



Running out of energy - engaging with energy suppliers while living with a mental health problem

Introduction

Research has shown that people with mental health problems are about four times more likely to be in arrears with their gas and electricity bills than those without.¹ In a nationally representative survey, 1% of those without a mental health problem said they were “seriously behind” with payments due on their electricity bill and 1.5% were “seriously behind” with their gas. For those with a mental health problem, the figures were 4.5% and 5.4% for gas and electricity respectively.

In April 2016, Money and Mental Health conducted the largest in-depth survey of the financial experiences of people with mental health problems, engaging with nearly 5,500 people. The quotations included in this paper are all taken from consumers with mental health problems who took part. We have identified four key ways in which people told us their mental health affected their engagement with energy suppliers:

- Problems with communication channels
- Problems with payment methods
- Difficulty switching
- Impact of arrears and unusual or confusing bills

Problems with communication channels

Many consumers with mental health problems struggle with particular channels of communication. Often consumers report being too frightened or distressed to receive phone calls and/or to open the post. Others find making phone calls or sending letters impossible.

“I have been unable to concentrate on finances and have ignored monthly repayments, I have not opened post. I can only deal with my finances occasionally, usually I try to ignore it. I will not answer phone calls from debt collection agencies or energy companies and I feel too embarrassed to contact these companies by phone.”

¹ Jenkins, R., Bhugra, D., Bebbington, P., Brugha, T., Farrell, M., Coid, J., Fryers, T., Weich, S., Singleton, N. and Meltzer, H. (2008) ‘Debt, income and mental disorder in the general population’, *Psychological Medicine*, 38(10), pp. 1485–1493

“I suffer with social phobia and I am unable to use the telephone which means I can't ring up energy suppliers or my landlord to explain any problems I'm having.”

“My electricity company [sends] my warm home discount in the form of a letter you have to take to the post office, so I missed out.”

Problems with payment methods

Many consumers with mental health problems report being on a prepayment meter because they struggle to remember to pay bills. Others report being unable to set up direct debits, or needing to pay a third party to top up their meter because they cannot leave the house. Each of these strategies or needs results in higher costs to the consumer.

“I find it very difficult to concentrate, so setting up direct debits which might save me money is an almost impossible task for me.”

“I find it difficult to remember when I need to get things paid or can't get myself together to make the payments. I then find I have been given a charge for late payment or I'm overdrawn in the bank. This in turn causes more stress and worry making my mental health worse and making life more unbearable.”

“Acute agoraphobia means I'm completely house bound and therefore unable to get any work. This also means I have to pay carers to do shopping get gas and electric on keys and any other tasks that involve going out.”

Difficulty switching due to a mental health condition

Periods of poor mental health are often accompanied by lethargy and cognitive impairments, such as inability to concentrate or hold information (such as a comparison between two providers) in mind. This has a dramatic impact on consumers' ability to switch energy provider.

“We didn't change service providers, insurers or haggle ... these are things I would do annually under normal circumstances. There just wasn't the time and I didn't have the energy to do them.”

“Switching bank accounts or energy providers, or finding a good savings account require more energy than I have to spare.”

Mental health impact of arrears and unusual or confusing bills

Many consumers told us they found it extremely distressing to be in arrears, to be required to accept a pre-pay meter, or to be cut off when they could not afford to put credit on that meter. In addition, confusing or seemingly-inexplicable bills caused mental distress. These experiences reduced consumers' ability to recover from the period of poor mental health that had led to the arrears, in turn making it harder for them to take control of their finances.

“It has [caused] me a lot of distress as my electric bill was really high last year and [I was] unable to pay, which then left me in a lot of debt. It sent my emotions out of

control which led to me being in a mental health hospital last year.”

“It doesn't make you feel like a very good parent when you can barely afford to feed and clothe kids. Or having to "borrow" their pocket money to top up the gas so they can have a bath.”

“They put me on the prepayment [meters] saying I owed them over two thousand pound...it doesn't add up ... I can't seem to pick myself up and get my life back I feel useless just knowing I can't cope financially.”

Equality Act provisions

The Equality Act (EqA) provides protection from discrimination, and in order to be protected under the Act, a person needs to show that their mental health problem is a disability as defined under the Act.²

If a person is protected under the EqA a service provider may be under a duty to make reasonable adjustments where that person is at a major disadvantage compared to other people who do not have a mental health problem.³ If a consumer is unable to set up a direct debit, remember to pay bills, or switch providers as a result of their condition, they are at a major disadvantage compared with other consumers because they have to pay more for their energy. It is therefore worth exploring the implications of these EqA protections in the context of energy provision, and

what “reasonable adjustments” could be applied to ensure people with mental health problems are not disadvantaged as consumers.

Next steps

Urgent further work is needed to explore what adjustments could be made by energy companies to ensure that people with mental health problems are not disadvantaged as consumers. We recommend that this includes:

- Communication channels
- Payment processes
- Switching
- Support for those in arrears

We would like to see energy companies working with the regulator and external experts to progress this work as a key priority in 2017.

²S6 Equality Act 2010

³ S20 Equality Act 2010