Fuel Direct. As the total number of lone parents receiving income support has reduced from over a million in August 1997 to 832,000 in August 2004, so the number who are also on Fuel Direct has plummeted from the 84,000 in 1997 mentioned above to only 16,000 in Aug 2004 (the fact that this is still 40% of the total, however, reinforces the conclusion that there is a strong link between the drop in Fuel Direct usage and the decline in its user groups). Meanwhile as the number out of work and receiving income-based jobseeker's allowance has in the same period virtually halved from over 1.3m to 673,000, their number on Fuel Direct has dwindled from 15,000 to only just over 1,000.

There are other factors contributing to this steep downward trend. Increased household incomes generally, low energy costs over a sustained period, more use of prepayment meters, individual 'social' tariffs—all these have played their part. But the main reason for it appears simply to be that the market, so to speak, for Fuel Direct, has shrunk. Since the scheme is essentially one of last resort designed to help a minority in difficulty—some temporarily, others chronically—a decline in its usage, all other things being equal, seems in terms of overall customer welfare more of an encouraging trend than one which should cause concern.

**2. First, Fuel Direct is confined to a small number of qualifying benefits—currently just income support, Jobseekers Allowance and the pension credit. Both the energy companies and the charities who gave evidence to us believed that the range of qualifying benefits should be widened: British Gas's list, which was endorsed by several other witnesses, comprised disability living allowance, attendance allowance, long-term incapacity benefit, the retirement pension and income support with disability premium. (Paragraph 41)**

While it is not incorrect to say that eligibility for Fuel Direct is “confined to a small number of qualifying benefits”, this may give a misleading impression given that the three benefits concerned represent in combination a catchment area of around five million people. Yet only a small proportion of this eligible population is on Fuel Direct. A large proportion, or a high refusal rate for applications, might point to a significant unmet need and suggest a case for widening both eligibility and qualifying conditions. But neither applies. It therefore seems unlikely that extending eligibility for the scheme to disability benefits and retirement pension—ie to households whose income is normally higher than those on the basic income-related benefits, and who may also have capital resources—would capture as many more, or enough, vulnerable people than are already eligible for the scheme to justify the cost of extending it in this way.

It should also be remembered that taking deductions from benefits raises sensitive issues. It is often argued that such deductions interfere with the financial independence of those on the lowest incomes, sometimes even causing hardship. Mindful of this the Government seeks to try and achieve a balance between offering a helping hand to people in difficulty and avoiding what might be perceived as overly intrusive action.

**3. Just as significantly, the current scheme is complex, bureaucratic and expensive for the fuel companies. Deductions are arranged by the local social security offices, so the energy companies have to contact these offices direct—there is no central approval/clearing system. Furthermore, the system for arranging deductions has not**

been automated, and each local social security office has its own, differing administrative procedures for the scheme. It is difficult for the energy companies to cope with the plethora of different requirements. We were told that one of the main barriers to wider use of Fuel Direct had been the Department of Work and Pensions ('DWP'). Both the charities and the energy companies had discussed with DWP expanding the range of benefits and simplifying the administrative procedures. Ofgem told us that it had "pressed Ministers" on the subject several times in recent years. DWP's response had been that there would be opportunities for improving the scheme "once they got everything automated". Ofgem told us that the transfer of benefit payments to Automated Credit Transfer (ACT) represented a tremendous opportunity to improve Fuel Direct but DWP would have to invest more in automation so that other types of debt could be repaid in this way, which would make the operation of the system more cost-effective. Ofgem noted that this would also require the collaboration of all relevant government departments. (Paragraph 42)

In the Government's view this paragraph (and the parts of paragraph 44 to which it relates) is also misleading. The argument for change here does not clearly distinguish between two entirely separate issues: improvements to ensure the scheme works in the way intended; and a change in what the scheme itself is designed to do.

First, the suggestion reported here that "each local social security office has its own, differing administrative procedure for the scheme" and the energy companies are struggling with "the plethora of different requirements" is incorrect. Fuel Direct is a national scheme, directed by guidance derived from regulations, and by a detailed agreement between the DWP and the utility companies themselves—joint undertaking setting out aims, objectives and agreed practices—which applies to all local offices. Moreover the scheme is overseen by a central unit responsible not only for the operation of Fuel Direct nationwide but also the other items in the DWP's Third Party Deduction system of which Fuel Direct is one part.

Broadly speaking, the scheme operates consistently across the piece. The fact that the success rate of applications for Fuel Direct is roughly the same wherever they are made—around three in four—is strong evidence of that. And the results of Ofgem's own recent questionnaire to six major energy companies about their relationship with DWP around Fuel Direct also confirmed a high applications success rate, and did not reveal any major difficulties.

However, the results did also confirm occasional instances of local departure from correct procedures, or the introduction of novel ones, of the kind which the fuel industry has already brought to the Department's attention. As a result, action has either already been taken or set in train to remedy any deviations from, or incorrect interpretation of, prescribed procedures where they occur. The fuel companies also have a standing invitation to report any apparent local difficulties to the Third Party Deductions (TPD) unit which oversees the scheme, who will pursue any such referrals. DWP is keen to maintain the productive liaison which currently exists between TPD personnel and energy industry contacts.

The automation of administrative procedures also mentioned in paragraph 42 is another area where improvements are being made. The procedure for arranging deductions itself

cannot be automated, because each individual application requires the judgement of a member of staff acting within defined boundaries. But the process by which bulk monthly payments are made to the utility companies has now been largely automated and streamlined.

While the Department is committed to any measures necessary to ensure the scheme works as it is supposed to, for the benefit of all stakeholders, it has consistently and unambiguously gone on record as saying that it has no current intention to widen the scheme's provisions (nor curtail them in any way); and that while it is prepared to discuss any proposals for change, such ideas would need to be compatible with wider welfare and work strategies.

DWP sees the automation of benefit payments not as an opportunity to 'revive' an essentially minority scheme like Fuel Direct but to promote the wider use of bank accounts within the shifting benefit population: this is part and parcel of the DWP's campaign to tackle the problems of financial exclusion by encouraging people into the financial mainstream.

In the final analysis, the wider use of direct debit to pay household bills is the most advantageous option for the customers whether they are on benefit or not. To modify Fuel Direct so that it would act not only as a safety net as at present but also be available, as it were, on demand, would be to create an additional budget management or debt prevention service exclusively for people on benefit. This stands to hinder the progress made towards financial inclusion, as well as running counter to promoting individual responsibility.

It also carries the implied assumption that the benefit population is a static one. On the contrary, the Government has a clear objective to provide work for everyone who can. The transition from welfare to work is smoother for people already equipped with the advantage of direct debit, especially where it is discounted (as most fuel debits are). Conversely, a person reliant on and comfortable with a benefit-specific Fuel Direct arrangement may find it more difficult to manage when they move into work.