Response to Ofgem Consultation: Administration of the Bill Discount Scheme

Submitted by: Debt Talk CIC

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Debt Talk CIC welcomes the opportunity to respond to Ofgem's consultation on the administration of the Bill Discount Scheme. As a Bangladeshi-led community interest company providing debt advice and financial inclusion support, we work directly with individuals and families experiencing financial hardship, fuel poverty and problem debt. We strongly support the introduction of the Bill Discount Scheme and believe it represents an important step towards recognising the impact that nationally significant electricity infrastructure has on local communities.

The scheme has the potential to deliver meaningful financial relief to households that have historically borne the impacts of major infrastructure projects while receiving little direct benefit. For many of the vulnerable households we support, even modest annual reductions in energy bills can significantly improve financial resilience, reduce the likelihood of falling into debt and ease pressure on already stretched household budgets.

Supporting Vulnerable Households

We welcome the principle that the scheme should provide automatic payments wherever possible, reducing administrative burdens and ensuring eligible households receive support without needing to navigate complex application processes.

We also support the availability of an opt-in route for households that cannot be identified automatically, including those supplied through commercial arrangements or other non-standard energy supply models.

However, the success of the scheme will depend on ensuring that vulnerable households are not excluded. Many of the people we support experience digital exclusion, language barriers, disability, poor mental health or insecure housing. These factors can prevent eligible households from accessing support if processes become overly complex.

We recommend that:

- Communications are available in a wide range of community languages, including Bengali.
- Alternative formats, paper applications and telephone support remain available throughout the scheme.
- Community organisations and advice agencies are funded to promote awareness and assist residents with applications.
- Annual eligibility checks are kept proportionate and, wherever possible, rely on existing government data rather than requiring vulnerable households to repeatedly provide evidence.

Improving Awareness

Many eligible households will not know that they qualify for support, particularly private tenants or residents whose energy arrangements are managed through landlords or intermediaries.

Debt Talk CIC recommends proactive awareness campaigns delivered through trusted community organisations, local authorities, housing providers and debt advice agencies. Community-based organisations are often best placed to reach households that do not engage with traditional communication channels.

Social Tariff and Long-Term Energy Affordability

While we strongly support the Bill Discount Scheme, we believe it should form part of a wider package of energy affordability reforms rather than being viewed as a standalone solution.

Every day, Debt Talk CIC supports households receiving means-tested benefits who continue to experience fuel poverty despite doing everything possible to manage their finances. Many clients are forced to reduce heating, self-ration electricity usage or accumulate significant energy debt simply because energy costs remain unaffordable.

We therefore encourage Ofgem and the Government to introduce a permanent national social tariff for households receiving means-tested benefits, including recipients of Universal Credit, Pension Credit, Income-related Employment and Support Allowance, Income Support and other qualifying benefits.

A social tariff should:

- Provide permanently reduced electricity and gas prices for eligible households.
- Be applied automatically through existing government data-sharing arrangements.
- Operate alongside the Bill Discount Scheme rather than replacing it.
- Protect vulnerable households from future energy price volatility.
- Help prevent households from falling into unsustainable energy debt.

Targeted affordability support would reduce fuel poverty, improve health outcomes and lessen demand on debt advice services, local authorities and the NHS.

Protecting Access to Essential Energy

Debt Talk CIC believes that electricity should be recognised as an essential public service, fundamental to health, safety, education, employment and participation in modern society.

Unlike many other household expenses, electricity cannot realistically be avoided. It powers heating systems, refrigeration, cooking, lighting, communications, medical equipment, internet access and children's education.

For this reason, we believe energy policy should evolve to provide protections similar to those that exist for domestic water services.

We recommend that Government and Ofgem consider wider reforms including:

- Ending disconnection of domestic electricity supplies solely because a household cannot afford to pay, particularly where customers are engaging with their supplier or are identified as financially vulnerable.
- Recognising electricity as an essential service deserving protections comparable to water services, where domestic supply is generally not disconnected because of unpaid bills.
- Preventing self-disconnection among prepayment meter customers by expanding emergency credit, debt support and affordability protections.
- Promoting affordable repayment arrangements based on a customer's ability to pay rather than debt recovery targets.
- Strengthening early intervention, debt prevention and referrals to independent debt advice before enforcement action is considered.

No household should be left without access to essential energy because of poverty.

Consumer Protection and Fair Administration

We welcome Ofgem's proposals for annual reporting, audit requirements and compliance monitoring to ensure the integrity of the scheme.

We also support the proposed protections requiring intermediaries such as landlords and heat network operators to pass on discounts to eligible residents.

However, tenants should receive clear information explaining:

- their entitlement,
- how the discount has been calculated,
- how it has been passed through, and
- how to raise complaints where this has not occurred.

A straightforward and accessible complaints process will help maintain public confidence.

Conclusion

Debt Talk CIC strongly supports the Bill Discount Scheme as a fair and practical way of ensuring that communities hosting nationally significant electricity infrastructure receive tangible benefits.

However, we believe the scheme should be viewed as one element of a broader strategy to tackle fuel poverty and energy affordability.

Alongside successful implementation of the Bill Discount Scheme, we encourage Ofgem and Government to:

- introduce a permanent social tariff for households receiving means-tested benefits;
- ensure energy affordability support is delivered automatically wherever possible;
- improve accessibility through multilingual communications and partnerships with trusted community organisations;
- strengthen protections for vulnerable consumers experiencing debt; and
- recognise electricity as an essential public service by ending disconnection solely because of financial hardship and adopting protections comparable to those already applied to domestic water services.

Taken together, these measures would reduce fuel poverty, improve financial resilience, protect public health and ensure that no household is left behind during the transition to a cleaner and more resilient energy system.

Debt Talk CIC looks forward to continuing to work with Ofgem, Government and industry partners to ensure energy policy delivers fair outcomes for all consumers, particularly those facing financial hardship and social exclusion.

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