

## MARKET CONDITIONS

Drivers	Explanation
<b>KEY FACTORS</b>	
Final energy price levels	Rising energy prices may result in a higher number of customers in energy poverty. Energy prices are forecast to rise in the coming years for various reasons, including the need to invest in infrastructure and support renewable energy; taxes may also increase
Level of competition	Competitive markets encourage suppliers to develop products and services in the consumers' best interest and at competitive prices. Lack of competition in the market may place consumers in a vulnerable position. Imperfect competition may create a risk of new vulnerability such as exclusion of certain groups of consumers
<b>EXACERBATORS</b>	
Debt policies	Company policy may mean that bad debtors or those likely to fall into the category may be disadvantaged e.g. exclusion lists. The concept of vulnerable customers should therefore be defined
Selling practices and precontractual practices	VC may need additional advice/support to protect them where regulation is insufficient to prevent illegal sales practices or unwanted direct sales activity. Lack of access to some sales channels may make choosing and buying more difficult for some. VC are more likely to be the target of poor door-to-door sales practices as they may spend more time at home due to poor health, old age, unemployment etc.
Bill transparency and accessibility	Consumers may be confused or find it difficult to compare market offers if they are not online due to different tariff structures. VC may have greater difficulty than other consumers in understanding their bills (consumption information etc.). This work is being undertaken by the Price Transparency, Billing and eBilling Working Groups to address all consumers
Available payment methods	Lack of choice in payment methods may exacerbate a consumer's vulnerability
Inclusiveness of corporate system designs and service provision	Quality of advice and responsiveness of suppliers' frontline staff and call centres can create barriers for consumers to access advice and information. Call centre design may make it difficult to navigate, and telephone charges may make it hard for consumers to afford to stay on the line. Information should be presented in a wide range of formats and be easily accessible, including for those with sight and hearing difficulties

## INDIVIDUAL CIRCUMSTANCES

Drivers	Explanation
<b>KEY FACTORS</b>	
Income level	Those on a low income may find it difficult to pay for the minimum amount of energy needed to maintain a decent standard of living, and a higher percentage of income is spent on energy. Low income may correlate with living in less energy-efficient housing and having less energy-efficient equipment. As a result, many people on low incomes avoid using heating/cooling or otherwise constrain their consumption e.g. stay in one room in the winter, or not feeding their pre-pay meter (self disconnection)
Health and disability	For health reasons, some consumers may need an uninterrupted electricity supply (e.g. to keep devices running). Those who are unwell may need to maintain higher or lower household temperatures. Energy poverty may have a long-term impact on consumers' health, especially that of children. Consumers may need to receive bills in a special format e.g. large font for those with poor vision; additional services for reading meters etc. may also be required
IT skills/internet access	Those lacking in IT skills or with no internet access are less likely to benefit from price comparison sites/ cheaper online deals, including many older people and some disabled people who are more likely to be digitally excluded. This group may find it harder to use energy displays or appliances. Unable to access key information in a timely way. There may be greater reliance on phone lines which can be expensive and deter customers from engaging with their supplier. Some rural areas still don't have broadband, and the cost of a computer and the internet is out of reach for some
Education: literacy/numeracy skills	Poor literacy and numeracy skills may mean it is harder to budget, and to check and understand energy bills. Consumers are less likely to understand their rights and to seek redress where problems exist. In addition, these customers might be more susceptible to any misselling, and might be less aware of what are unacceptable sales practices and where they can seek advice

## INDIVIDUAL CIRCUMSTANCES

<b>EXACERBATORS</b>	
Age	Very young and elderly are more susceptible to insufficient heating/cooling provision. Elderly may spend more time at home and need to maintain a higher minimum or lower maximum temperature
Single-parent/large family/carer	In single-parent households or those with many children, the household income will have to stretch further.-Carers could have a limited income and be at risk of fuel poverty as they may not be able to work full-time etc. Some Member States document cases of people choosing between heating or eating
Retired/ unemployed	This impacts both the amount of time spent in the home and finances to cover heating/cooling costs. Older women especially are at greater risk of poverty due to lower pensions
Immigrant/ethnic minority	Lack of knowledge of the local culture and language may impact access to information
Prepayment meters	VC can be disadvantaged as they have to pay up front, cannot benefit from online offers etc. PPM prices may be higher than other tariffs, and there may be a limited choice of tariffs/options. It can also be a problem if customer does not live near easily- accessible top up point. Used primarily in UK and BE. However, PPM do give customers the opportunity to control their consumption and expenditure

## LIVING CONDITIONS

Drivers	Explanation
<b>KEY FACTORS</b>	
Under-occupancy	Higher risk of fuel poverty for those in large homes who are managing energy bills alone as heating/cooling needs will be high. This may apply to some people in social housing who do not have control over the size of property they live in. It also tends to apply to older people who often stay in the family home after their children have left (especially women who live longer than men), but who have a choice of where they live
Type of heating system	Gas and district heating tend to be cheaper than electricity, solid fuel, oil or LPG. High-rise flats and rural houses are less likely to have gas heating (see "location" below)
Quality of housing stock	Housing stock varies greatly between MS and housing quality can have a great impact on the amount of energy needed to keep a property warm/cool. Older homes are generally much more inefficient than newer homes e.g. because the former are built with solid walls. 16% of EU population suffer from at least one element of inadequate housing e.g. leaking roof, damp walls*. For example, vulnerable consumers are more likely to live in buildings with shared boilers where bills are split according to floor areas of a flat. Energy efficient behaviour is not encouraged and energy may be wasted. (Link with tenancy exacerbator, see below)
<b>EXACERBATORS</b>	
Equipment efficiency (boilers, heaters, appliances)	Older equipment is likely to be less energy-efficient, resulting in higher running costs. Consumers may not have thermostatic valves on radiators to control temperature. Consumers may live in multi-apartment buildings with shared boilers and may have their bills split according to the floor area of a flat
Location	Rural consumers face a higher likelihood of not being connected to the electricity grid or having access to a gas supply. Universal service provisions apply to electricity and all customers should be connected to an electricity supply. Gas is substitutional with other heating fuels such as oil. Higher number of older homes in rural areas (see "quality of housing stock" below) and rural homes do not benefit from 'urban heat bubble' effect
Tenancy	A home-owner is more likely to have the resources and the motivation to implement home improvement measures than a tenant. There may be little incentive for landlords to invest in energy efficiency measures such as insulation or to maintain/replace old appliances, including boilers. Tenants may be less engaged in the market if the owner manages the energy bills. Conversely, social housing tends to be more efficient than private housing due to regulated minimum standards etc.

## SOCIAL/NATURAL ENVIRONMENT

Drivers	Explanation
<b>KEY FACTORS</b>	
State of economy	Reduced public spending, for example, during the current financial and economic crisis, requires a review of expenditure models and investigation of new funding
Climate	Living in an especially cold or hot climate may mean higher energy bills to heat or cool a home. Living in a colder climate will also mean a longer winter heating period. Refer to WHO recommended temperatures for accommodation
<b>EXACERBATORS</b>	
Governance (local/ regional/national)	Policy, be it local or national, can impact both positively and negatively the number of people facing vulnerability. MS should test and evaluate policy mechanisms at a local level
Social inclusion	The most vulnerable people are often socially isolated so are less likely to protest about poverty or to take part in other self-advocacy action