



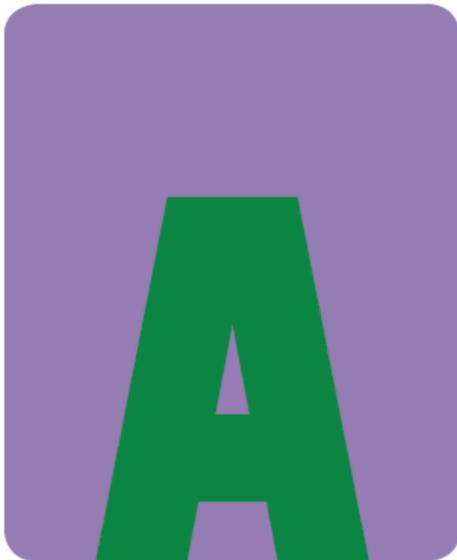
Department
of Energy &
Climate Change



Action for Warm Homes

Warm Homes for Older People - summary

Phase 3: Energy and Digital Inclusion



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EXECUTIVE SUMMARY

1.1 Energy vulnerability as a function of digital exclusion

This research study was undertaken during 2013-14, a period of flux and adjustment in fuel poverty and domestic energy policy. While new energy efficiency and fuel poverty programmes, specifically the Green Deal and new Energy Company Obligation (ECO), have the potential to radically improve the heating and insulation standards of the nation's housing stock, they have fundamentally altered the policy landscape. The most significant shift has been the replacement of the only government-funded fuel poverty programme in England by a levy-based programme. In addition, fuel poverty programmes have arguably become more dispersed and less coordinated than under the previous Warm Front programme.

While these changes in the energy policy landscape have been unfolding the effectiveness of the energy market has come under close scrutiny; particularly its ability to deliver the benefits of competition to consumers. Competition in the energy market is often articulated as and measured by the level of consumer engagement, i.e. supplier and tariff switching.

Changes to domestic energy policy and concerns about the competitive energy market further emphasise the need to ensure that vulnerable and financially disadvantaged households are engaged in the competitive energy market, and take-up of fuel poverty and energy efficiency assistance optimised. Several factors combine however to inhibit or reduce engagement and take-up among fuel poor and vulnerable consumers. One such barrier is lack of access to, and use of the internet. Use of the internet among older people is much lower than among the younger population and is well documented by previous research that has revealed many of the barriers to their digital inclusion.

Advancements in technology have revolutionised the way people interact and communicate and this has extended into the provision of public services, which has resulted in public sector communications and services increasingly being made available online. This trend is observed across other sectors too, including the energy sector, leading to the assertion that products and services are becoming 'digital by default'. Several benefits are associated with this trend however, including reduced costs (to consumer and service providers); convenience; more immediate access to services; and more responsive services. Despite this, many vulnerable and disadvantaged groups without access to the internet, including some older people, are being left behind and excluded from these benefits. Instead they can face higher costs for services and products not purchased or accessed online as well as a lesser service or they are even prevented from accessing some products or services that are available only online.

There are two principal ways that digital exclusion can bring about exclusion and marginalisation in the context of energy, these are:

- i. Limited and reduced access to the benefits of energy market, primarily access to the most cost effective tariffs, e.g. online tariffs, and access to online energy comparison and switching services.
- ii. Reduced access to energy saving advice and information on available energy efficiency and fuel poverty programmes of assistance resulting from the trend for this information to be 'digital by default'.

Energy and fuel poverty is a significantly under-researched issue in relation to digital inclusion and it is this gap that this research sought to address. The overall aim of this research was to examine how the digitisation of energy is contributing to fuel poverty and/or consumers' vulnerability and to provide insight on the challenges to older people's digital inclusion in the context of energy as well as how it can be best enabled.

To achieve this aim a unique programme of primary research with over 200 older people from across England and more than fifty organisations that provide services or products to older people was undertaken. A mixed methods approach was adopted comprising both quantitative methods, enabling the research to have breadth, and qualitative methods, to add depth to the research. A more detailed summary of the methods adopted is provided in Section Three of the full report.

KEEPING WARM AND ENERGY IN THE HOME

- While achieving affordable warmth was a struggle and a source of worry for most older people surveyed, keeping warm at home was very important and afforded great priority; particularly in relation to health. Despite this, decisions around heating practices and budgeting were complex, as was the balancing of priorities; for example, comfort and warmth versus cost. Decisions and priorities were often determined by individual circumstances, attitudes and generational norms, and as a consequence under-heating, the practice of heating the home less than would be liked because of cost was surprisingly high. Indeed, more than three quarters of participants said they engaged in this practice. The rationing of other essentials in order to pay for energy was also fairly common, practised by one in three respondents.
- There was a clear conflict of priorities for many households. Keeping warm, which was deemed very important for reasons of comfort, health and wellbeing was, for some, incompatible with the cost of the energy required to achieve these objectives. This was revealed by the range of coping strategies adopted to cope with the cold while also managing the cost of energy. Being able to afford their energy bills was a source of worry for more than half (57.3%) of older people surveyed.
- In terms of comfort in the home many group interview participants were particularly concerned about draughts from ill-fitting skirting boards and windows. What was

interesting from the discussions around thermal comfort, including draughts, was that in some cases the high cost of energy had led to lower tolerance levels. That is, because energy for heating was seen as expensive, households were careful and perhaps rationed the use of heating. The result being that draughts and the cold became more noticeable and therefore problematic.

- The majority of respondents (77.1%) were interested in finding out about schemes to improve the energy efficiency of their homes and similarly, more than four-fifths were interested in tips and advice on how to save energy and reduce their fuel bills. However, knowledge and awareness of schemes was low and many did not know where to look for information and so did not actively seek out information without some sort of external prompt to do so. Put another way, having an interest in and believing energy efficiency to be important, as most of the interview respondents did, was not sufficient to encourage many older people to take an active interest in energy efficiency schemes and advice about saving energy at home. Social networks and trusted intermediaries however have a key role to play in effecting action through the provision of external prompts.
- Knowledge of what energy efficiency and fuel poverty schemes were available, what they could offer and to whom was basic and recall of the schemes' names, particularly ECO, was low. Fewer than one in twenty were able to recognise ECO by name while 16.1% were aware of the Green Deal and a fifth was able to recall the Warm Homes Discount by name. Awareness was also surprisingly low for ancillary services provided by energy companies to assist older and vulnerable customers, such as the Priority Service Register and the Home Heat Helpline; just 5.1% and 4.7% were able to recall these by name respectively.
- How well fuel poverty and energy efficiency schemes, and complementary programmes designed to assist older and vulnerable customers are marketed, promoted and taken-up require further investigation. This is particularly important in the context of fuel poverty policy in England where the main fuel-poverty related programme of assistance is funded and delivered by energy companies, the costs for which are passed through to the consumer. Such schemes are also less well coordinated than under a national programme or than would be the case with a national campaigning strategy.

DIGITAL INCLUSION

- Just over a quarter of older people (27.9%) surveyed did not have access and/or were unaware of where they could access the internet, while two-fifths (43.4%) were not currently digitally active. Among those that were digitally active, access to and use of the internet was usually at home and users were likely to be long-term and frequent users, with the vast majority (86.9%) using the internet several times a week or every day.
- Access to the internet in determining the digital inclusion of older people was just part of the story however. Reasons for not using the internet were found to be much more complex than just access to an internet enabled computer and extended beyond physical access into the attitudes, motivations and priorities of older people; including how these are affected by

the marketing of digital products and services and older people's access to assistance and support to enable their digital inclusion.

- Social housing tenants were less likely to be online than owner-occupiers and private tenants. 22.2% of local authority tenants and 43.6% of housing association tenants reported they were online compared to over 60% of both owner-occupiers (67.7%) and private tenants (61.9%). While this finding could, at least in part, be explained by the lower average annual household-income of social housing tenants, the relationship between income, tenure and internet access was not clear from this research and more research is needed to inform whether and how specific tenure groups can be assisted. Regardless of tenure, online participants were almost £50 a week better off than their offline counterparts.
- Communication and research were the most commonly engaged in online activities. More complex activities such as buying and selling online, managing services and utilities online and online banking were less common but still engaged in by many online respondents. Email was used by the vast majority of online respondents, and while much less popular, other forms of communication, such as Skype and social networks were also used. Discussions with older people themselves revealed that services such as Skype were often used to keep in touch with family and friends that lived overseas or elsewhere in the UK.
- While the barriers to older people's digital inclusion are multifaceted, results of this research are encouraging. Indeed, analysis of older people's views suggest that with the right support and encouragement a considerable proportion (a third based on this sample) of those not currently online could be inspired to take part in a range of online activities, including those that involve some sort of online transaction, such as online shopping. There was however more reluctance to manage services and utilities online.

ENERGY AND THE INTERNET

- Almost a third of older people surveyed and over half of digitally active respondents were online and engaging in energy-related activities. While the most common online activities among digitally active participants as a whole tended to be communications and information retrieval, the most common activities among those engaged in energy-related activities were the more complex and transactional services; in particular online energy account management, meter reading submissions and comparing energy suppliers and tariffs online. This is perhaps revealing of the more advanced skill set of internet users that engage in energy-related activities indicating that if energy-related practices are to be increased among the older population then action is first required to address any existing deficit in digital skills, confidence and capabilities.
- Results show that while access and use of the internet enhances the general awareness of several fuel poverty and energy-efficiency related programmes, including Green Deal and the Warm Homes Discount Scheme, awareness of ECO remains very low; even among the digitally active engaged in energy-related activities. On the other hand, awareness of the Green Deal among energy-engaged online users doubled to almost a third and energy-

engaged online users were twice as likely to be aware of the Warm Homes Discount as those that were offline.

- Older people surveyed were found to be almost twice as likely to compare energy suppliers and tariffs online (31.2%) as actually make the switch online (17.4%). Analysis of the group interviews suggests that the preference is for this to be done via telephone or face-to-face. That said, even among offline respondents and despite a high level of cynicism with regard to the value of switching (e.g. believing it will make a difference), more than half of respondents were interested in engaging with the energy market (i.e. switching energy supplier or tariff, but not necessarily online).
- Half as many online participants reported that they searched for energy-related information online as reported they were interested in this type of information. This, as well as discussions with older people themselves, suggest that searching for energy-related information online was something that had perhaps not occurred to them; preferring instead to access this information in other ways, or they simply did not know which sites to visit to do this.
- Barriers to the use of the internet for energy-related reasons were found to be varied, but can be grouped into three principal categories. These relate to skills and knowledge deficits surrounding what can be achieved online with regard to energy, and the skills and confidence to undertake these activities. Secondly, some respondents simply did not think there was a need for them to use the internet for energy-related matters, perhaps suggesting that for some there is a perception that there is no value in doing so. Thirdly, aspects of energy itself e.g. billing and tariffs, and websites associated with energy, particularly comparison and energy suppliers' sites, were thought of as confusing with an overwhelming amount of information. Together these act as effective barriers to engagement with the internet for energy-related purposes.
- Reflecting on the challenges to older people using the internet for energy-related purposes and based on the testimony of older people themselves, three key ways that they could be encouraged and supported were also identified, these are:
 - i. **Training and support:** provided in local and community-based venues that are friendly and offer a supportive environment. They should encompass a range of offerings, suitable for all abilities, from beginners with no experience through to those with more advanced skills, and refresher courses. Other suggestions included peer-to-peer support, such as 'internet penfriends' and the 'buddying-up' of less advanced users or learners with more experienced users and facilitated through email or Skype, as well as in a face-to-face setting (community venue or at home).
 - ii. **Promotion and campaigns:** The range of energy-related activities that can be accomplished online, which sites or online locations they could be accessed from and importantly, the benefits of doing so, it was felt required greater promotion. Campaigns to do this should be frequent and tailored in order to be attractive to older people and should be provided via multiple channels, including but not limited

to: TV and online advertisements, posters and flyers in public places, information with energy bills and links from trusted sites.

iii. ***Simplification and improvements to websites' usability and design:*** There was a perception that the internet was the domain of the 'young' and geared towards their abilities and interests, and by extension, not welcoming nor designed with older people in mind. The internet was often confusing and energy-related websites were generally viewed as complicated and requiring too much user input. To encourage older people online for energy-related purposes both the content (including language and amount of written information) and functionality should be simplified to improve usability.

- The majority (77%) of surveyed service providers offered their services or products online; these can be grouped into three categories: i) information-based, such as websites, blogs, and signposting etc.; ii) advice and support referrals, including the use of online forms to make referrals for advice and support; and iii) products, services and sales, including primary and secondary products and services, e.g. telecommunications, collective switching, insurance etc. Service providers also provided digital inclusion support not only to older people in the form of training, but also support for organisations that offer digital inclusion services, or they acted as a sign-posting service and disseminated information about local digital inclusion services while not engaging directly in the delivery themselves.
- The need to provide training and support to improve older people's online confidence and skills that is comprehensive and able to meet the diverse needs and requirements of users with varying capabilities was also identified by service providers, as it was among older people themselves. Providing digital inclusion support and training services, particularly those that are locally dispersed and not coordinated across localities, will require investment and resources, including skills, time and funding. There was however a number of examples of innovative and joined-up partnership working that could help to overcome some of these challenges.
- Similarly, service providers also highlighted the need for awareness raising and marketing of online energy-related services. Specifically, how services such as online switching and comparison and online energy management can benefit users and the value of the energy efficiency and fuel poverty related information that is available and what difference it can make to people's lives and homes.
- Service providers also recommended that the online and energy worlds should be simplified to maximise use among users with less advanced skills and lower confidence. Improvements to the language and terminology, with a preference for simple and jargon free content, should be considered and web designers and service providers should be more mindful of the preferences and needs of older service users and design website content, functions and user-interfaces accordingly.

1.2 Conclusion and policy insights

While addressing energy efficiency and fuel poverty remains a key priority for the Government, the increased digitisation of relevant advice and information and energy services that enhance access to competitive energy market and affordable warmth are increasingly moving online. For example, the most competitive energy tariffs are usually found online and available only those that manage their energy account online. Similarly, the process of comparing and switching energy suppliers' tariffs and offerings is widely encouraged while at the same time a full appraisal of the market is generally more easily, quickly and conveniently achieved online. The result is that the trend to digitise services and products across the public and private sectors, including the energy sector, means those that are not digitally active are at risk of being marginalised and excluded. Overall however, with increased attention to the digital and energy-related support needs of older people and more careful tailoring and targeting of advice and information, the conclusions of this research are largely encouraging.

The aim of this research was to examine how older people use the internet in relation to energy, if at all, and how older citizens that are able and willing could be encouraged to do so. In conclusion however, it is worth emphasising that there will always be a proportion of older citizens that will not use the internet and for this they should not be penalised nor further marginalised. Therefore, services to assist and support older people to get the best energy deal and to access available support, should always be easily accessible and available via alternative channels. This should include face-to-face advice and support for the most vulnerable and isolated where required.

KEY INSIGHTS AND RECOMMENDATIONS

- i. There is a need for improved promotion and marketing of energy efficiency and fuel poverty programmes, including how, where and why they should be accessed.
- ii. Increased and more innovative action is required to improve and encourage access to the internet, particularly among more marginalised, vulnerable or hard-to-reach groups.
- iii. Greater use of campaigns and communication strategies specifically targeted at older people that convey audience-specific benefits of the internet, including for energy, and that the internet can and does hold value for older people should be encouraged.
- iv. Use of the internet for energy-related activities among older citizens should be encouraged and enabled through increased action to address three key challenges: i) digital skills, confidence and capability deficits; ii) low appreciation of the value of the internet in relation to domestic energy; and iii) overly complex and difficult to understand and/or navigate energy world and market.
- v. Considerations for how to improve digital skills and confidence should include the provision of community-based training and support that is both tailored and broad spectrum. It should be able to meet the needs of older people with varying capabilities and requirements, such as basic introductions to the internet for those with no or limited experience, through to

more advanced skills and refresher courses. Sessions that have a specific focus on energy-related activities should also be made available, either as standalone training sessions, or forming one strand of digital inclusion services. More innovative forms of support should also be considered and where appropriate include more use of peer-to-peer support.

- vi. Digital outreach and support services should consider, where able, the use of new technologies or devices that provide access to the internet. Advancements in digital technology, including tablet computers and Smart phones may be more intuitive and easier to use for some, as well as less overwhelming and demanding for those less familiar with computers. As such, they could offer an additional means of engaging older people with little experience of computers and the internet.
- vii. The support needs of service providers and frontline agencies that would like to engage in and provide digital inclusion outreach or support should not be overlooked. This could involve resources (i.e. hardware and broadband) and funding, but also training and up-skilling of personnel or volunteers to offer assistance to older citizens using their services. For example, library staff could be trained to offer energy-related support to users of their digital services and computer labs. Offering enhanced services could in turn encourage greater use of community venues and their primary services, e.g. book loans.
- viii. To encourage participation in energy-related online activities service providers suggested improvements to the language and terminology that is used both in the online and energy worlds; this was also seconded by a number of older people themselves. In addition, web designers and online service providers should be more mindful of the preferences and needs of older service users and design website content, functions and user-interfaces accordingly. This could for example, include simplified shadow sites, for all people that would prefer them.
- ix. Community-venues and older people's service providers, including energy suppliers, could support digital inclusion services and encourage older people's participation by building into their existing information point and referral systems simple step-by-step guides for a range of energy-related activities. A directory of online services and trusted websites for various energy-related purposes would also be beneficial. Including, for example: advice and tips on how to save energy; details of local and national energy efficiency schemes, including the Energy Saving Advice Service; switching or comparison websites; energy suppliers' websites and their Priority Service Registers; and other ancillary or related services, such as the Warm Homes Discount, Winter Fuel and Cold Weather Payments and Home Heat Helpline etc.

