



Money and Mental Health response to Ofcom's consultation on proposals to amend the treating vulnerable customers fairly guide

Introduction

The Money and Mental Health Policy Institute is a research charity established by Martin Lewis to break the vicious cycle of money and mental health problems. We aim to be a world-class centre of expertise developing practical policy solutions, working in partnership with those providing services, those who shape them, and those using them, to find out what really works. Everything we do is rooted in the lived experience of our Research Community, a group of 4,000 people with personal experience of mental health problems.

The Money and Mental Health Policy Institute runs the Mental Health Accessible programme which helps essential services providers understand the needs of customers with mental health problems and ensure their services are accessible. One element of the programme is an assessment of the communications sent to customers in debt, which includes the views of the Research Community.

Background

- People with mental health problems are three and a half times more likely to be in problem debt than those without, and half (46%) of adults in problem debt also have a mental health problem.¹
- Mental health and financial problems can form a devastating, self-reinforcing cycle. Over 420,000 people in problem debt consider taking their own life in England each year, and more than 100,000 people in debt actually attempt suicide.²

Summary

- We welcome many of the changes proposed in the consultation and think they are especially important given the cost of living crisis.
- The additional requirements for firms to proactively emphasise support and take account of a customer's preferred communication channel are crucial.
- While the change around a phased approach to service restrictions is welcome, we still believe it is important that firms should not disconnect vulnerable customers. Ofcom should closely monitor firms' approaches to disconnection and prohibit providers from disconnecting vulnerable customers from essential communication services.

¹ Holkar M. Debt and mental health: A statistical update. Money and Mental Health Policy Institute. 2019.

² Bond N and Holkar M. A silent killer: Breaking the link between financial difficulty and suicide. Money and Mental Health Policy Institute. 2018.

Response

We welcome many of the proposed revisions to the guide. The additions are particularly pertinent given the increased cost of living many people in the UK are currently experiencing. Rapidly rising energy, food and fuel bills will have a knock-on effect on someone's ability to afford their telecom bills. We know from our research that these changes will be particularly beneficial to people with mental health problems who are four times more likely to be behind on their telecom bill compared to people without mental health problems.³

Proactive emphasis of support

In particular we think the addition of the call for firms to proactively emphasise the support available for customers in debt is crucial. Our research has found that people with mental health problems often delay getting in touch with creditors to ask for help because they are unaware of the support available.⁴ Ofcom's own research cited in the consultation has found that many people have not heard of the payment support options available. We also strongly welcome the inclusion of ensuring that information about the support available can easily be found on websites. Common symptoms of mental health problems like low motivation and short attention spans can make navigating website menus significantly harder when someone is unwell. These changes will benefit those who find it difficult to be proactive and ask for help. Ofcom could additionally recommend that information on support with payments is prominently displayed in bills that are sent to customers. We also support the inclusion for firms to include information about where customers can access free debt advice in payment and collection related communications. This, combined with the proactive emphasis of support, will make communications seem less threatening and instead encourage help-seeking behaviour.⁵

"If I have a problem, it is very difficult to ring someone to sort it out... I can't always understand what I am being asked or told. I avoid making contact, as I am afraid of not being able to deal with it." - Expert by experience

Ofcom's inclusion of social tariffs in the guidance is welcome. It is likely that many people with mental health problems will be eligible for such tariffs given they face a significant income gap compared to people without such conditions.⁶ The recommendation for firms to proactively tell customers who are struggling to pay about the eligibility criteria and application process will hopefully increase the uptake in tariffs. That said, Ofcom should strengthen the language used

³ 16% compared to 4%. Bond N and D'Arcy C. The state we're in. Money and Mental Health Policy Institute. 2021.

⁴ For example, Holkar M. Time to act. Money and Mental Health Policy Institute. 2022.

⁵ For example, Ofgem. Debt communications messaging: Evidence from customer and behavioural insights. 2021.

⁶ Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

in the consultation document to state that Ofcom “expects” providers to proactively inform customers who are struggling, rather than it being considered “best practice”.⁷ Such positioning is more likely to spark change in this area.

We believe that Ofcom should also go further, by continuing to monitor the uptake of social tariffs and highlight firms that are not offering them or have a consistently low take-up. If there has not been a significant improvement in the provision of social tariffs then Ofcom should ask the government to make offering a social tariff a requirement with appropriate criteria and for the power to penalise firms who consistently fail to support through social tariffs their customers who are most in need of help.

We also support the change to move the information on a customer’s preferred communication channel to the beginning of the sentence rather than within brackets, and to say “take account of”. Many people with mental health problems have serious difficulties with using particular communication channels and will be more likely to respond if firms record and use their preferred channel. Firms can then use an alternative channel if they have not heard from the customer after several contact attempts using the customer’s preferred channel.

Debt collection agencies

Falling behind on bills can be a distressing experience and how a firm approaches the situation can have a significant impact on someone’s mental health and their ability to deal with the problem. We therefore agree with the new point in the guidance to recommend firms should seek to understand a customer's individual circumstance before moving to a debt collection agency, and using agencies that have strong policies for treating vulnerable customers fairly.

Service restrictions and disconnection

We are glad to see the inclusion of firms using a phased approach to service restrictions and to avoid introducing service restrictions for vulnerable customers. However, as we set out in our response to Ofcom’s original call for input, we believe that the addition of “who are particularly reliant on their communications services” adds unnecessary complexity to this important protection. We believe that this might disadvantage customers who are least able to advocate for themselves and give an incentive for firms to underestimate customers' needs.

We are also disappointed that Ofcom has not recommended that firms do not disconnect vulnerable customers. We understand the reasoning behind this set out by Ofcom in the

⁷ Page two of the consultation document: “We consider it best practice that providers should pro-actively inform people who are in debt or struggling to pay about their social tariff, the eligibility criteria and how to sign up for it.”

consultation but, given the importance of communication services to many people with mental health problems and the impact that disconnection can have, we think this is still needed. This is especially important given Ofcom has clarified that firms would be unable to allow customers access to certain websites when implementing service restrictions due to net neutrality rules. While the guidance will now say firms “should take several steps before” disconnecting customers, there may be divergence in the sector between how firms interpret this given Ofcom has decided not to include a minimum time period over which these steps should be taken. This is an area that Ofcom should monitor closely and conduct consumer research to assess whether vulnerable customers are being unduly disconnected. If there is evidence of inconsistent outcomes across the sector and harm for vulnerable consumers, Ofcom should prevent firms from being able to disconnect vulnerable customers from essential communication services.

“I don't think I could handle being cut off from phone or internet, a lot of support comes from family and friends.” - Expert by experience

Monitoring and further action

We were glad to read in the consultation that Ofcom will continue to work with providers, monitor practices and take steps, including regulatory action, where vulnerable consumers are not being treated fairly. With telecoms firms increasing their bills above the rate of inflation at a time of wider increasing costs,⁸ this is crucial to ensure that there are good outcomes for customers with mental health problems.

The Equality Act

In addition to the changes put forward by Ofcom, we think this a perfect opportunity for Ofcom to remind providers of their legal duties under the Equality Act and how the Act relates to the guidance. In recent research we conducted we found that firms are often not meeting the needs of people with mental health problems who are covered by the Equality Act.⁹ While it is not Ofcom’s role to monitor and enforce the Act, we believe that periodically reminding firms of their obligations will help to ensure that the needs of people with mental health problems are consistently met. Following Ofcom’s guidance is one way that firms can meet their legal duties and we think that it would be beneficial to highlight this.

⁸ Ofcom. Affordability of Communications Services. 2022.

⁹ Holkar M. Time to act. Money and Mental Health Policy Institute. 2022.