

**Minutes of the meeting of the All-Party Parliamentary Group for Corporate Responsibility (APCRG)
on the rise in the cost of living**

Tuesday, 27th February 2024, 9:30am – 10:30am

Location: House of Lords, Committee Room G

Present: Lord Aberdare (Chair), Nicola Bannister - Customer Support Director, TSB Bank, Malcolm Dunn - Director of Operations and Vulnerability, OVO, Javier Echave - Chief Financial Officer, Heathrow Airport Holdings, Baroness Warwick of Undercliffe, representatives of Business in the Community (who provide the secretariat for the APCRG), and over 20 other attendees.

Apologies from: Alexander Stafford MP, Co-Chair of the APCRG

1. Welcome from Lord Aberdare Co-Chair of the APCRG

- Lord Aberdare welcomed attendees and provided an update on the output from the previous APCRG meeting on Race in the Workplace, which resulted in the Co-Chairs [writing to Andrew Stuart MP, Minister for Equalities](#).
- Lord Aberdare introduced the speakers and started the discussion on what businesses can do to support both employees and customers with the rise in the cost of living.

2. Update from Nicola Bannister – The importance of businesses offering a range of financial support to those who need it, and that support is sign-posted correctly.

- Nicola reflected that anyone in society can experience financial difficulties or fall into debt for any reason, such as illness, bereavement, relationship breakdown, or a lack of financial resilience. Companies should signpost people experiencing financial difficulties to charities that provide specific support for issues that impact people's finances or those charities with support services for managing debt.
- In response to the cost-of-living crisis, TSB is working with charities and Fintech partners. It has supported people with hardship grants and tailored support, for example TSB has 13 options of support for customers with mortgages.
- TSB has worked closely with StepChange, a leading debt management charity and as part of the Consumer Duty, has been testing communications to ensure that customers can clearly understand the information in them. Nicola highlighted the importance of proactive engagement and using data.
- Further to this, Nicola argued that empathy was the most important skill needed to support customers, and that people sought help not because of fear, but through having conversations with empathetic people.
- Nicola reflected that customer call centres used to be only young people and were not very diverse. Over the course of her career, they have become more diverse, with a large mix of people of a range of ages working in them, equipped with skills in empathy to help them support a diverse set of customers.
- Nicola highlighted the intersectionality between debt and mental health and cited the need to destigmatise and normalise debt. There has been progress on this since the

pandemic and the cost-of-living crisis, but there is still stigma attached to debt as it's seen as negative and people do not reach out, as in part they are fearful of credit scores.

3. Malcolm Dunn – The innovative ways OVO has responded to the rise in cost of living and how empathy led this approach

- Malcolm began by highlighting that approximately 6.5 million households in the UK are considered to be in fuel poverty, of which it is estimated one million could be OVO customers, equating to a quarter of their customers.
- Malcolm detailed the reality of the cost-of-living crisis, with rising interest rates, rising food prices, and rising energy bills all having an impact on people's financial stability.
- At the start of the energy crisis, OVO saw a 50% increase in delinquency (inability to pay their bills within 30 days of the due date), 30% increase in direct debit cancellations, and an impact on service.
- In response, OVO has offered over £90 million in direct support to customers over the past two winters, allowed no-questions-asked reductions on direct debits, doubled emergency credit thresholds, and supported more flexible payment arrangements.
- OVO has also worked closely with charity partners by directly funding charities often facing pressures and collaborated with StepChange to agree best practice on how to support customers, including through verbal, written, and digital comms.
- Emphasised the importance of empathy in all communications. OVO brought in an empathy Consultant and set up an Empathy Hub, which has equipped employees with the tools to support customers in debt. OVO's Empathy Playbook – a resource providing support for customer service advisers to help them best support those who are struggling financially – has seen a 20% increase in customer engagement and tangible benefits for customers.
- Explained OVO's support hub for customers, which has resulted in customers receiving support to claim £2 million in benefits.
- Highlighted that building trust is crucial to be able to offer help. To do this OVO has held industry forums, attending Business in the Community's (BITC) Seeing is Believing visit to Newport in 2023, invested in communities including providing solar panels to the Newport Yemeni Community Association so that savings from their energy bills can be invested back into the community, and hosted community hub outreach events.
- Called for the implementation of a social tariff, a central support hub to help people cope with potentially numerous creditors and find solutions, and green and affordable energy and more insulation across the UK – OVO has helped to insulate 40,000 homes in 2023, but more must be done.
- Acknowledged that the cost-of-living crisis will be around for a while to come, and that people take around 18 months to reach out and ask for help if they are in debt, so more needs to be done to ensure that no one is left behind.

4. Question from Baroness Warwick of Undercliffe on whether these interventions have had positive business benefits?



- Nicola responded, saying having active interventions in place has had a positive impact on both the bank and the customer. To eventually achieve a broader waterfall approach, businesses have to focus on one customer at a time.
- Malcolm responded, saying that getting people on the right course as early as possible is the most important thing, and that businesses should strive to offer people solutions immediately, which is beneficial for both customers and businesses. The more the problem develops, the harder it is to solve.

5. Javier Echave – Explore how businesses can support employees with better workplace wellbeing.

- Javier began by describing Heathrow’s role in the UK economy and the scale of its operation. He cited trust as being at the heart of the business.
- Said that despite the 97% drop in revenue caused by the pandemic, Heathrow remained a living wage employer and made no forced redundancies. Javier argued this meant Heathrow maintained trust with its people and ensured relationships were not broken, which has allowed for its expansion in workforce and return to profit in such a short period of time.
- Emphasised the importance of trust, describing it as the “pillar of success for any business”. As all businesses rely on people, people will turn their backs on businesses if they have broken trust.
- Noted that as Chair of BITC’s Wellbeing Leadership Team, he found that many CFOs have “deep pockets and short arms” and calls to invest in staff were met with CFOs saying the business case was weak.
- In response, BITC conducted new research and published its Prioritise People report which sets out to quantify the impact of poor mental health in the UK, which costs around 17% GDP. The business case is there and there is no such thing as conflict between money and mental health – they are intrinsically linked.
- Called for a Wellbeing Deal, that recognises the interdependency of government, corporates, and people, prompting corporates to create the conditions to thrive, ensuring equality in the workplace, accountability (such as pay gap reporting), and flexibility.

6. General discussion: What would be the most effective action the government could take to support employers in helping their employees and customers with cost-of-living pressures?

- Nicola Bannister said that one of the most important things the government could do would be to drive national awareness of debt. Initiatives like the Mortgage Charter are a positive step, but there is more that can be done to support awareness. Secondly, she stressed that the charity sector must be supported as many companies rely on the sector to support their customers.
- Malcolm Dunn called for benefits to be made simpler for people to understand and for the social tariff to be implemented, to support those that need it most.



- Javier Echave highlighted the need for better Environmental, Social, and Governance (ESG) reporting by ensuring the “S” can be reported on by monitoring wellbeing in workplaces. Investors are attracted to this. Javier stressed that there is a huge wave coming from private investment, and the government can take advantage of this.

7. Q&A

- Question on the impact of better wellbeing reporting by companies would have on international investment in the UK.

Javier argued the UK should be proud of its regulation, but there are lessons to be learned internationally, especially with regards to incentivising good behaviour rather than punishing bad.

- Question on how the services of charities are valued – many are subsidising the state, and it is a complex situation to truly value their work.

Malcolm said that charities have experienced a tough few years and government must have schemes set up to provide necessary support.

Nicola said that businesses have an important role to play in supporting charities. However, she acknowledged the charity sector is fragmented and not every donation request can be met. There is a need to look cross sector. Highlighted the success of FareShare’s funding model as a way of overcoming fragmentation.

- Gregor Mowat, Co-CEO and co-founder, Loqbox, made the point that the root cause of a lot of debt and financial difficulty is a lack of education of the financial system and that financial education must be embedded into the school curriculum.
- Question on whether TSB payment data gives them an idea of who is vulnerable, whether this allows for targeted support, and whether this data can be shared.

Nicola answered that their data allows them to identify 40,000 customers a month who may be vulnerable. TSB reaches out to support those people and can monitor how many go into actual financial difficulties. Whilst sharing data can be valuable there are many constraints with regards to GDPR. Should data sharing be normalised, there would be an additional challenge of securing the trust of customers, and the risk of fraud.

- Question, how would OVO envisage a support hub, where information on vulnerabilities is shared?

Malcolm answered that OVO makes use of data, as well as it can, to identify vulnerable customers but there is a lack of good data. OVO Energy has partnered with Experian to offer the industry’s first Open Banking tool providing bespoke repayment options.



Members looking for support will now have the option to quickly and accurately provide a detailed picture of their affordability. Malcolm also highlighted the importance of trust, as there is a need for customers to come forward and engage. Called for a central support hub model that would enable vulnerable people to get priority access and support as they navigate services.

Javier highlighted that collecting internal data from employees is also important for their wellbeing and showcases that companies are creating sustainable value, but not at the expense of poor employee wellbeing.

8. Lord Aberdare – closing remarks and next steps

- Thanked the speakers and attendees.
- Highlighted the key themes he was struck by from the meeting, the focus on trust, on empathy, and on working in partnerships with charities, other organisations, and government.
- Invited feedback on future topics the APCRG could focus on, and any feedback on the format of future meetings.

The date of the next APCRG meeting will be communicated shortly.