



MEMO

Independent reflection on the work-in-progress MDVC guidelines package

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Executive summary

Purpose of our role — Empathy applied our specific knowledge and experience, to comment on the work-in-progress guidelines package.

Approach — We considered the work-in-progress guidelines with ‘fresh eyes’ before layering in the Authority’s knowledge and thinking. We engaged consumers to gain specific empathy and test assumptions. We analysed and formed a point of view.

Reflection in summary —

- We support the shift from thinking about vulnerability to thinking about customer care. The reframing is subtle but it can be the impetus for significant improvement.
- The tools you have used to understand vulnerability are sound. But a more comprehensive view of the causes and lived experiences of vulnerability can ensure the guidelines result in genuine support for people who need it.
- Shifting focus from guidelines to a package of guidance and supporting tools gives the Authority and retailers more avenues for positive change. We support this approach. It enables clear direction and cohesion across the industry.
- We support the desire to help all consumers. However, a more narrow focus will reduce complexity and increase impact.
- There is opportunity to enable more and better innovation through being less prescriptive in the guidelines.

Wider consultation — We suggest a concerted effort to seek input from customers and consumers on specific aspects of guidance, using a design research approach, plus a more passive consultation thread enabling any person to review and comment on the draft guidelines in their entirety.

Introduction

Project context

In 2010, the Electricity Authority inherited the MDC-VC guidelines from the Electricity Commission. The industry has changed significantly since then but the guidelines have not been updated. The current guidelines have a number of known limitations and are no longer fit for purpose.

In 2019, the Electricity Price Review recommended mandatory minimum standards be set to protect vulnerable and medically dependent consumers. The Authority started a process to update the guidelines. This update is even more important due to financial hardship and economic challenges caused by COVID-19.

The Authority has involved key stakeholders as they consider updates to the guidelines, and is taking an iterative approach. The Authority wants to make sure new guidelines work well for medically dependent consumers and consumers experiencing vulnerability.

Empathy's role

We were asked to apply our specific knowledge and experience to support the design of guidelines that are fit for purpose. We were commissioned to provide comment on the work-in-progress guidelines package — including what we think is working well, and where we have questions or concerns.

In particular, we were asked to bring our knowledge and experience of:

- consumers experiencing vulnerability — their context, behaviours, attitudes etc
- designing services, tools and resources for consumers experiencing vulnerability
- influencing consumer systems, and relationships between consumers and retailers.

We did not provide a full and formal independent review of the Authority's process, inputs and solution.

Acknowledgements

Empathy recognises the Authority's work to date on creating the new guidelines. We acknowledge the contribution of the people involved in the co-design process. We

acknowledge the customers and consumers who gave their time and energy so we could learn more about their lives and experiences with electricity.

We are grateful for the openness of the Authority to hear our thinking and fresh perspective. We also recognise that the Authority and others involved in co-design have different expertise and experience, and an understanding of a wider context we don't possess. We offer another perspective for the Authority to consider. We acknowledge our reflection on the guidelines as one point of feedback and consideration among many.

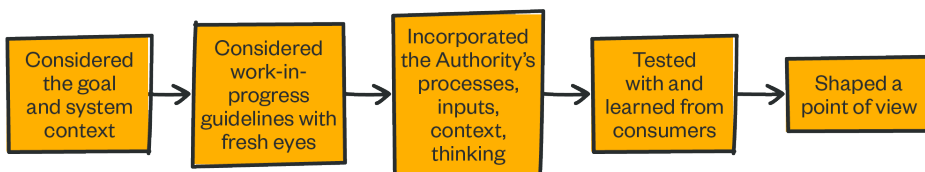
About this document

This document provides:

- reflection on the work-in-progress guidelines package
- suggestions for improvement
- recommendations for the approach to wider public consultation.

Our approach

To apply our expertise effectively, it was important to balance an understanding of the Electricity Authority’s context and knowledge with the need for a clear outside perspective. We worked in rounds to enable a review that is both well informed and open-minded. We started with ‘fresh eyes’, then layered in the Authority’s context, then layered in the Authority’s existing knowledge. Our phases of work are summarised below.



Considering the goal and system context

We considered what the Electricity Authority was trying to achieve in the industry and in these guidelines. Leaning into our own process and expertise, we thought about which levels of challenge needed to be — or could be — addressed by the guidelines. As part of this, we considered the different people involved, who the guidelines are trying to influence, and who will benefit from that influence.

We leveraged our knowledge of consumers, especially those experiencing vulnerability. We came up with initial thoughts, hunches, and assumptions about what the guidelines package would need to do, involve, provide, and address.

Considering work-in-progress guidelines with fresh eyes

We examined the guidelines currently in development, intently considering them from a consumer point of view. We considered what is and is not working well about the work-in-progress solution, and how we think messages will be received and used by consumers and retailers.

Incorporating the Authority’s process, inputs, context and thinking

Our objectivity and expertise brings value, but we don’t have the extensive knowledge the Authority possesses about the electricity retail system. With our own reaction and assessment clear, we reflected on the WIP guidelines again. We incorporated the Authority’s context, rationale, and understanding. Applying this

new lens didn't change our assessment. It did shed more light on the assumptions we wanted to test and questions we wanted to answer with consumers.

Testing and learning with consumers

To work efficiently with the time and resources available, we focused testing around gaps in our knowledge and elements of the guidelines we felt less confident in (rather than spending time and money to reinforce what we already know). We sought to test areas where improvement could be made, and understand what kind of improvement is needed given the Authority's requirement for updated guidelines that better support consumers.

We met with eight people to learn from through individual hour-long semi-structured conversations. We met:

- a long-term beneficiary suffering from health issues and struggling to pay bills
- a home-owner whose chronic illnesses and disabilities impact their daily life and finances
- a person with severe learning disabilities, who is the electricity account holder but relies extensively on support to manage the account
- a parent who isn't experiencing vulnerability, whose child is somewhat medically dependent on power
- a parent who experiences some financial hardship, whose child is medically dependent on power
- a couple receiving the unemployment benefit, one of whom uses a machine to help with breathing issues, who have been disconnected for non-payment ten times in the last two years
- a person who is not experiencing vulnerability or medical dependency
- an asset-rich person who lost their job eight months ago, and is now behind on their bills.

Shaping a point of view

To form a clear point of view, we synthesised and analysed all information provided and gathered. Our assessment and recommendations balance the Authority's aims and context, and what we know about the realities of life for vulnerable consumers.

Potential and purpose of the guidelines

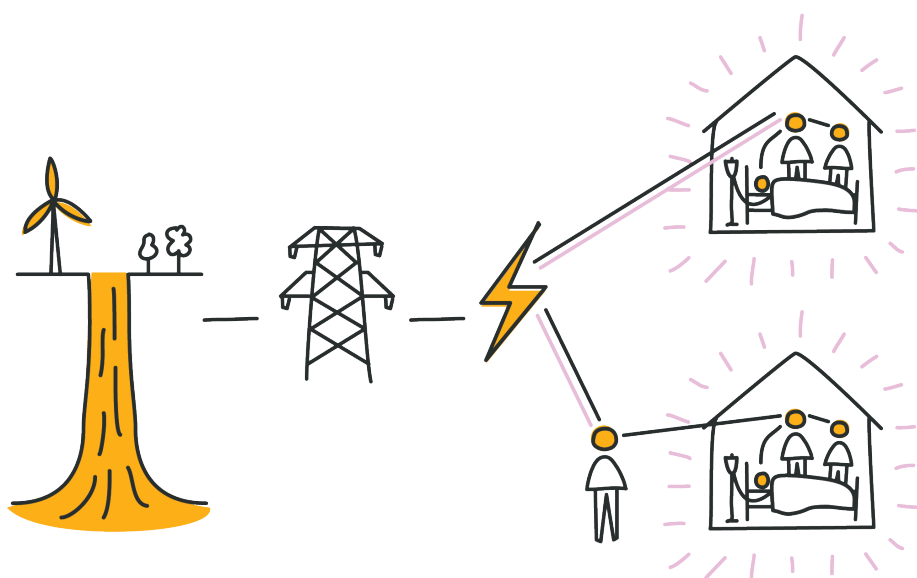
To consider improvements to the guidelines, we need to understand who they are designed to benefit. We took a step back and looked at the system, the people within it, and where the guidelines fit.

The guidelines have limited but significant influence

Good design seeks to influence the relationship between two parties or things. We can influence a whole system by influencing the different relationships within it. To create this influence, we use different levers — policy, communications, products and services, environment, and more.

Relationships in the electricity system can be crudely summarised as:

- supplier and distributor
- distributor and retailer
- retailer and customer — ie, the account holder
- customer and consumer — ie, others accessing the customer's electricity.



The retailer does not always have a direct relationship with consumers of electricity. The retailer does have a direct relationship with the account holder, ie the customer.

In this work, the Authority is seeking to reduce energy hardship for all consumers. Electricity supply might be disrupted for the consumer due to:

- a planned outage
- an unplanned outage
- the customer not paying bills or otherwise living up to the agreement with their retailer
- no consumer in the household being able to become a customer
- the customer leaving the relationship with the retailer, without another consumer taking over.

We need to protect vulnerable consumers, including medically dependent people, from all the possible disruptions listed above. The consumer is protected if the customer ensures sufficient electricity for the household, pays the bills, and communicates effectively with their retailer. The relationship you're able to influence is this one — between the retailer and the customer.

This means a retailer's best chance of protecting vulnerable consumers is through strengthening the relationship and communication with customers.

These realities highlight the importance of thinking about the relationship between the retailer and the customer, the extent to which the Authority can influence it, and how best to influence it.

Reflecting on V11 of the guidelines, we suggest that:

- Asking the retailer to learn about all consumers in the household may not be realistic. It goes beyond the reach of the guidelines. It introduces unnecessary complexity and unhelpful dilution.
- Focusing the guidelines only on payment difficulties overlooks other ways to safeguard consumers. There are opportunities to influence the retailer-customer relationship to protect consumers from other causes of supply disruption.

Provide special safeguards for medically dependent consumers

The retailer does not have a direct relationship with medically dependent consumers unless they are customers. But a retailer needs to know about medically dependent consumers and safeguard their electricity supply. The guidelines should do what they can to provide these safeguards, eg make it as easy as possible for customers to disclose information about medical dependence. Outside of the

guidelines, measures should be taken to better enable medically dependent consumers to recognise and disclose their situation — in a way that upholds dignity.

Account for the different ways people might be vulnerable

Vulnerability is complex. We agree with your acknowledgement that any person can experience vulnerability throughout their life. The reasons for vulnerability are varied but can be grouped into two types for the purposes of this work:

- Financial vulnerability — cashflow hardship, eg difficulty covering all expenses, or needing to significantly limit power use to cover bills.
- Functional vulnerability — difficulty interacting with the organisation you're paying bills to, eg due to cognitive ability, literacy skills, communication skills, time available, grief, stress, and more.

Both forms of vulnerability make the relationship between the retailer and customer vulnerable. Often, one form of vulnerability feeds the other. For example, functional vulnerability often results in low income levels, which results in financial vulnerability. Financial vulnerability often leads to functional vulnerabilities such as stress and limited time from holding down multiple low-income jobs.

Reflecting on V11 of the guidelines, we suggest that:

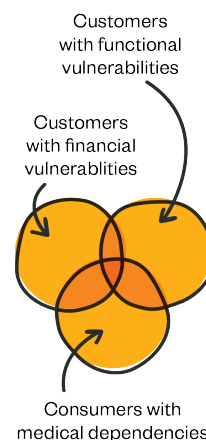
- Focusing on payment difficulties misses opportunities to influence the retailer-customer relationship to safeguard customers experiencing different types of vulnerability.

Focus the guidelines for three key consumer types

This rationale leads us to focus on three key consumer types when considering V11 of the guidelines:

- Customers with financial vulnerabilities — who the retailer has a direct relationship with.
- Customers with functional vulnerabilities — who the retailer has a direct relationship with.
- Consumers with medical dependencies — who the retailer might not have a direct relationship with.

One person might be none, one, two or all of the above. The more consumer types a person aligns with, the more care they need from the retailer. Different people will



need different support through the guidelines and wider package. It's worth noting the most vulnerable and medically dependent often receive support, eg from social worker or care-giver. People with less extreme vulnerability or medical dependency can be more likely to slip through the cracks or experience harm.

Recognise vulnerability and medical dependency are spectrums, often not self-identified

People experience pressures in different ways. Various pressures can add up, making things more difficult. The resulting vulnerability sits on a spectrum of risk — from 'often at high risk' to 'not often at risk' of poor outcomes.



People on the more at-risk end of the spectrum often don't think of themselves as vulnerable. They intuitively avoid the disempowering label, and are more likely to view themselves as having a 'tough time' or being in a 'tough situation'. They often make a point of noting others are worse off than them. Like everyone, they seek control and dignity. They do not usually describe themselves as vulnerable, and often take pride in their ability to problem-solve and get by.

The degree to which someone's health medically depends on electricity also sits on a spectrum. Here, the scale is more about the immediacy of medical harm, and the extent of that harm. At one end of the spectrum life is threatened within minutes of losing power. At the other, harm is caused over a longer period. The threat builds over time from less to more serious.



Medical dependency can be difficult for people to recognise or label — in themselves and in people they care for. In this work we met several people whose health is or would be significantly harmed by electricity hardship, but did not label themselves as medically dependent. You can learn more about these experiences on pages 22-25.

Reflecting on V11 of the guidelines, we note that:

- There is a risk retailers won't know about people in vulnerable situations or experiencing medical dependency because those people don't self-identify that way. Vulnerable and/or medically dependent consumers could fall through the cracks.
- Repositioning the guidelines as providing 'fit for person support' instead of being 'for vulnerable customers' upholds the dignity and mana of consumers. This shift will support an appropriate and human-centred approach by retailers.

Guidelines to reduce harm and foster innovation

With a more refined idea of who the guidelines are designed to benefit, we can be clear and decisive about what the guidelines need to achieve. Understanding where harm occurs on a person's journey as a customer helps with this.

Pre-empt and prevent harm in the customer journey

Like the Authority, we considered the customer's journey in this work. We see key steps in the journey as follows:



We used the journey to consider when harm occurs for our three different consumer types, and how that harm can be avoided.

Harm happens for all of our consumer types any time they don't have electricity — because of a planned or unplanned outage, a disconnection, or because no person in the household can become a customer.

For customers with financial vulnerabilities, harm also occurs:

- during life as usual — they worry about not being able to pay their bills, they reduce power use to minimise costs resulting in stress, energy hardship, and related health harm
- when a payment is missed — this causes stress, often brings penalty fees, and likely impacts their credit rating, which harms health and increases financial vulnerability.

People we met in this work shared stories about harm caused through having no electricity and/or through financial and functional vulnerability. You can learn more about their experiences on pages 22-25.

People's stories illustrated and emphasised that harm can occur at every stage of the customer journey — from trying to get set up as a customer, to everyday life, payment issues, and facing disconnection. The harm is exacerbated for consumers with medical dependencies.

Reflecting on V11 of the guidelines, we suggest that:

- The risk of harm can and should be mitigated at various points on the journey. It's important to pre-empt and prevent harm, or help manage harm where it can't be prevented. Harm should be addressed in the right way for the moment — there's no 'one size fits all' for all points on the journey.
- Other system levers, beyond the guidelines package, will also help to address those moments of harm.

Be intentional about which parts of the guidelines are prescriptive or broad

Having identified when to provide guidance to reduce harm, the question is how much guidance to provide. Determining this is a delicate balance. Less guidance, light on specifics, enables more innovation. More guidance, with more detail, provides clarity for retailer, customer and consumer — raising trust and confidence.

Reflecting on V11 of the guidelines, we suggest:

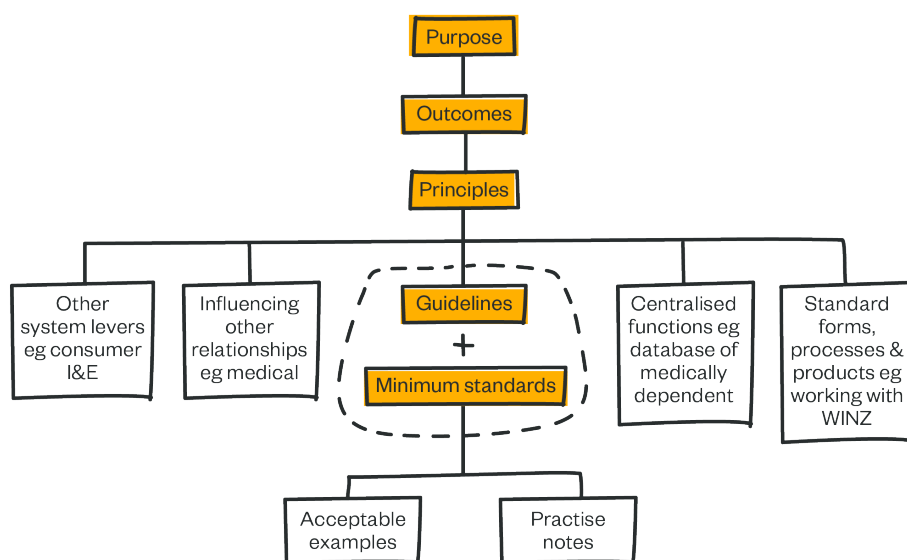
- More guidance can and should be given at points with risk of highest harm — at the 'disconnection' end of the journey — to help foster clarity, trust and confidence for consumers, customers and retailers.
- Less guidance can and should be given at the beginning of the journey, to foster innovation for the benefit of consumers, customers and retailers.

Structuring a guidance package for better consumer care

With clarity about who the guidelines are designed to benefit, what they need to achieve, and when harm occurs, we have specific suggestions about how to structure the guidance package. This structure aims to minimise consumer harm and continue fostering a healthy, human-centred industry.

Deliver guidance at multiple levels

We see value in giving guidance in layers or levels, from an overarching purpose down to minimum standards and examples of best practise.



We're not entirely sure which levels you see as part of the guidelines, part of the guidelines package, or wider than the scope of the guidelines package. Regardless of how levels are labelled, we think clear guidance at the levels of purpose, outcomes and principles can direct a lot of work in the system.

A possible model for designing and delivering guidance at each level

All the above leads us to an initial point of view about the form and direction of the different layers. We acknowledge this needs more consideration — with more time, we could and would refine our point of view. But as food for your thought:

Level	Notes about the level
Purpose	<p>A single broad design challenge. Short, impactful, memorable. Something to rally around, eg:</p> <ul style="list-style-type: none"> • Eliminate electricity hardship for consumers.
Outcomes	<p>The collection of outcomes you seek and focus on to fulfil this purpose. Each outcome can become a design challenge, to be tackled by the system or a combination of systems in different ways. We suggest:</p> <ul style="list-style-type: none"> • Everyone who wants electricity can get it. • Consumers can use the amount of electricity they need to be well. • Customers have fit-for-purpose products and services; fit for them and their consumers. • Customers stay out of the red. • Customers get out of the red quickly. • Customers avoid disconnection. • Electricity supply is maintained for medically dependent consumers.
Principles	<p>The principles underpinning your work towards the purpose and outcomes. We suggest keeping these short, eg a single statement for each. We suggest five principles based on:</p> <ul style="list-style-type: none"> • Manaakitanga • Retailer responsibility • Innovation • Learning loops • System approach; partnerships.
Guidelines	<p>To foster market innovation, we suggest trying to keep the actual guidelines outcome-focused, rather than detailed and solution-focused. Different retailers will deliver the guidelines in different ways, fuelled by competition. We suggest guidelines related to:</p> <ul style="list-style-type: none"> • The principles — to set the expectation that the retailer behaves and innovates in line with the principles • The outcomes — to set the expectation that the retailer find ways to deliver the outcomes, eg 'Retailers ensure products and services sold to customers are fit for that customer's situation'.
Minimum standards	<p>Detailed guidance where clarity and a common baseline is required, particularly at the 'disconnection' end of the journey. Innovation should still be possible within the detailed guidance — the 'what' is set, but the 'how' can take on different forms.</p> <ul style="list-style-type: none"> • A less prescriptive minimum standard might be: When approaching disconnection, the retailer must ensure the customer has a clear and full understanding of what is going to happen, why, when and how it's going to happen. • A more prescriptive minimum standard might be: When notifying the customer of disconnection, the retailer must try to reach the customer through X channels, Y times, over Z period until the customer has been reached and understands their situation and options. The retailer must clearly state ABC, and support the customer to find a way to avoid disconnection.

Additional	<p>The Authority can provide other tools to help fulfil the purpose and support retailers to comply with the guidelines, including:</p> <ul style="list-style-type: none">• Establish standard processes and products for retailers to work with, eg WINZ as they help customers• Examples of communications or practises acceptable under the guidelines — as examples rather than The Way• Work with medical professionals, social workers et al to influence their relationship with consumers and customers, eg prompting their patients/clients to note medical dependencies• Other centralised functions that support the purpose and principles, eg a centralised database of medically dependent consumers that retailers can tap into.
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Detail, language and layout are important

A quick scan of electricity retailers shows differences in how they incorporate the current guidelines into their terms and conditions. Some mention the guidelines, then frame their obligations and processes in their own language. Some repeat aspects verbatim. One retailer simply points consumers directly to the current guidelines, with no reframing.

Although customers and consumers are not the intended audience for the guidelines, the guidelines should be as consumer-friendly as possible. Some retailers might use them in customer communications. Customers and consumers might seek the guidelines when dealing with retailers. The language, detail, structure and layout are all important.

Reflecting on V11 of the guidelines, we suggest that:

- The guidelines would be easier for a consumer to comprehend if there was less detail, language was simplified, and layout was improved.

How retailers understand a customer’s vulnerabilities is important

When asked to take extra care with people experiencing vulnerability, it is natural for the retailer to ask for help identifying who those people are. But, because vulnerability is a complex issue, that’s a very hard thing to do — especially outside of a personal interaction.

The moments of harm we highlighted might provide helpful indicators of vulnerability.

When someone is trying to become a customer, the normal credit approval processes will help to identify financial vulnerabilities. Other aspects of the application process might naturally and gently surface functional vulnerabilities, although not always.

In many ways, a missed payment can be used as an indicator for some form of customer vulnerability. There is a reason a payment was missed, which the retailer will ask the customer to address. The negative consequences of a missed payment — stress, extra administration, penalty fees, possible impact on credit rating etc — exist for anyone who misses one, to different extents.

Still, the invisible harm of financial hardship for customers trying to avoid a missed payment needs to be addressed. Retailers could benefit from guidance to help uncover such vulnerabilities.

We want retailers to understand and cater to a customer's vulnerabilities. But they need to do it carefully, and with the customer.

Asking customers directly about things that we think cause or indicate vulnerability — income, learning difficulties, stress levels, etc — might not be in line with the principal of manaakitanga, and might not result in useful identification.

The people we met are happy to be asked about their situation as part of understanding whether they need extra care. They are not happy for people to make assumptions about them, eg based on income level, or to be labelled in any way that represents them as weak or incapable. People are generally pleased to be offered extra help if their dignity is upheld.

Setting the expectation that retailers reduce energy hardship will support specific guidance on vulnerability. This expectation would serve as a foundation and backstop to put consumer care at the centre of retailer practise — rather than identifying vulnerabilities becoming a box-ticking exercise.

Reflecting on V11 of the guidelines, we suggest that:

- Retailers be guided to understand a customer's situation and vulnerability when interacting with them — in an mana-upholding way.
- Retailers be guided to understand any medical dependencies on electricity in a customer's household.
- Points on each person's journey be considered as inputs for understanding their vulnerability.

- Retailers could be guided to tread very carefully in this space and note the principle of manaakitanga.
- Retailers could be guided to reduce energy hardship, in a way that expects and fosters innovation, system collaboration, and consumer care.
- Retailers could be guided to ensure complexity of communications, products and services assume vulnerabilities exist — eg written for a reading age of 12.

System partners play an important role

Many of the issues for consumers, customers and retailers noted in this memo need or benefit from a system response. For example, energy hardship stems from financial hardship and harms health. We agree with the principle of system partnership and collaboration in creating better outcomes for consumers and retailers.

However, baking system interventions into the guidelines in detailed or specific ways is problematic. It can be unwelcome by customers because people want help but also value being in control. They might not trust referrals, and may already be connected or resistant to the recommended system partners. Being specific about the way help is offered also disincentivises innovation by retailers. Being less prescriptive in the guidelines will require retailers to innovate, resulting in better customer outcomes.

Reflecting on V11 of the guidelines, we suggest that:

- Retailers be encouraged to make it easy for customers to pay their bills.
- Retailers be guided to consider the role of system partners in achieving that.
- Mechanisms involving system partners be created outside of the guidelines, allowing a level playing field, and ongoing improvement and innovation.

It's important to take care with disconnection

By addressing other moments of harm in the customer journey, we hope and expect to reduce the number of people faced with disconnection. However, we agree clear and specific guidelines are needed for handling disconnection. Unfortunately, there is no easy solution at this point.

Work with people facing insolvency and some conversations related to this project show:

- Anxiety, fear and hopelessness mean many people don't accept communications — they don't pick up the phone, answer the door, open letters or emails.
- Factors contributing to the risk of disconnection also limit someone's ability to accept communications — eg they're working, caring for another, bedridden themselves.
- When someone does answer a phone to a company representative about disconnection or debt collection, negative emotions might cause them to be aggressive to the caller.
- There are many barriers to getting help with finances including time, cognitive abilities, communication ability, and shame.

Perhaps the best the guidelines can do is ensure retailers:

- treat the customer with compassion and care for their mental and physical well-being, in line with the principle of manaakitanga
- try very hard to get in touch with the customer — eg the retailer tries to reach the customer multiple times, over multiple days and weeks, through multiple channels preferred by the customer, until the customer has been reached and understands their situation and options
- try very hard to help the person out of the situation — eg working with a partner agency, or having a company hardship fund
- ensure no one is significantly medically dependent in the house before disconnecting — eg delivering physical notices to the house, by accessing a centralised database of consumers with medical dependency.

The disconnection point of the journey is where we imagine guidelines being more prescriptive, introducing the minimum standard requested by the Minister and possibly some acceptable examples of practise. Even so, there can and should be room for some innovation by retailers in how those standards are achieved.

We note the ultimate issue of whether or not to disconnect — and for which customers and consumers — still exists. We can't provide a point of view on that within the scope of this work, beyond saying system collaboration and innovation is important in minimising harm.

Recommended approach to wider consultation

We applaud and support your collaborative and iterative design process for updating the guidelines. Designing with retailers and consumer advocates increases the chance of positive outcomes for all.

You've told us you want and need to consult more widely on the guidelines soon, including with consumers and customers. Here are our thoughts on how to approach this consultation.

Undertake two threads of consultation

We imagine a concerted effort to seek input from customers and consumers on specific aspects to ensure the guidelines package:

- delivers on the principle of manaakitanga
- achieves the intended outcome
- does not result in unintended negative outcomes.

In addition, we imagine a more passive consultation thread enabling any person to review and comment on the draft guidelines in their entirety. This would use more traditional consultation channels, eg publishing on the website and welcoming comments via email.

Gather input on specific aspects of the guidelines

Because the guidelines are still being iterated at pace (you created three new versions during our two-week review, and have already iterated based on a walkthrough of our thinking), we can't pinpoint exactly what to seek input on. Based on V11 of the guidelines, we would have suggested getting input on the way retailers:

- seek to understand a customer's vulnerability
- seek to understand a consumer's medical dependency
- engage partners to help customers with payment difficulties
- communicate with and treat customers and consumers when faced with disconnection.

Those are the places where the risk of harming mana, finances and health are high.

We suggest using a design research approach, rather than asking for feedback on the relevant sections of the guidelines. This involves helping people road-test the

guidelines by engaging them in the resulting experience, and observing and questioning to understand their experience.

We suggest concentrating your effort mostly on people who experience more vulnerabilities, in particular those experiencing financial hardship and/or with communication barriers. We suggest not limiting your effort to those people. You can tailor your design research approach to ensure input from people across the vulnerability and medical dependency spectrums.

We understand you're able to make use of the FinCap network for this thread of consultation. This provides an excellent opportunity for accessing the people you want input from in meaningful ways. If you take that route, we offer some food for thought:

- People using FinCap's services are often in crisis mode. This might match the mode of customers when dealing with retailers about aspects of the guidelines we're seeking input on. But questions about anything other than their situation at hand might not be welcome. You'll need to take a gentle approach. We suggest you enable the FinCap representative to decide who to engage, limit the amount of input you seek from each person, and build up the whole set of input over multiple engagements.
- The design of your materials is important. Keep prompts simple — stripped-back and low-to-mid fidelity. If they are detailed and polished, they might be overwhelming. Paper packs will work fine.
- Help the FinCap representative easily capture and provide the right information. A simple set of scoring measures can be useful, along with specific questions to answer free-text. This could be a paper form, digital file, or web form.
- Time and energy is precious. Don't ask for anything you don't need, and be grateful for what you get.

Summarising Empathy's reflection on the guidelines package for supporting medically dependent and vulnerable consumers

- We support the shift from thinking about vulnerability to thinking about customer care. The reframing might seem subtle but it can be the impetus for significant improvement.
- The tools you have used to understand vulnerability are sound. But a more comprehensive view of the causes and lived experiences of vulnerability can ensure the guidelines result in genuine support for people who need it.
- Shifting focus from guidelines to a package of guidance and supporting tools gives the Authority and retailers more avenues for positive change. We support this approach. It addresses the need for clear direction and cohesion across the industry.
- The desire to support and help all consumers is testament to the Authority's compassion and integrity. While we support the intent, attempting to help everyone can make it harder to effectively help anyone. A more narrow focus will reduce complexity and increase impact.
- Prescriptive guidelines are one way to be clear. But mandating a particular approach can stifle experimentation and creativity. There is opportunity to enable more and better innovation through being less prescriptive in the guidelines.

Stories from customers and consumers

Medical dependence hard to gauge for Hannah

Hannah's daughter Daphne has extensive disabilities, making her non-verbal and physically impaired. Daphne has an electric feeding tube which regularly pumps small amounts of milk directly into her stomach throughout the day. Hannah hasn't registered Daphne as a medically dependent electricity consumer with her power company. She doesn't think the risk to Daphne's life is great enough. If she was disconnected from electricity, Hannah says she could find work-arounds — like spoon feeding Daphne every five minutes until she found an alternative electricity source. "If we had no electricity there wouldn't be a way to use the feeding tube... Yes, it would be a challenge. But I'd be okay for two days. I could spoon feed her." Hannah says, "My electricity company doesn't know about Daphne's medical conditions. I've never thought to tell them."

Jacob's health is at risk — but not immediately

Christina's six year old son, Jacob, has Down syndrome. He uses an electrical machine to keep breathing while he sleeps. Jacob also has a lung disease. Treatment for this includes regular antibiotics which need to be refrigerated. Because he wouldn't die without the machine, Christina doesn't think of Jacob as being medically dependent. She says sleeping without the machine would be very disruptive. "Without it, he will wake up eighteen times a night. It's not life threatening... I don't know if my power company knows about it, perhaps it would be good for them to ascertain [his situation]."

Ian's pain can be eased with power

Ian has painful rheumatoid arthritis. He is 62 and physically unable to work. Ian has been on the sickness benefit for the last eight years. "I'm out of work forever. There's no cure for what I have." Being warm makes a huge difference to Ian's condition. It means his pain is manageable and he feels in relatively good health, instead of needing to visit the doctor every fortnight. But Ian doesn't consider himself medically dependent on power. When asked who might be medically dependent on power, his first thought was people on dialysis. Thinking about it further, he noted that people who need heating might be medically dependent. But he didn't seem to put himself in that category, despite explaining the vast difference heating can make to his health and wellbeing.

Christina lost more than electricity when the freezer thawed out

As a baby, Jacob's condition meant he couldn't breastfeed. Christina relied on electricity to express milk and keep it from spoiling between feeds. Once, they lost electricity to the freezer and she lost two months worth of breast milk. The incident was so traumatic, she couldn't even be angry. "My husband and I sat on the couch and cried."

High stakes for Ilis and Lasa when power disconnected

When Ilis and Lasa had a one-week old baby during Covid-19 lockdown, they needed power to heat water for their baby's milk. Being disconnected for non-payment meant Lasa couldn't use the internet to pay the power company. Their phone batteries were dying, but she managed to get in touch with the company with the last remaining battery. She was told the power would be reconnected within 90 minutes. They waited all day, and the baby was going hungry. "I was furious, angry. I needed hot water to heat the bottle. It was level 4 so I couldn't get out". Eventually they called the power company and found out their request hadn't gone through. They waited another 90 minutes for power to be reconnected.

Lasa and Ilis' mounting debt and medical dependence

Lasa wants to switch power companies and register her partner as medically dependent because of his breathing issues. But she has debts with many power companies. Lasa has been advised by potential new providers that she needs to pay off debts before she can be a customer. Meanwhile, Lasa is struggling to register Ilis as medically dependent. The hospital supplied paperwork to say he was medically dependent on power, but the power company wants more. They told her to download a form from their site and print it out. She doesn't have a printer and said "it's too hard".

Olivia tries to balance power and pain

Olivia has a long list of disabilities and illnesses. She has chronic fatigue, chronic pain disorder, and a neurological disease that causes regular seizures. She had a stroke when she was 22, has two mechanical heart valves, and has lupus and arthritis. Olivia receives a government benefit. Money is tight and she is very careful with how she spends it. Olivia's lupus and arthritis cause chronic pain when she is cold. She uses two electric heaters sparingly for fear of racking up an electricity bill she can't afford to pay. Olivia says she usually takes painkillers when in pain caused by cold temperatures rather than put on the heaters. "I have electric heaters but I'm scared

of putting them on. When I'm in a lot of pain I opt to take loads of painkillers to save on the heating bill. ... I'd be stressed out to get a call saying I've missed a payment. I've still got to eat and don't get enough money from my government benefit to cover everything."

Ian's power company can't see his difficult situation

Ian gets \$340 per week on the sickness benefit. This barely covers his basic living expenses, so he is careful with money. Ian swims every day to manage his health condition, and showers at the pool to keep power costs down. At home, he has only turned the heater on twice this year even though being warm means being pain-free. He experiences harm not visible to his power company as a consequence of trying to manage money.

Ian does his best and still gets behind on bills

Ian also experiences stress through being behind on power bills. He makes an effort to make regular payments of around \$40 per week, and is perplexed that he seems to be forever behind. He showed power bills confirming regular payments which should cover his bills (about \$150 per month; \$100 for internet and \$50 for power). But sometimes Ian will miss a weekly payment due to something unexpected, like his father's funeral this year. The impact of one or two missed weekly payments builds up over time. For example, losing the prompt payment discount can mean his \$40 per week no longer covers his bill. And then he falls further behind. Ian recently got into arrears to the point of receiving a final notice. He discussed the diminishing experience of having to go to WINZ "begging" to cover the overdue amount, to avoid having power disconnected.

Ilis feels the weight of responsibility and power costs

Ilis has sleep apnoea and relies on a machine at night to help him breathe. Without it, he gasps for air and doesn't get much rest. His overall health is much better for using the machine. "I feel more energised. I feel more alert." But using the machine means Ilis and partner Lasa are paying double what they used to for power. They have to reduce power consumption in other ways — like not doing as many loads of washing. Ilis says, "If I get a text [from the power company about a late payment] I get that scared feeling. I need power for my kids and my machine. It's another thing on top of me, stressing me."

Ilis and Lasa struggle to keep up with payment plans

Both Ilis and Lasa receive the unemployment benefit. They are grateful for payment arrangements but struggle to keep on top of payments set up by power companies. "I've tried to [keep the arrangement] but unexpected bills come up. I don't stick to it and then the power is off. Then I try to find another company but then I get behind". They were disconnected for non-payment five times last year, and five times this year.

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