



KEEPING THE LIGHTS ON

UNDERSTANDING PATHWAYS THROUGH ENERGY HARDSHIP AND SUPPORT

Authors: Interactions Research

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1. INTRODUCTION

Research Background and Objectives

Light, heat and power are fundamental requirements to participate in society and are a prerequisite for social inclusion. Ireland, in common with much of western Europe, is facing a cost-of-living crisis. In 2022 electricity, gas, and other fuels increased by 60.8% in 12 months.

In 2021, the Society of Saint Vincent de Paul received over 191,000 calls for assistance. In 2022, the number of requests had risen by 20% to just over 220,000 with requests for help for energy (gas, electricity, oil, and solid fuel) rising by 40%.

Defined broadly as the inability to afford an acceptable level of warmth and energy services in the home, energy poverty is a function of income inadequacy, energy costs and the energy efficiency of a home. In this report we refer to 'energy hardship' as the way we have operationalised the broader concept of energy poverty in this project – the next section provides further detail of this.

This research was commissioned by SVP and funded by SSE Airtricity to explore current incidence and perceptions of energy hardship, and perceptions around support channels across the island of Ireland.

The overall research objective was to profile energy hardship amongst Irish households and assess attitudes towards engagement with support channels.

More specific objectives included:

- o Who is experiencing difficulties paying their energy bills.
- o What supports are these individuals aware of and what are their perceptions of support channels effectiveness.
- o Attitudes towards / experience of engaging with support channels.
- o Support preferences and ideal supports individuals would like to receive.

¹ <https://www.cso.ie/en/releasesandpublications/ep/p-cpi/consumerpriceindexdecember2022/data/>

² Source: Society of Saint Vincent de Paul website

Methodology

The methodology comprised of a literature review followed by an online survey amongst 1,191 household decision-makers across the island of Ireland (n=961 in ROI/n=230 in NI). Broad quotas were set to ensure the sample invited to take part was representative of the total population in terms of gender, age, social class, and region across the island of Ireland. A subsequent set of 4 focus groups were conducted amongst those experiencing current energy hardship:

Group	Region	Utility Payment	Credit Status	Group
1	Dublin	Prepay	Struggling to pay	Face-to-face
2	Dublin	Bill Pay	Experiencing difficulty	Face-to-face
3	Munster	Bill Pay	In arrears	Online
4	Across NI	Mix Pre & Bill Pay	Mix experiencing difficulty/arrears	Online

Defining and Operationalising Energy Hardship

Energy poverty may be assessed in various ways such as by proportion of household budgets where a percentage spend (usually 10% on energy services after housing costs) is classified as energy poverty. It can also be modelled by household composition, home specifications, and income versus what “would need to be” spent for adequate warmth. Recognising that individuals may have unseen resources, or higher than usual costs, or may choose to trade off fuel spends against other priorities, this survey used subjective self-ratings based on standardised indicators so that households with higher apparent incomes could also report the difficulties they are facing – we refer to this as ‘energy hardship’.

Households were defined for this project as experiencing energy hardship where they agreed that any of the three statements described their household ‘a lot of the time’ or ‘all of the time’ over the past 12 months:

Warmth



For Financial reasons, you were unable to keep the household adequately warm

Heating



The household had to go without heating due to lack of money

Arrears



Unable to pay utility bills (heating, electricity, gas) on time, due to financial difficulties

The indicators in this survey were modified from the Survey of Income & Living Conditions (SILC) 2004-2011. It was not an exact replication of the SILC classification as this survey employed an alternative 5-point rating scale (versus SILC 3-points) and different question placement versus the SILC questions.

In analysing the survey results, two subsets of hardship were used. Consistent with the SILC definition, analyses refer to those agreeing with at least 1 measure as experiencing energy hardship. However, a smaller group who agreed with all three statements was also observed. Those agreeing with all three indicators are described as experiencing entrenched energy hardship.

Research Highlights

Just over a quarter (26%) of the quantitative sample said that at least one of the criteria for energy hardship described their household either “a lot of the time” or “all of the time”. These statements were: “For financial reasons, you were unable to keep the household adequately warm”, “The household had to go without heating due to lack of money” and “Were unable to pay utility bills (heating, electricity, gas) on time, due to financial difficulties”. 1 in 12 (8%) agreed that all three statements described their household a lot of the time” or “all of the time” over the last 12 months, suggesting a more entrenched energy hardship profile for this segment.

Analysis shows that the indicators of energy hardship are present across regions and demographics. They are equally experienced by males and females, urban and rural residents, and in households with and without children. However, indicators of energy hardship were more likely to be present for individuals aged under-35 years, those who are the sole decision-maker in their household, those living in rented accommodation, and those subscribed to prepay electricity, and/or prepay gas. There were no significant variations between NI and ROI in the demographics associated with indicators of energy hardship.

However, the effects of rising energy bills are being felt more widely still. Two thirds (66%) of the 1,191 adults surveyed across NI and ROI said they had curtailed discretionary spending to pay utility bills in the past 12 months. And, looking towards the next 12 months, just over a third of those surveyed say they are “somewhat likely” or “very likely” to have to do without heating (35%) or electricity (34%) in the coming year. This rises to over 2 in 3 amongst those who are already experiencing energy hardship; 70% said they expect to go without heating, and 67% expected to ration or go without electricity.

Qualitative feedback from four focus groups indicated little remaining margin for cutbacks amongst those for whom tight budgets are the norm, while an emerging cohort of newly squeezed professionals are facing increasingly tight budgets with minimal established support networks.

Research Highlights

Informal supports (family and friends) are widely preferred as a first support option while a second tier of more formal supports include social welfare, advice and information services, and utility providers.

Differentiated support perceptions and behaviour across cohorts is suggestive of progressive behaviours from early problem management to more long-term coping strategies.

Contact with the Society of St Vincent de Paul is supported by a widely held perception of the Society as being willing to help but is simultaneously inhibited by embarrassment at contacting, and a lack of clarity about supports available.

Meanwhile, utility companies score low for embarrassment and are viewed as easily accessible, but they are not deemed relatable, and most feel they are limited in the level of flexibility they can offer. Results suggest an appetite for greater availability of supports via informal channels like social media, as well as scope for providers to engage in connecting customers with allied supports such as budgeting advice or the Society of St Vincent de Paul.

2. MAIN FINDINGS

Current Landscape: Proportion of People Experiencing Indicators of Energy Hardship

Two thirds (66%) of the household decision makers surveyed said they had curtailed discretionary spending 'a little', 'a lot' or 'all the time' to pay utility bills in the past 12 months (see Figure 1).

- Over half (58%) said they had curtailed essential spending and were unable to keep adequately warm.
- Of those with solid fuel home heating (n=385), 4 in 5 said they had relied more on this due to higher mains heating costs in past 12 months.

Increased reliance on solid fuel was more prevalent in ROI versus NI with 41% in ROI versus 31% in NI relying more on solid fuel a lot of/all of the time. This likely reflects the different ownership of solid fuel appliances across the region (35% own a solid fuel appliance in ROI versus 23% in NI).

Across the island of Ireland, 26.4% agreed that at least one indicator of energy hardship described their household 'a lot', or 'all the time' over the past 12 months, while 8% registered agreement on all three indicators of energy hardship. These figures were very slightly higher in NI (27.8% agreed with at least one indicator, and 9% agreed with all three).

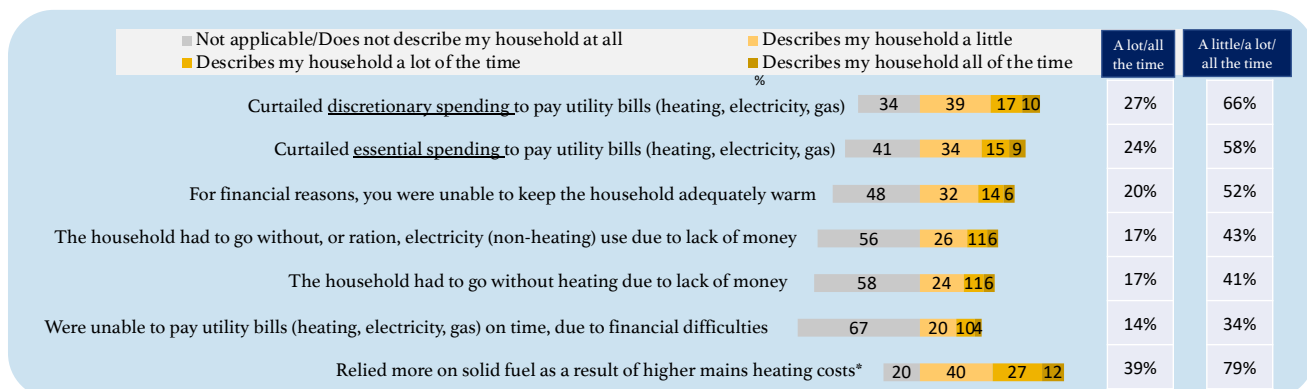


Figure 1: Energy Hardship Indicators Experienced in the last 12 months amongst household decision makers in NI & ROI (n=1,191)

Quantitative Profile of those Experiencing Indicators of Energy Hardship.

Just over a quarter (26%) of the quantitative sample said that at least one of the criteria for energy hardship described their household 'a lot/all the time' and 1 in 12 (8%) agreed with all three statements.

- While respondents agreed with the measures from across all demographic profiles, those who agreed with at least one criterion for energy hardship were more likely to be younger, living in households where they were the sole decision-maker around utilities, living in private or council rented accommodation, subscribed to prepay electricity, and/or prepay gas.
- There were no significant variations between NI and ROI in evidence of energy hardship. The association between energy hardship and prepay for both electricity and gas was a strong one in both ROI and NI.

Findings from this research align broadly with proportions identified in other research.

Anticipated Energy Hardship in the Next 12 Months

Half (51%) of the total sample said they expect to curtail discretionary spending in the next 12 months (somewhat or very likely), with just slightly fewer (45%) anticipating essential costs will be impacted (see Figure 2). Meanwhile, 2 in 5 (39%) fear their household will not be adequately warm while 1 in 3 expect to do without heating (35%) and electricity (34%).

Amongst those who had experienced an indicator of energy hardship in the last 12 months, this rises to 70% expecting to curtail discretionary spending and 69% expecting to curtail essential spending.

Even greater concern was evident amongst those feeling the pinch in NI; 80% of those NI respondents who had registered energy hardship in the last 12 months said they expected to curtail discretionary spending in the next 12 months and 78% said they expect to curtail essential spending.

Just over a quarter (28%) of those surveyed said they feared being unable to pay utility bills (heating, electricity, gas) on time, due to financial difficulties, while 1 in 12 (8%) registered this eventuality as 'very likely' in the next 12 months.

Again, the level of concern is higher amongst those already experiencing energy hardship; 57% consider it 'somewhat likely' or 'very likely' they will be unable to pay utility bills, with just under a quarter, 24% (33% in NI), registering as 'very likely' they will be unable to pay their bills in the next 12 months.

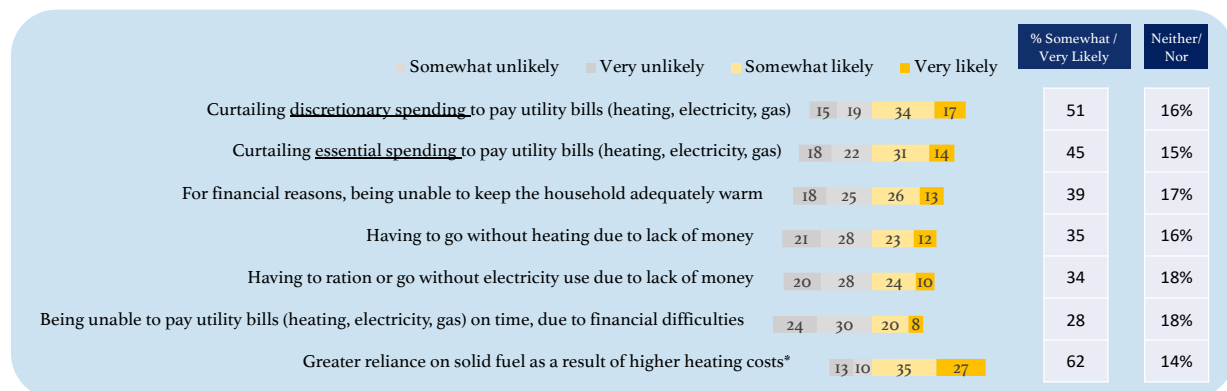


Figure 2.: Energy Hardship Indicators Anticipated in the next 12 months amongst household decision makers in NI & ROI (n=1,191)

Supports Considered (Quantitative Feedback)

Supports Considered in ROI

Friends and family are the most cited port of call amongst ROI residents, and those registering agreement with at least 1 indicator of energy hardship. However, amongst ROI household decision makers in entrenched energy hardship, the Credit Union was the most widely considered support reported (See Figure 3).

- Over 1 in 3 in entrenched energy hardship in ROI (34%) said they would consider the Credit Union in a situation where they were having trouble paying utility bills on time.
- 1 in 4 (26%) of those in entrenched energy hardship in ROI considered contact with the Society of St. Vincent de Paul.
- Circa 1 in 8 (13%) of ROI respondents in entrenched energy hardship said they would consider contacting their utility supplier if experiencing financial difficulties.

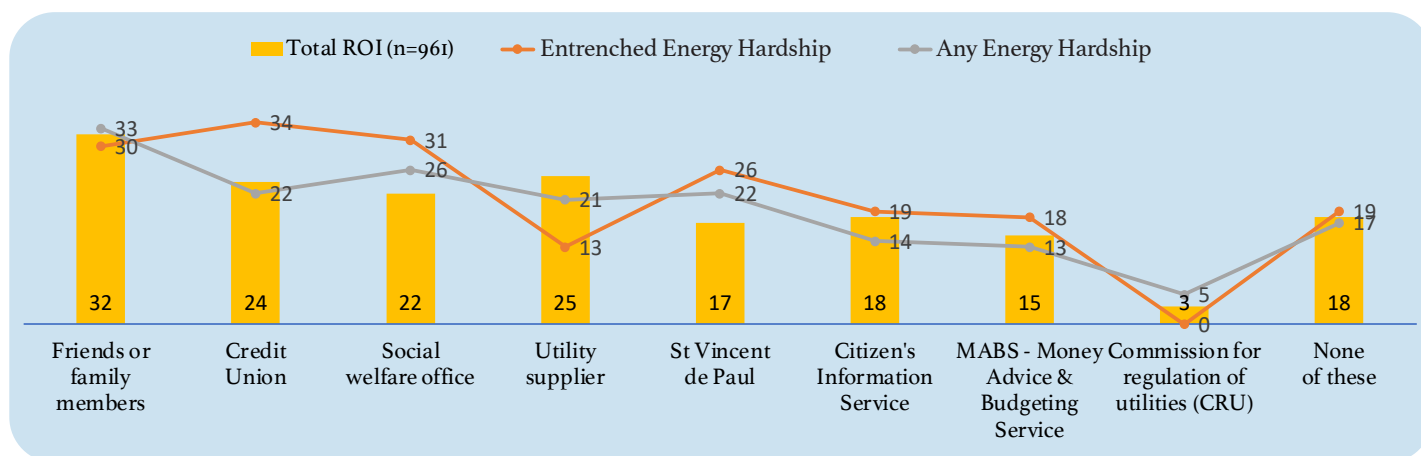


Figure 3. ROI Consideration of Supports X Cohorts

Supports Considered (Quantitative Feedback)

Consideration Set in NI

Family and friends are the support most frequently considered when experiencing financial difficulties in NI (31% of the total sample in NI said they would consider this support). This figure is especially high at almost 2 in 5 (38%) amongst those who are in energy hardship (see Figure 4).

The NI sample registered an above average score for the Society of St Vincent de Paul amongst those who had experienced energy hardship, with 1 in 4 (27%) of this cohort considering the Society versus 1 in 8 (12%) of the total NI sample. A quarter of NI respondents would consider Advice NI, and Utility supplier ranks fourth, at 1 in 5.

In comparing the two regions, NI respondents reported lower consideration of Credit Union and social welfare supports versus ROI, but higher consideration levels for friends or family members, and the Society of St Vincent de Paul.

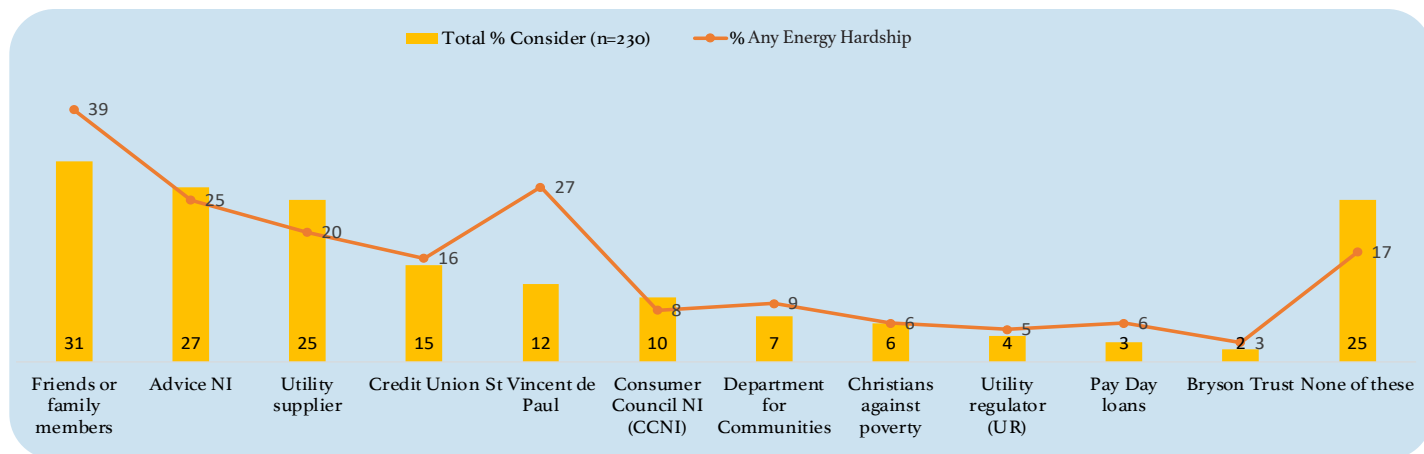


Figure 4. NI Consideration of Supports X Cohorts

Qualitative Topology

The risk factors for indicators of energy hardship identified in the quantitative survey formed the basis of the group structures invited to take part in focus groups.

From the focus group research, three typologies that describe different experiences of energy hardship were identified. All participants were recruited as being in current energy hardship, meaning they agreed with at least one statement attesting to difficulties meeting their energy costs, and all attested to significant difficulty coping.

Qualitative Topology

Younger Low Income

This cohort is comprised of younger families, mix of single and dual parent households, wholly or partially reliant on social welfare payments. High incidence of prepay utilities with associated higher unit costs in the case of some prepay meters. This group cited experience managing on tight budgets and strong family and social support networks already in place. They described their already limited budgets as being intensively squeezed at present, particularly by high electricity/gas costs.

- *I used to put €20 into my meter and I would get the week out of it. Now that would only give me 2 or 3 days and I'm back in emergency credit again. (Prepay –Dublin)*
- *I feel like I'm always running on emergency credit on my gas. (Prepay –Dublin)*
- *This year feels harder than other years. (NI)*
- *I'm petrified going to get that e-mail or that letter that my bill is due. (BillPay – Munster)*

Older Low Income

Older families, mix of sole parent and multi-generation households, often with a wider set of income streams (including from adult children contributing). Despite living week to week, this is the most experienced cohort in managing limited finances as they have well established routines in place. Most have experienced low points and accessed a range of supports in the past.

- *The time I lost my job I was entitled to nothing because of my husband's wages. Yet I worked all my life from the time I was 16. (Prepay –Dublin)*
- *It's not unusual to be feeling the pinch. This year in particular the change in expenses is more noticeable than previous years. (NI)*
- *First thing I do when I get paid is pay the bills. You just have to. (Prepay –Dublin)*

Qualitative Topology

Younger Professionals

A mix of private renters and mortgaged homeowners with professional occupations such as teachers, healthcare workers, or self-employed. This group had varied levels of financial stability prior to the current crisis. Some were accustomed to living at the edge of budgets month to month, while others had previously considered themselves financially stable. They are the least familiar with support networks; all are unaccustomed to hardship and struggling to cope with the current level of financial pressure.

• *This is a new situation for everybody here, to be struggling with bills. I budget every penny now once my wage comes in. (BillPay –Dublin)*

• *It's very hard keeping up with expenses these days. We are constantly in arrears. (BillPay –Munster)*

• *We are the working poor now. If parents these days haven't got two good jobs, they haven't got a hope. (BillPay –Dublin)*

Strategies for Coping with Energy Hardship

Focus group respondents reported a range of behavioural changes arising from increased pressure on household budgets, with the following themes consistently referenced.

Cutbacks

All groups referenced a pervasive sense of being squeezed from all sides by a large amount of regular household expenses, many of which have risen sharply in price, while household incomes have not changed. There was broadscale agreement that energy bills are just one of many household bills to have risen in the past few months with costs of transport and groceries particularly salient. All attested to reducing discretionary spends (clothing allowances, grocery treats, nights out) and making trade-offs between competing financial demands.

- *I used to have money for a bottle of wine at the end of the week but that is a thing of the past. (BillPay – Munster)*
- *A t-shirt or a top. Some little treat for myself but I can't do that now. (Prepay – Dublin)*
- *You budget for your heating, electric, and fuel for the week. And after that whatever is left is for shopping. (Prepay – Dublin)*
- *It's very hard to keep everything going the way it was. You can't do everything. (NI)*
- *Everything is going up except the wages are not going up. There are just so many bills. (NI)*

Pre-Pay energy management

All Prepay customers in both ROI & NI have seen weekly spends rise by 50-100% and described very direct tracking of energy costs via app for daily/weekly spends, including awareness of energy use of specific appliances.

- *The €200 they give you is just flying down. It seems to go quicker when you put it in bulk. (Prepay – Dublin)*
- *I probably would have been doing €35 a week and lately it is more like €50. And that is with me being more conscious. (Prepay – Dublin)*
- *I wouldn't have a clue how to read the kilowatts but I top up weekly and I know how much I top up. (NI)*

Strategies for Coping with Energy Hardship

There was diverse experience of the recently introduced electricity government supports in NI, depending on their tariff rates at the time. Some felt that the supports had brought their bills down significantly, while others had not noticed the effect. However, the cost of home heating was felt keenly by all qualitative respondents in NI, given the absence of a price cap versus electricity. Some described topping up their oil tanks by small amounts weekly, others had taken out loans. Those with gas had already purchased this year's supply at lower unit prices and expressed concern as to how and whether they would be able to pay to heat their homes next year.

- *The gas went up at the same time. For £20 you would have got 40 units and now you are getting 8 units. (NI)*
- *In our house we bring the can to the garage and top up the tank every few days. (NI)*
- *My heating oil used to be £60/month and now it is £180. (NI)*

BillPay energy management

BillPay customers cite increased awareness of energy use in the home, albeit less direct monitoring versus prepay customers. All had experience of contact from utility providers for unpaid bills, with current or recent contact levels ranging from overlooked emails to repeated contacts at work. They report a sense of powerlessness when unable to pay. Some young professionals described practices of amassing bills in winter, with plans to pay off their bills during summer, when use is lower.

- *Very aware of what's plugged in now. (BillPay –Dublin)*
- *You have to come to an arrangement with them. It's on your mind as well. Before you paid the bill and would not think about it for 2 months but now it stays with you. (BillPay –Dublin)*
- *We're turning off lights and flicking off switches to beat the band. (BillPay –Dublin)*
- *You know they give you a reduction to go paperless but then sometimes you don't notice it happening almost. (BillPay – Munster)*
- *I changed suppliers because they kept ringing me. They scourge you. (NI)*

Strategies for Coping with Energy Hardship

Diversifying Fuels

Qualitative feedback was consistent with the quantitative finding that 2 in 5 (40%) of those with solid fuel appliances fitted are relying more on solid fuel to offset higher mains heating costs “a lot of the time” or “all of the time”. However, few if any felt solid fuel would solve their problems; the increased cost of fuel, especially coal, is the main inhibitor to fires in both ROI and NI. Fires were deemed most relevant by those who can access firewood locally (rural dwellers) and most said they used their fire as a back-up support for, not a replacement to, a household main heating source. A niche minority of individuals mentioned SuperSer heaters and solar as supplementary energy sources in either their own or family members’ homes. Solar is highly rated but considered to provide mainly summer benefits, hence not mitigating immediate household energy difficulties at the time of research.

• *When my parents know I am coming they have all the lights and heating on but if I stop in unannounced they are in one room with the Superser on. (BillPay –Dublin)*

• *I have a friend who is a farmer and he gives me free wood. I wouldn't be able to afford coal. (BillPay – Munster)*

• *The cost of a bag of coal used to be 18 quid and the best he can do for me now is €29, or even €32. (BillPay – Dublin)*

• *A bag of coal used to be £8 or £9 and it's now £16. (NI)*

Strategies for Coping with Energy Hardship

Opting Out

Rather than struggling to meet ever-increasing energy bills, a minority (especially young, male professionals) spoke of a desire to disengage from the problem. There were niche mentions describing refusal to pay or allowing bills overdraw while others cancelled services. Emigration was mentioned as a top-of-mind issue for those without families, with some actively planning a move, and others claiming to know friends and relatives doing so.

• *I will be leaving in January. I will be gone, and a lot of my friends are saying the same. (BillPay –Dublin)*

• *I have considered just turning off the electricity. Getting in solar. (BillPay –Dublin)*

• *It's not just college leavers 22-30 years of age, people just want to go. I know lots and lots of people planning to emigrate. (NI)*

• *In America you just hand back the keys. It's not like that here. (NI)*

Attitudes to Accessing Supports

A tiered support network emerged across all groups and most described feeling more comfortable in dealing with transactional / informal supports (see Figure 5).

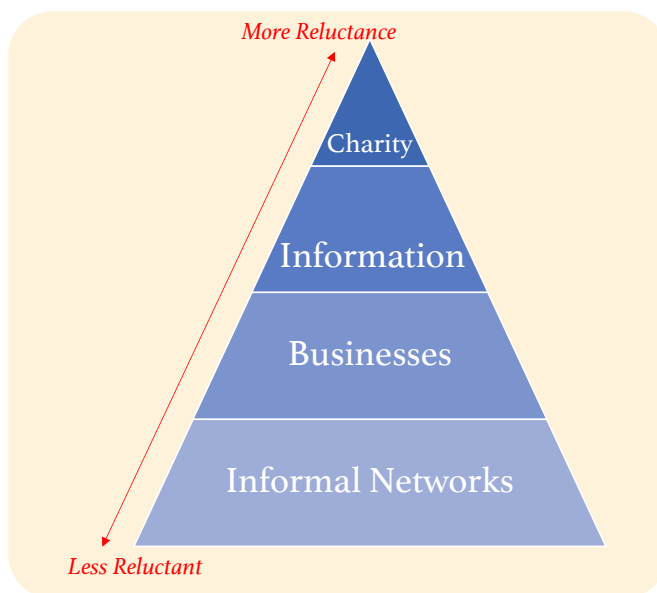


Figure 5. Consideration Tiers: Ease/Reluctance to Contact

Greatest comfort levels were apparent in dealing with familiar / informal supports – family is the most salient support here, but also friends and wider social networks, as well as local community initiatives. A sense of fairness or knowing the rules was noted in business relationships. Sources mentioned in this regard include social welfare, utility providers, banks, and credit institutions; less personal involvement makes these resources an easier call for many.

Markedly less reluctance to speak with information services is offset by their weaker perceived ability to help with tangible supports. Across the board the greatest reluctance was expressed in contacting direct giving charities. Most said they considered it embarrassing/unpleasant to be in the position of asking for help. A key barrier to contacting charities, referenced widely, is a question of whether others might need help more and fear of diverting services that could otherwise help those who might need them more.

Attitudes to Accessing Supports

Barriers to Contacting Support

A broadscale sense was evident in the focus groups that, despite their own hardships, many others are in worse circumstances. Most describe the ‘real’ target of charitable activities as stereotypical older person, living alone. There was a widely felt desire not to take scarce resources that may be needed by others.

All, but especially males, expressed desire to be independent or keep going within their own means as long as possible. Some feel trapped by complex circumstances and assume nobody can help.

- *I would rather work 60 hours for a week than look for help because I know I would be taking it from someone who needs it more. (Prepay – Dublin)*
- *I’m drowning in debt but I still wouldn’t ring. (BillPay – Munster)*

Professionals especially feared judgement; for working and needing help, for having a nice home and/or possessions. Perception that charity is not meant for people with jobs was mentioned in every group.

- *I would love that but I would feel that people would say he has a house, he has a job, what is he doing queuing for that. But if I got that food parcel I would love it. There are 6 of us in the house - it would be fleeced. (BillPay – Dublin)*

There was also a fear of rejection, especially for those who had been rebuffed in the past.

- *If you reach out to someone, you don’t meet the right criteria. (NI)*

Comparison of Experience Between NI and ROI

Despite differing landscapes in terms of specific providers in both regions, attitudes to accessing supports were very consistent across NI and ROI. The differences between NI and ROI in available supports, and support perceptions, are outlined in the next section.

Specific Supports Perceptions & Associations

Specific supports were discussed in focus groups in terms of their ability to help, and their level of salience amongst those experiencing hardship (see Figure 6). The national survey measured perception of providers in terms relatability (easy to talk to, I would know how to contact, for someone like me, wants to help); ability to help, type of supports offered, and feelings on contacting (embarrassed, scared, good). Insights from both are combined below.

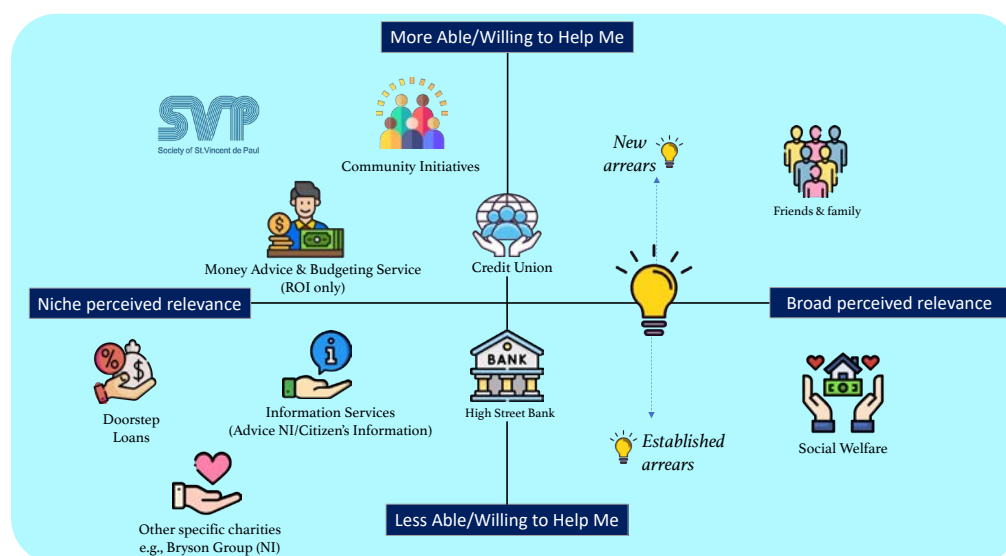


Figure 6: Qualitative supports mapping by ability/willingness to help and perceived relevance.

Perceptions of individual support channels are reviewed next.

Family/Friends Supports

All focus group respondents had availed of short-term loans / gifts from family, especially when just 'starting out'. Majority consider give and take of loans between friends and family as part of their informal financial economy. Survey responses showed that friends and family are considered highly relatable and trusted – they are seen to offer financial supports but not long-term solutions.

- *We have a family Whatsapp group and if I put my Revolut in there usually one of my family will put something in (Prepay – Dublin)*
- *Have gone to family for support, just to kind of get to the end of the week or whatever (NI)*

Specific Supports Perceptions & Associations

- *My Christmas and birthday presents are money for oil (NI)*
- *My son is setting up house with his partner but he still comes back to mine and looks in the cupboards (Prepay – Dublin)*
- *I'm 58 and I would still ask my mam for a loan (BillPay – Munster).*

However, some (particularly males) expressed reluctance.

- *You would be slow to go to family. People think because you have a job you have a few quid. (BillPay – Dublin)*
- *Feel bad asking family members for help because then you're putting them under pressure too (Prepay – Dublin)*

Community Initiatives

Along with friends and family, a lot of diverse local and community initiatives were cited, with social media a key channel for awareness of community initiatives, including

- School hampers and heating vouchers distributed via 'raffles'.
- Hampers distributed through initiatives from supermarkets and FoodCloud
- 'Scan as you Shop' in supermarkets was mentioned as a helpful aide.

Very positive associations with community initiatives was expressed around the perceived sideways benefits transfer (vs top down).

- *We got heating vouchers from the Council through the schools. (NI)*
- *There's Food Cloud and a lot of food banks now. It might be in a school and it's laid out and you say this week I need pasta or tins.*
- *People helping each other – giving back. (Dublin – prepay)*

Specific Supports Perceptions & Associations

Credit Union

There was widespread awareness and trust for Credit Unions to tide people over during tight times. Despite high consideration levels in ROI, this did not translate into high levels of existing loans in quantitative or qualitative findings. A minority in NI and ROI had taken out a loan to cover costs of heating for this winter.

• *I had to take a loan out today to get oil heating for the winter. You shouldn't have to take a loan, but you have to heat the house for the kids (NI).*

• *Credit Union loans are the best ever (Prepay – Dublin)*

Social Welfare

Social welfare is the first contact point mentioned for those experiencing financial difficulty. However, many recounted feeling resentment for how they were treated when they applied. Few, if any, had positive experiences of social welfare in ROI, while NI reported a less adversarial experience overall.

• *I have worked all my life and now I need your help. But they really make dirt of you (Prepay – Dublin).*

• *They just make it as difficult as they can. It was at a time when I had an accident and I didn't need the stress of it. It's like they think if they drag it out you will just go away. (BillPay – Munster)*

• *I knew about the exceptional needs payment, but I would say there is a lot of boxes you have to check before you get that payment. You have to be means tested for everything (BillPay – Dublin)*

Specific Supports Perceptions & Associations

Utility Companies

Polarised opinions were evident about utility providers as a support. The utility supplier was widely cited as a key contact point – to make aware if experiencing difficulties with bills. However, most felt that suppliers are limited in what they can do for customers as they are operating a business model, not charity. It is therefore expected they can offer short term forbearance but ultimately will want to be paid.

- *It's more of a business relationship with the provider. You're paying for their product (NI)*
- *I've never considered ringing the utility provider for help (BillPay – Munster)*
- *I have 20 odd years with you and you can see every bill has been paid on time. Give me a bit of leeway now (BillPay – Dublin).*

Utility contact was viewed differently depending on position in arrears process (see Figure 7).

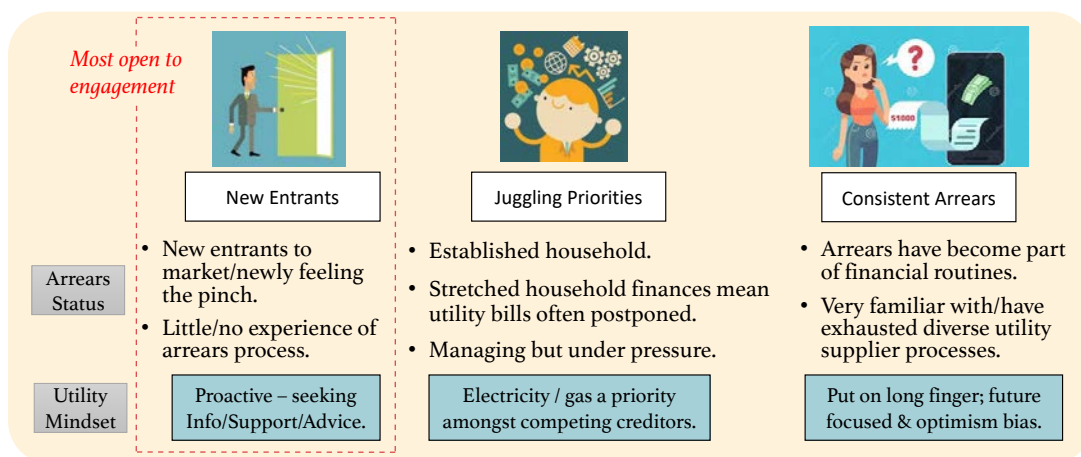


Figure 7: Varied attitudes to contact with Utility depending on arrears status.

A small cohort reported being rebuffed on contacting their utility company – that suppliers were unwilling to discuss payment plan or looked for payment in full. This, they said, resulted in reduced incentive to contact subsequently. Those more seasoned in arrears reported habituation and avoidance tactics as they feel they have exhausted options available from their supplier.

Specific Supports Perceptions & Associations

- *I get the letters from them, but to be honest, it goes in one ear and out the other (BillPay – Munster)*

Contact enablers for suppliers are the low embarrassment levels registered, and strong associations with practical, short- and long-term solutions, and being well-known/ knowing how to contact them.

- *I felt they were approachable (BillPay – Dublin)*

Prepay utility customers were least amenable to contacting their utility suppliers and had lowest support expectations. This group expressed a sense of having less collateral to bring to such a conversation versus billpay customers from whom the company may wish to recoup arrears. Most felt they would only contact around switching, and might hope to be offered some additional credit through this process. Prepay customers in both NI and ROI expressed a sense that this group is overlooked or addressed as an afterthought by both suppliers and government initiatives.

Reaction to Utilities Communications

Focus group participants reviewed a set of generic-branded customer letters; one a standard payment reminder, and another offering customer account credits to those identified as experiencing difficulties paying their bills. This activity sought to understand the impact of communication materials in encouraging customers to seek support if they were facing difficulties paying their energy bills.

Specific Supports Perceptions & Associations

I. Reminder Letter (See Appendix I)

All understood this letter's purpose to be a payment reminder.

Those new to arrears felt its wording was unnecessarily harsh for them while many in consistent arrears said they would ignore as evoking unpleasant affect. Many said they would feel scared on receipt of this letter.

The first page table layout was widely criticised as an off-putting or uninviting design and a waste of front-page space - respondents expressed impatience at what they considered a lack of any new information: "you obviously know how to pay!"

On reviewing the second page, this content was deemed more approachable especially for those new to arrears. However, most felt that any positive affect had been torpedoed at first page message/layout. They suggested that the second page information would be better placed in front, coupled with directions about the 'ways to pay' table on the second page.

Specific Supports Perceptions & Associations

2. Credit Letter (See Appendix 2)

This letter evoked a much warmer response versus the Reminder letter and its more open, communicative tone was broadly welcomed by the majority.

- All understood that the letter purpose was to offer support and they appreciated the friendly/helpful tone conveyed in introductory paragraph “working with you and supporting you”.
- A partnership with expert money management partners was considered a very appropriate one for a utility supplier.

However, the offer of free credits was not immediately apparent to all. The letter’s failure to get to the point was confusing for some as they felt it was at odds with utilities’ more direct and common communications style.

Moreover, despite its strengths, this letter’s offer of support and free credit would be missed by some in consistent arrears as they struggled to step outside preconceived expectations from a utility supplier letter. Some said they would not even open, let alone read, supplier letters.

On reviewing the utility letters, respondents in both NI and ROI expressed an appetite for potential supports (utility suppliers, charities, advice bodies) to connect with them through less formal channels, especially social media. This is considered very accessible and is currently associated with more local community/charitable initiatives. The NI group also referred to recruitment stands operated by electricity companies in shopping centres and suggested that these could be helpful outreach points to existing customers experiencing energy hardship.

Overall, there was a broadscale welcome for this letter positioning and offer of financial support, especially amongst those in the earlier stages of the arrears journey. However, this intervention is a departure from providers expected behaviour and therefore very clear signposting would be required for it to be noticed and understood by its target customers.

Specific Supports Perceptions & Associations

Society of St Vincent de Paul

Universally positive attitudes were expressed towards the Society, as it is perceived to offer a unique and essential service in the community. The charity is most appreciated for its universalist non-judgemental approach, especially the absence of means testing which conveys an understanding that outer appearances are not always an accurate indicator of circumstances.

- *They didn't judge. They didn't look at the telly on the wall (BillPay – Dublin).*
- *At Christmas time, a black bag, "hide that for the kids". (Pre-pay – Dublin)*
- *Nothing flashy. It's not about showing off what you are doing. (BillPay – Dublin)*
- *They were really helpful and non-judgemental (BillPay – Dublin).*

Survey responses indicated that Society of St Vincent de Paul is considered easy to deal with but is not seen as 'for someone like me' and, despite an above average score for 'would recommend to others', a heightened sense of 'embarrassment' was nonetheless evident when considering contacting on one's own behalf.

- *A lot of people probably didn't pick up the phone for St Vincent de Paul (BillPay – Dublin)*
- *If you are a working household, you feel like you are not entitled to it or taking it away from someone else who needs it more so I wouldn't think of reaching out to those supports. (NI)*

The Society was significantly more prominent amongst the Prepay group in Dublin where it was felt to be part of the fabric of regular social supports. Many had personally received supports while all knew family/acquaintances who did.

- *They're the only hope we have at times (Prepay – Dublin)*
- *You can pick a star off the tree. When you get help, people always give back. (Prepay – Dublin)*

Specific Supports Perceptions & Associations

Professionals and those outside Dublin (Munster/NI) were more likely to avail of benefits through shops versus direct support.

- *This is the first year that I bought pre-loved toys. (BillPay – Munster)*
- *Do you just ring them up? (NI)*

Money Advice & Budgeting Service (ROI only)

MABS is the Irish Money Advice and Budgeting service, offering impartial advice on managing money and taking control of debt. There was little or no spontaneous mention of this support across the focus groups. However, on prompting, a minority reported high satisfaction for their own and/or family members' experience of MABS. Positive survey associations registered for MABS around lack of embarrassment in contacting, and not feeling scared about getting in touch. The strongest barrier reported to contacting MABS, evident in quantitative and qualitative feedback, was not knowing how to get in touch with them.

- *I used MABS when I left my previous marriage to get my finances in order. Going in there was the hardest thing really (Prepay – Dublin)*
- *My mam is in a council house, and it was excellent. I think it was a case of them taking all her stuff and managing it for her. To figure out better ways of paying. Spread it over a couple of months. And trying to reduce the payments with reduced interest rates and arrears. (BillPay – Dublin)*
- *The online tool took all my numbers and in the end, it told me I didn't have enough money. But it didn't seem to say anything specifying about how to get in touch or fix the deficit (BillPay – Munster).*

Specific Supports Perceptions & Associations

Niche/Less known supports

Bryson Trust is one of Ireland's largest social enterprises, operating across NI and beyond, delivering sustainable solutions to social needs through six group companies. There was no spontaneous mention of Bryson, or any other charitable bodies, in NI. The Bryson Group was most associated with waste collection on prompting. There was no awareness of charitable giving in a single NI group although, during discussion, participants expressed interest in learning more upon browsing website.

- *I don't know anything about them. (NI)*
- *It says they have £200 to give away every day. (NI)*

Citizens Information provides free information, advice, and advocacy from centres across ROI. On prompting, there was broadscale awareness, and positivity towards Citizen's Information for diversity of information needs in both NI and ROI. However, the absence of tangible supports meant most failed to consider this channel as a 'support' per se for those in fuel hardship.

- *I found Citizen's Information very good. (BillPay – Dublin)*
- *Citizen's Advice don't judge you. (BillPay - Dublin).*

Most have bank accounts and billpay clients rely on them as a payment channel. However, like suppliers, banks are not considered a resource in times of shortage due to the more business-like relationship.

A separate offering mentioned, very distinct from more reputable and established credit lines through banks and credit unions, was so called 'doorstep loans'. Focus group members had minimal current experience with doorstep loans; however, they cited broadscale recall, and were very dismissive, of high interest loans. They were considered a last resort when all other supports have been exhausted.

- *They used to come to the door. Very very high interest. (Prepay - Dublin)*

3. Summary of Research: Insights & Implications

Current energy hardship

Self-reported existing energy hardship is suggestive of widespread vulnerability to increased costs, or other stressors, over short and medium terms.

- Just over a quarter (26%) were classified as in energy hardship, while 1 in 12 (8%) registered agreement with all three indicators, suggesting a more entrenched energy hardship profile.
- An even higher 3 in 5 (58%) agreed at least “a little” with at least one indicator.
- Those experiencing hardship come from across demographic and socio-economic profiles, but the experience is greatest among those aged under-35 years, the sole decision-maker for bills in their household, living in rented accommodation, subscribed to prepay electricity, and/or prepay gas.

Expectations for next 12 months

Widespread concern was evident as to what this winter (2022) will bring, especially, but not only, amongst those already experiencing hardship.

- Amongst the total sample, 2 in 5 (39%) fear the household will not be adequately warm while 1 in 3 expect to do without heating (35%) and electricity (34%).
- Over 3 in 4 of those already experiencing chronic hardship anticipate doing without heating/electricity in the coming year.

Energy Hardship Profiles

The increasing diverse needs in energy hardship will require a diversity of supports. Three broad typologies of hardship were seen, with distinctive characteristics.

- Little margin exists for further cutbacks amongst those for whom tight budgets are the norm.
- Newly squeezed professionals face increasingly tight budgets with minimal established supports.

The most immediate need is amongst those already experiencing long term financial hardship but significant emergent needs were also evident amongst younger professionals.

Managing Energy Hardship

Focus group participants attested to reducing discretionary spends & making trade-offs.

All prepay participants had experienced loss of supply due to credit and all bill-pay customers had experience of contact from utility provider for unpaid bills, in the current or recent past.

Differentiated perceptions and behaviour across cohorts is suggestive of progressive behaviours from early problem management to more long-term coping strategies. Risk of habituation can be seen amongst bill-pay customers to providers contact - from emails to letters and calls. Tailoring of communication is essential to keep lines of communication open.

Meanwhile the prepay cohort are an especially vulnerable target who may be challenging to reach and support. Prepay customers in both NI and ROI expressed a sense that this group is often overlooked or addressed as something of an afterthought by both suppliers and government initiatives.

Perceptions of Support Channels

Support channels were largely differentiated on reliability versus more pragmatic support channels:

- Friends and family are considered highly relatable and trusted – they can be confided in and are seen to offer some short-term financial supports but not long term solutions.
- SVP over-indexes on reliability but some stigma/embarrassment is evident, and a lack of clarity about supports available.
- MABS considered somewhat impersonal yet useful for long term solutions & low embarrassment.
- Utility companies are low embarrassment/accessible but score low on reliability.
- There is low trust for utility suppliers, and the social welfare department (ROI).

Softer attributes, especially around reliability and embarrassment are clearly differentiated across providers, suggesting potential areas for action moving forward.

Opportunities to Connect

This research has identified a significant level of financial hardship, and there is obvious potential to broaden the Society's perceived target group. Professionals, especially, felt SVP may not be for them and would feel embarrassed to contact the Society for support. Reassurance can be provided that SVP is welcoming and suitable for working people.

People are less reluctant to contact utility providers and this is a possible opening for providers to engage directly in supporting customers. Focus group reviews of sample supplier communications showed improvements could be made to wording, tone and layout of letters.

Clear signposting of offers of help will be needed. Respondents expressed an appetite for stakeholders (utility suppliers, charities, advice bodies) to connect with them through more accessible channels, especially social media. Alternative out-reach options should also be explored e.g. the NI group referred to recruitment stands operated by electricity companies in shopping centres.

New ways of reaching people in difficulty should be considered.

Appendix I



Your outstanding balance is due for payment

Dear Customer,

Your outstanding balance of <<User\$.Currency>> <<Credits.AmountUnpaid>> is due for payment.

To ensure continuity of your energy supply, please pay your balance as soon as possible. If you've already done so, thanks and please ignore this reminder.

Switch to Direct Debit

Paying by Direct Debit is the easy and hassle-free way to pay. It helps to avoid missing payment dates, overdue balances and reminder letters. Call our Customer Service Team on 1800 123 123 123 to switch to direct debit and receive your Direct Debit discounts.

There are a number of ways for you to pay

Credit / Debit Card	Pay securely online at: <ul style="list-style-type: none">• Download the Blue Electricity App• my.blueelectricity.com• mybills.ie Or Call our Customer Service Team.
Standing Order	Set up a weekly, fortnightly, or monthly standing order with your bank. Please include your Blue Electricity account number as reference. Our bank details are: Acc Name: Blue Electricity Ltd Bank Name: Bank of Ireland BIC: BOFIAB1C IBAN: IE35BOFI10987654321109
In any An Post/ PostPoint outlets, or through Payzone	You can make a payment at any An Post or PostPoint outlet or in any shop/ Credit Union displaying a Payzone logo. Just bring along a barcoded bill when making payment.
Bank Draft / Cheque / Postal Order	Please make payable to Blue Electricity Ltd. and print your Blue Electricity account number on the back of your cheque, then post to: Blue Electricity, Accounts Receivable, West Ash Business Park, Dublin B34 A21C.
Household Budget Plan	For customers in receipt of social welfare payments, this is an easy option to manage bills. Visit your local post office or our call Customer Service for more details.

Problems paying your bills

If you're having difficulty paying the outstanding balance on your account, please contact our Customer Service Team as soon as possible on 1800 123 123 123. Together we can arrange a suitable payment plan or discuss your eligibility for a prepaid meter. In times of lower usage, it may be a good opportunity to reduce the debt by making additional payments.

We have a Code of Practice on Billing which sets out how we interact with customers in difficulty, this is available at blueelectricity.com/ie/codeofpractice.

Free and independent advice

You may find it helpful to talk to the independent Money Advice and Budgeting Service (MABS) about your personal finances. You can call their helpline on 0818 07 2000 or email helpline@mabs.ie. Their opening hours are Monday to Friday, 9am to 8pm.

Our Codes of Practice, which outline our promises to our customers and include details of our Code of Practice on Disconnections are available at blueelectricity.com/ie/codeofpractice.

Energy saving tips

For information on how you can use electricity efficiently to save money and help the environment, you can view our Energy Saving Tips Booklet at blueelectricity.com/ie/home/smarter-energy.

If you have any questions, just contact our Customer Service Team or on our **webchat** at blueelectricity.com. We're here to help **Monday to Friday, 8am to 8pm**. In addition, our **webchat** service is also available **weekends and bank holidays, 10am to 6pm**.

Kind regards,

Credit Control Team

Blue Electricity

Appendix II



<NAME>
<ADDR1>
<ADDR2>
<ADDR3>
<POSTAL_CODE>

Date: <date>

Blue Electricity Account Number: <CUSTOMER_ID>

Blue Electricity Customer Support Credits

Dear Customer,

At Blue Electricity, we're committed to working with you and supporting you when you need it most. We know times can be tough and the past two years have been particularly challenging for all of us. With the current rise in energy costs, we'd like to help make things a little easier.

We're working with Money Advice and Budgeting Service (MABS) to help our customers reduce debt to a more manageable level. MABS will offer you a range of support services for your personal finances and will also support you in the application of a credit to your Blue Electricity account.

To avail of this credit please contact MABS within 2 weeks of receiving this letter. You can call MABS on **0818 07 2000** or email helpline@mabs.ie. You can also WhatsApp MABS at **086 035 3141** to arrange a call back. Their opening hours are **Monday to Friday, 9am to 8pm**.

As Ireland's largest supplier of 100% green energy*, we know small steps can make a big difference and hope this support will help make a difference for you.

For further information or clarification on the details within this letter, simply contact our specialist Support Team in confidence. Our friendly agents will work with you on different solutions to help manage your account. We're here to help **Monday to Friday, 8.30am to 6.30pm** and can be contacted on **0818 111 222**.

Kind regards
Support Team
Blue Electricity

*Largest provider of 100% green energy supplied to homes and businesses based on Electricity Market Share by total tWh, published by the Commission for Regulation of Utilities (CRU) in most recent Annual Energy and Water Monitoring Report for 2020, published in November 2021



Society of St.Vincent de Paul

Society of Saint Vincent de Paul National Office,
SVP House, Sean McDermott Street,
Dublin 1, D01 WV38
Tel: 01-0884 8200 / Fax: 01-838 7355
Email: info@svp.ie / Website: www.svp.ie