



By email

Utility Regulator
Queens House
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31st January 2024

RE: Response to Utility Regulator's Consumer Protection Programme 2024-2029

1. Do you agree with the three themes that have been identified for CPP 2024 - 2029? Please provide any additional information to support your view.

Yes, we support the three themes identified for CPP 2024 - 2029. However, we believe that there is room for enhancing the ambition and some specific areas of the strategy. We feel it is important for the UR to provide a more detailed work plan with clear timelines to ensure effective implementation and measure progress accurately.

In relation to Research and Leadership, we see the need to consider the unique dynamics of the NI market when gaining insights from other jurisdictions and making it relative to NI. Putting research findings into context will add to the relevance where real scenarios and research are cross cutting in the proposed strategy.

In the theme of Enablement which places an emphasis on education as a key element, we suggest exploring practical solutions. For instance, the 'Pathway to Net Zero' proposes a one-stop shop, and we recommend highlighting such practical examples to illustrate how the strategy can be implemented effectively.

Regarding Protection, we do not underestimate the significance of consulting on any proposed changes, especially if not already in practice. Supplier involvement, facilitated through working groups and other mechanisms is crucial for comprehensive consumer protection. It's important to recognise that the NI market is small, and suppliers, being a key part of this, need to be fully considered in the consultation process. We acknowledge the distance from the implementation of smart metering in Northern Ireland and believe that progressing toward this technology will offer enhanced protection for consumers and provide suppliers with the reassurance and certainty currently lacking with the existing 'dumb meters'.

In summary, while we support the overarching themes, we seek for a more detailed and nuanced approach, considering the unique nature and size of the NI market; providing practical examples to illustrate the proposed strategies would be helpful. We look forward to engaging in further discussions and contributing to the refinement of the CPP 2024 - 2029.

2. Do you agree that a 5-year CPP with a mid-term review after 3 years is a suitable duration and approach? Please provide your rationale.

We understand the merit of instituting a 5-year Consumer Protection Programme (CPP) with a mid-term review after 3 years; the idea of long-term strategic planning brings a certain degree of assurance. We also recognise the pragmatic aspect of a 3-year work plan featuring a mid-term evaluation, striking a balance between forward-thinking ambition and immediate practicality.

Our concern is in the absence of a contingency plan in the event of a lack of progress of the CPP or ineffectiveness within 2 to 3 years. Given the volatility of energy markets, we would like to see a framework allowing for periodic assessment, potentially through an annual light-touch review. This ensures not only a mechanism for timely adjustments, but also, we may see alignment with the constantly changing nature of NI and its energy market.

3. In relation to 'Theme 1: Research and Leadership':

a. Do you agree with the proposed areas of work and projects identified under this theme? Please provide any additional information to support your view, including any additional areas or projects that you feel should be of focus.

We agree with the proposed areas of work and projects under 'Theme 1: Research and Leadership,' but suggest minor change for a more comprehensive approach. In addressing debt and affordability, we propose referencing successful customer engagement initiatives from recent papers, such as the Energy Engage Code in ROI.

For the speeding up of the Just Transition, we fully support the inclusion of smart metering with customer access to simple data for informed decision-making on supplier choice, tariffs, consumption patterns, and potential long-term energy services and diversification.

Regarding leadership, we suggest highlighting the need for additional research and exploring diverse datasets, including NISRA, DfE, NIEN data sets and collaborating with authoritative data experts. While this data sharing could add more complexity, we would like to see this level of engagement from the regulator with a wider group. Moreover, we feel that using the same quantitative research tools may lack innovation; therefore, considering new data sources could be more ambitious and forward-thinking.

We also recommend incorporating "financial literacy" alongside energy literacy. Addressing the root causes of payment challenges may extend beyond energy literacy, involving managing and prioritising finances. Recognising this in the transition to net zero is crucial, considering the impacts on various housing types.

Focusing on the areas of debt and affordability is vital, it must be ensured that any mandated actions on suppliers are evidence-based, particularly amid the ongoing cost of living crisis. This approach strengthens the foundation for effective interventions and policies.

b. Are there any projects that require prioritising within years one to three of the CPP? Please provide your rationale as to why.

We believe that focussing on the areas of debt and affordability is important in the current financial and political climate; it will mean any forward-thinking initiatives are based on real, tangible, factual data which is critical to the outcomes of any projects.

4. In relation to 'Theme 2: Enablement':

a. Do you agree with the proposed areas of work and projects identified under this theme? Please provide any additional information to support your view, including any additional areas or projects that you feel should be of focus.

In reviewing 'Theme 2: Enablement,' we feel proposed areas of work and projects lack some clarity. The concept of "energy literacy" needs a clearer definition, and we are unsure as to where the customers may be directed for this. We potentially suggest considering third parties with expertise in these areas. We feel to improve energy literacy, a future-proof approach is necessary to anticipate upcoming developments in the coming years.

b. Are there any projects that require prioritising within years one to three of the CPP? Please provide your rationale as to why.

Prioritising projects within the first three years of the CPP is crucial. While we fully support the adoption of smart meters, emphasising their role in empowering consumers, driving demand shift, and providing data access, there's a need for specific attention to marginalised and hard-to-reach groups. Raising energy literacy within these cohorts should be a top priority to ensure inclusivity and equitable access to the benefits of smart technology.

Smart metering is fundamental for informed consumer choices, and it's key that the design prioritises consumer needs. Focusing on creating a Minimum Viable Product (MVP) that establishes a baseline for all consumers, irrespective of their supplier, will be key. Learning from successful aspects of the GB rollout, especially solutions for PAYG customers, should guide the development. The smart solution's deployment, albeit network-driven, should draw from positive experiences in other regions.

Getting the smart solution right in the initial years is paramount. The success of this project will set the tone for future strategies and innovations, ensuring a consumer-centric approach and equitable transition and access for everyone.

5. In relation to 'Theme 3: Protection':

a. Do you agree with the proposed areas of work and projects identified under this theme? Please provide any additional information to support your view, including any additional areas or projects that you feel should be of focus.

In reviewing 'Theme 3: Protection,' the proposed areas of work and projects receive our support with a few considerations. Regarding Price Protection, we acknowledge the necessity of considering the potential additional resources suppliers may need for compliance with metrics and reporting. However, we believe that the control suppliers have over prices is limited, as supplier costs comprise only a small proportion of the overall bill. While we are open to participating in working groups on debt and affordability, given the adverse impact it would have on suppliers, we express serious reservations about endorsing price caps - aligning with our stance in ROI.

On the non-price aspect, we confirm our commitment to supporting the annual customer charter, provided that stakeholders have input and sufficient time to adopt new requirements before the effective dates or changes are made.

Additionally, we support the creation of a central register for vulnerable customers as an effective communication channel. While understand that telecoms and broadband might fall outside our scope, however exploring their inclusion is essential, given their significance. This consideration is especially relevant in rural areas, where technology advancements make these services better for hard-to-reach communities.

b. Are there any projects that require prioritising within years one to three of the CPP? Please provide your rationale as to why.

Finally, prioritising the establishment of this register before redefining vulnerability seems logical to prevent rework and duplication of efforts in future initiatives. Doing this in this order ensures a streamlined and effective approach to consumer protection.

6. Do you agree that where this document has an impact on the groups listed, those impacts are likely to be positive in relation to equality of opportunity for utility consumers?

Yes, considering the discussions on the Consumer Protection Programme (CPP) and its various themes. We would tend to agree that the impacts of the CPP on the listed groups are likely to be positive in relation to the equality of opportunity for utility consumers. The emphasis on themes such as enablement, research and leadership, and protection, coupled with considerations for marginalised and hard-to-reach groups, suggests a commitment to fostering inclusivity and equitable access to resources and benefits. Prioritising projects that address affordability, energy literacy, and vulnerable customer communication further supports the positive impact on equality of opportunity within the utility consumer landscape. However, there are also many economic, political and societal barriers that must be considered.

7. Do you consider that the proposals need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence

We feel the proposals are inclusive for all.

8. In relation to developing and implementing CPP 2024-2029, is there anything else not covered by questions 1-7 that UR should consider?

In developing and implementing CPP 2024-2029, we feel there could be more consideration to environmental / sustainability and security of concerns, we feel it is important to integrate sustainability and secure energy principles, promoting energy saving and renewable energy take up to align with broader goals.

We would suggest when looking at barriers and affordability that research also needs to look at how the current cost of living crisis may have pushed some households to the cusp of fuel poverty, but may not fall in to a bracket which would get them support – for example there will be many households where there are two wage earners who own their own property who may now have little to no disposable income which could then prove to be a barrier to supporting net zero plans.

Public awareness campaigns must also be high on the agenda and go further than current communication strategies; this should ensure consumers are well-informed about their rights and available help. Building partnerships should foster a more rounded approach.

Lastly, ongoing education and training for consumers and stakeholders are essential for helping consumers to make informed choices about their energy usage.

Thank you for considering our input, and we look forward to continued engagement on the Consumer Protection Programme.

Yours sincerely,

Paul McNulty
Regulatory Compliance Analyst