Consumer Engagement with Decarbonisation
Summary Briefing

Who we are

In May 2019, The Scottish Government committed to establishing an independent Energy Consumers Commission (ECC) to enhance the voice of consumers who reside in Scotland within the energy market. The commission was formed in July 2020 consisting of representatives with a wealth of experience in national consumer advocacy and advice bodies, academia and local groups serving energy consumers in their communities.

Background

Scottish Government is required to meet the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 target of net zero greenhouse gas emissions in Scotland by 2045. To achieve this, significant changes will be required to domestic heat, energy and transport use. Consumers in Scotland will have a key role to play in adopting new technologies and changing behaviour to support decarbonisation.

The ECC commissioned research last year to improve its understanding of consumers' levels of knowledge of and attitudes towards decarbonisation technologies and associated behaviour change implications. This work, along with the experiences of our member organisations who offer frontline advice to consumers, have helped us identify areas which we believe should be prioritised by policy makers in order to achieve a timely and just transition to Net Zero.

Priority areas for policy makers:

Concern about climate change vs. Consumer understanding of necessary action

Concern about climate change has never been higher, but the contribution of domestic energy to carbon emissions has not been communicated effectively. Consumers are making low impact 'social norm' type changes to behaviour (for e.g., recycling of domestic waste) but there is less evidence of impactful changes such as the adoption of heat pumps or electric vehicles.

This is compounded by a lack of understanding about how the energy system works and the scale of the decarbonisation challenge. There is a lack of information available to consumers on what actions to take, particularly in relation to low-carbon heating. This leaves consumers ill-equipped to make the kinds of changes necessary for the carbon transition.

Decarbonisation is perceived as difficult and expensive

This can negatively affect engagement with new technologies and the decarbonisation agenda more broadly. Solutions are more enthusiastically received when they are attractive, appropriate and brought to consumers' attention at the right time.

Upfront costs are often cited as the main barrier to engagement with low-carbon technology – this is particularly true in relation to low-carbon heating and electric vehicles.

Behaviour change is key

Changing consumer behaviour is a vital part of rethinking ingrained consumer patterns around domestic energy and transport. Such behaviours are often linked to beliefs about safety, health, status and personal liberty, which may explain why incentives that rely on rational decision-making have had mixed success.

Trust influences consumer attitudes

Scotland leads the UK in the adoption of low-carbon technology, but in some instances these were not yet fully developed, and this has created legacy issues which impact on levels of trust in the technology.

Smart meter rollout

Many decarbonisation technologies are reliant on, or work best in conjunction with, smart meters. The smart meter rollout is therefore crucial to unlocking innovation in the energy sector, such as developments in flexibility and storage.

Equitable transition

Ensuring equity is built into Scotland's net-zero transition is one way of minimising the risk of backlash against decarbonisation activity and progress stalling, as was seen with the gilet jaunes protests in France. More work is required to quantify the impacts of the energy transition and to design and implement mitigating interventions.

Community engagement

Engaging at a community level has evident benefits, with local organisations found to be effective at knowing the needs of consumers in their area and acting as conduits for participation in decarbonisation activity.

Local supply chains

Local suppliers are an important source of information for consumers on decarbonisation technologies, but suppliers do not always have the necessary skills or capacity to engage more widely with communities. Rural communities in Scotland were found by our research to be disadvantaged by poor local access to supply chains.

Consumer segmentation

Consumer segmentation (for e.g., categorising consumers by their socio-economic status) does not seem to improve engagement on decarbonisation; further efforts are required to find effective ways of targeting support to specific groups.

Covid-19 pandemic

The pressures of the pandemic has exposed risks to progress on decarbonisation, but this also presents opportunities for a green recovery. In terms of engagement, the move to remote advice services is perhaps the most obvious change for consumers, whilst wider impacts are likely to be better understood after the pandemic ends.

Recommendations

- Work is needed to improve consumers' knowledge and understanding of actions on decarbonisation that can be taken at a household level; messaging by both public and private sector bodies should better reflect this.

- When engaging with consumers on decarbonisation, stakeholders should avoid using technical jargon and instead focus on communicating a vision of a future low-carbon society.

- Promotion of decarbonisation technology should be accompanied by appropriate messaging that is relevant to its audience; good examples of this can be found in existing community engagement projects in Scotland.

- Where cost is cited as a barrier, it is important to determine if this is real or perceived so that it can be tackled appropriately; consumers need to be enabled to compare options on a lifecycle basis rather than just upfront costs.

- Perceptions of low-carbon technologies as 'socially normal' are higher in neighbourhoods with greater levels of uptake – this supports the case for working at community level, rather than targeting consumer types without spatial clustering.

- A trusted source of information is necessary for consumers in the crowded landscape around decarbonisation - a local approach with a physical presence in communities.

- The benefits of smart meters needs to be better communicated to consumers; good experience with smart meters can instil consumer confidence and unlock engagement with other decarbonisation technologies.

- Tenants, low-income households and remote and island communities are particularly at risk of an unequitable transition; the ECC and other organisations must monitor and tackle the risk of vulnerable groups being left behind.

- Community engagement can be mediated by stakeholders such as community groups, housing associations and utility providers; again, a physical presence will increase effectiveness, particularly in engaging hard-to-reach groups.

- Despite legacy issues with mis-selling, local supply chains are generally viewed positively by consumers; this could be leveraged by offering training to tradespeople to become champions for low-carbon solutions.

- Terms such as 'fuel poor' and 'able to pay' carry stigma and should be avoided in consumer-facing materials.

- Covid-19 and its associated restrictions has accelerated behaviour change, such as active travel, which will be essential in reaching net zero emissions; campaigns should seek to ensure that these behaviours are maintained in the longer term.

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