

Consumer Scotland response to the Heat Trust consultation on modification proposals related to Guaranteed Service Payments

About Us

1. Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, it is accountable to the Scottish Parliament. Consumer Scotland's purpose is to improve outcomes for current and future consumers and its strategic objectives are:
 - to enhance understanding and awareness of consumer issues by strengthening the evidence base
 - to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
 - to enable the active participation of consumers in a fairer economy by improving access to information and support

Introduction

2. Consumer Scotland welcomes the opportunity to provide this submission to the Heat Trust on the proposed modifications to the scheme. The Heat Trust Scheme helps to reassure consumers that where a heat supplier is a registered participant of the scheme, they will receive a minimum standard of customer service. It also helps to promote best practice between suppliers to ensure continuous improvement that will ultimately help to drive better outcomes for consumers.
3. As a member of the Heat Trust Committee, Consumer Scotland works to ensure that the issues affecting heat network consumers in Scotland are reflected and addressed by the scheme. We also help to ensure that any proposed modifications to the scheme ultimately help to protect current and future heat network consumers.
4. We provide this submission to the Heat Trust to assist its work improving the scheme in order to provide a better experience for consumers. We have not responded to every question outlined in the consultation but have responded where we have experience or where we feel there could be significant impact to the levels of customer service. Beyond this consultation we hope that this submission will help to inform the wider work being done on heat network regulation.
5. The Scottish Government have committed to an ambitious roll out of heat networks in Scotland over the coming years¹. It will therefore be necessary to ensure that consumers using heat networks are protected by consistent standards and levels of service, such as those outlined in the Heat Trust Scheme.

¹ [Scottish Government \(2022\) Heat Networks Delivery Plan](#)

6. Consumer Scotland believes that the proposals outlined in the consultation will help to enhance the scheme further, bringing further certainty and protection to heat network consumers in advance of regulation to the sector.

Summary

7. Consumer Scotland supports the proposals to modify the Heat Trust Scheme. We believe that these modifications will lead to better outcomes for consumers and also help to make registered participants more resilient in advance of regulation being introduced.
8. We believe that the proposed modifications will help to further the Heat Trust's objectives. The measures set out will help to improve the already existing standards within the scheme leading to better outcomes for consumers. By promoting and fostering feedback and communication between consumer and operator, it will also encourage better customer service.
9. We recognise that some of these proposals could lead to some additional costs for operators. However they should also lead to more reliable heat networks and better customer service. The impact that some of these proposals could have may also lead to a reduction in administration costs for operators.
10. We are broadly supportive of the timescales for the introduction of these proposals; although we recognise that it may be more challenging for smaller operators to implement to the same timetable. If this is a concern of smaller operators then taking a phased approach to some of the modifications may help to achieve the intended outcomes without putting undue burden on smaller heat network operators. A phased approach would require clear communications to consumers, so they can clearly understand the timescales that their network is working to.

Communication during interruptions

11. Consumer Scotland supports the new standards on communications to cover periods of network outage. Both the handling of complaints and the provision of information are noted as key drivers of satisfaction for heat network consumers.² A single point of contact will help to ensure that consumers have a clear line of communication to the supplier and access to the information they need. We also welcome the intention to gather feedback on the interruption and how it was handled as this will lead to continuous improvement and better communication at any future interruptions. We

² [Department for Business, Energy and Industrial Strategy \(2017\) Heat Networks Consumer Survey BEIS Research Paper Number 27](#)

particularly welcome the intention to give consideration to the tone of communication and customers' ability to access that information.

12. These proposed changes will help to ensure that consumers have access to the appropriate information if an interruption occurs. However, it could also help to reduce administration costs to suppliers by reducing the need for consumers to contact them when an interruption occurs. Ultimately these changes will help to embed more consistent communication between consumer and supplier and ensure that the customer is better informed during interruptions.

Claiming GSP

13. Simplifying the process for consumers to claim guaranteed service payments (GSP) is welcomed. Registered participants will be aware through their own data when an interruption qualifies a customer to receive GSP. On this basis, when there is disruption to the service, the responsibility should sit with the registered participant to notify the customer and pay the GSP automatically. This will streamline the process and remove barriers to consumers claiming payments that they are entitled to. It may also help to reduce the administrative burden on registered participants once the process to do this is in place.

Review and update contingency plans

14. Ensuring that there are sufficient contingency plans in place to protect consumers is essential. Consumers should be confident that contingency plans are in place should there be an unexpected interruption to their service. We welcome the requirement to review and update these plans after several interruptions and also annually. This will help to ensure that contingency plans are adequate, up to date and responsive to the issues that consumer face during interruptions.
15. A one-page summary could be appropriate to outline contingency plans. However, any contingency plan should not be limited to a specific length or format and instead be required to provide the necessary level of detail to ensure that consumers are sufficiently protected during any interruption. A review of a contingency plan could also be an opportunity to increase transparency for consumers and keep them informed and aware of the running and reliability of the network.

Incremental Penalty GSP

16. The introduction of an incremental penalty GSP may help to provide an additional incentive for registered participants to resolve interruptions sooner. However, it would

be important to ensure that the costs incurred from any penalties are paid for from profit generated by the network where a network is commercially run. This GSP may require additional consideration to ensure that it does not lead to these costs being passed on to the consumer. Consumer Scotland would however be supportive of setting a minimum time to attend the site as this could act as a measure to resolve any interruptions swiftly.

Cumulative GSP

17. The introduction of a GSP to compensate consumers when cumulative interruptions last over 48 hours is a welcome measure. This will potentially help to ensure that registered participants act quickly to resolve interruptions.

Alternative heating for customers in vulnerable situations

18. Consumer Scotland is supportive of proposals to reduce the time required to provide alternative sources of heating to consumers in vulnerable circumstances. It is vital that registered participants ensure that consumers in vulnerable circumstances are not left without heat for a significant period of time. Without adequate heating, vulnerable groups in Scotland can suffer increased mortality and worsening health impacts.³ Reducing the threshold time will help to mitigate this and ensure that registered participants have a duty to act faster to provide these consumers with an alternative source of heat, which will be essential during cold weather periods. Previous research has found that while most heat network suppliers offer support to consumers in vulnerable circumstances, only around half maintain a Priority Services Register (PSR).⁴ While there is currently no obligation on suppliers to offer support, joining a PSR; such as the Priority Services Register in Scotland⁵, will help to ensure that they have a reliable picture of the number of consumers who need additional help and support.

Conclusion

19. We welcome the proposed changes to the Heat Trust Scheme and would be very happy to discuss the content in this paper in more detail. We look forward to discussing these proposals further.

Consumer Scotland

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³ [Public Health Scotland \(2022\) Population health impacts of the rising cost of living in Scotland](#)

⁴ [Citizens Advice \(2021\) Bringing heat networks up to standard - How heat networks can start delivering better customer service outcomes](#)

⁵ [The Priority Services Register in Scotland - The Priority Services Register in Scotland](#)