



Consumer Protection Programme 2024-2029

Utility Regulator

Power NI Response

31 January 2024

Introduction

Power NI welcomes the opportunity to respond to the Consumer Protection Programme (CPP) 2024-2029 recently published by the Utility Regulator (UR). Power NI has engaged with the UR throughout Consumer Protection Programme and is committed to continuing to proactively work in this area.

Specific Questions

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.

Power NI response:

Power NI are generally supportive of the themes identified for 2024-2029. Whilst research will be fundamental in providing evidence-based leadership, it is important that any research undertaken is timely, meaningful and will in the long term provide customer benefits.

Q2: 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.

Power NI response:

A 5-year CPP is standard in line with previous plans undertaken by the UR. Given the ever-changing environment customers are facing, and the important role the CPP has in ensuring customers remain protected, a midterm review seems sensible to ensure the programme remains on track and is relevant to customer needs.

Q3: 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.

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

Power NI response:

Power NI supports an evidence-based approach to policy. The energy industry is extremely complex and while a 'Just Transition' approach is needed if targets are to be met under the Climate Change Act, it is imperative that customers understand the basics around energy and the full impact of how it is used in their homes. As we move forward down the road towards net zero, customers will need support, information, choice, and incentives to change behaviours. It is however important to recognise and understand that customers are not a

single homogenous group. Customers will want a range of options so that they can decide what best meets their needs. Some customers will want to become fully immersed in the energy market becoming prosumers while others will want to be informed and have a good understanding of their usage. For others energy is not a high priority but this group of customers will still require protection and confidence in the operation of the market.

The partnerships that the UR establish as part of the CPP are central to work undertaken in this theme in order to ensure consistency with everyone working towards the same goal. This will also help to limit any customer confusion. It is imperative that any research undertaken has a purpose, particularly for those more vulnerable customers, with progress measured against research outcomes.

Suppliers currently provide significant volumes of data through regular reporting to UR which has developed and expanded over time. There are however concerns over further levels of reporting required under this area of research. The current reporting regime is already complex with multiple monthly reporting requirements in place via quarterly and annual REMM reports with ad hoc additions. Power NI would urge the UR to consider any additional research and reporting that may be required and the regulatory burden additional reporting puts on suppliers. Power NI would also ask the UR to streamline reporting to ensure information requested is of relevance.

Q4: 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.

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

Power NI response:

Power NI are generally supportive of the proposed areas of work particularly around energy literacy. Power NI would be keen to understand what the UR’s programme for improving energy literacy looks like and how they intend to work with partners to deliver.

Power NI feel strongly that improving energy literacy and helping a customer understand the the full impact of energy usage in their home is key to success in moving forward with work under Just Transition. Energy literacy is a bigger challenge than any one supplier can manage, and whilst suppliers can support, it should be a consistent and sustained education programme by Government Departments and consumer groups.

Power NI is fully committed to customer understanding and clear customer communication and is one of the first suppliers in the UK to have a lifetime membership to Plain English and the first supplier in Ireland to sign up for Plain Numbers. These principles will be rolled out across all customer communications including bills, statements and letters which will help to

ensure communications remain as clear and as transparent as possible within the confines of licence conditions helping to improve customers understanding of energy.

Power NI welcome the UR's approach to smart metering implementation and the need for consumers to be at the core and support this approach. From Power NI's perspective, other markets who have rushed towards smart metering, at a significant cost to the consumer, have been preoccupied with getting data and entangled in the various regulations surrounding it, rather than putting the customer at the focus of the solution. Smart metering must be customer solutions and service driven, recognising that customers are not a homogeneous group. Customer driven solutions should be offered to customers rather than forced upon them.

The UR and DfE should also be looking creatively at how a smart meter roll out can be funded and not simply fall back to pass through costs. It has traditionally been relatively easy to apply costs to electricity tariffs as it is a highly regulated industry, and a small number of suppliers will collect the required funds. Given where electricity costs have been over the last number of years and the Government support packages that were implemented to support customers energy bills, other ways to finance any potential roll out should be considered.

In terms of priorities, implementation of the energy literacy work and customer understanding piece is key. Power NI would be keen to understand the breadth of stakeholder engagement who will be involved, and what this workstream looks like. This work is critical as a foundation to all other aspects of the CPP and is needed as soon as possible.

Q5: 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.

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

Power NI response:

Power NI already goes beyond existing regulatory requirements to support customers and have a concern around the work proposed to be undertaken as part of self-disconnection and improving supplier approach and response to debt.

- **Price Protection**

Power NI's processes surrounding debt recovery has been, and will continue to, focus on customer engagement, recognising specific circumstances, and reaching a mutually agreed and reasonable solution. Customers are always encouraged to get in contact if they find themselves experiencing difficulties and if necessary, Power NI will make several attempts to speak with the customer via a dedicated Payment and Accounts Resolution (PAR) team who will contact them to discuss their individual circumstances and agree an appropriate repayment plan that is suitable for both the customer and Power NI. However it is important to highlight the limitations Power NI has in its ability to help. Whilst steps can be taken to

support customers in debt with payment plans and referrals to other organisations, despite best intentions, this is the most Power NI as an electricity supplier can do, which the UR need to be mindful of.

Self-disconnection is one area that is extremely challenging and Power NI struggle to understand how the UR intend on measuring this. It is difficult for Power NI to use internal data to identify consumers who are at danger of self-disconnection without more information or acknowledgement from the customer that they are having difficulty with payments. Power NI do analyse non vending reports, but often find customers don't engage or are non-vending for a variety of reasons. Power NI has continued work in the area of self-disconnection over the last number of years with limited success. Many of the customers who have been contacted by phone and SMS have not engaged, making it difficult to understand their reasonings for this.

It is important to note again that if a customer is not forthcoming in providing information around their circumstances the actions a supplier can take are limited and would welcome further discussion with the UR on how they intend to monitor this given the complexities this presents. Over the last year Power NI has offered a large number of hardship vends to customers in danger of self-disconnecting who have made contact and allowed Power NI to work with them to put a plan in place to prevent the issue from reoccurring.

- **Non-Price Protection**

Power NI are supportive of the UR approach towards a vulnerability strategy. Whilst any vulnerability strategy should be given primary consideration at board level, Power NI's view is that it should be part of the overall business strategy and be part of everything an organisation delivers through its strategic objectives.

The area of strengthening protections for customers who are recently bereaved is an area that Power NI would like to understand the rationale for the UR placing a particular focus on. All frontline Power NI staff handle bereavement with the upmost respect and compassion. Staff have received specific training supporting customers through bereavement with Cruse Bereavement Care and are well versed in being able to identify vulnerable customers and approach calls with the sensitivity required.

The requirement for a dedicated call line, email address etc. appears impractical to implement operationally and Power NI fears could produce a knock-on effect if special support arrangements are put in place for this area. While making a requirement to ensure staff training and processes are in place are appropriate, the UR should not mandate operational implementation as different suppliers with different scales and business models are best placed to implement.

Power NI offer customers a local rate number for customers to get in touch, as well as a range of online contact methods including email, social media and Power NI app. Power NI prides itself on managing its customer contact options extremely well with all calls were dealt with swiftly, with customers able to speak to a member of the team within a matter of minutes.

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?

Power NI response:

No specific response.

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

Power NI response:

No specific response.

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

Power NI response:

Power NI is fully embracing a lived experience approach to help protect customers as we work towards the Just Transition and will continue to work with charity partners across NI to ensure the voice of those in vulnerable circumstances is heard. The UR should look to consider a similar approach when establishing research parameters and future work programmes.

Whilst not within this CPP, Power NI remain concerned about possible future changes to the Customer Care Register and the expectations around scaling the work and realistic timelines to deliver. The requirement to register needs based vulnerability will involve Power NI having to complete its own internal changes and a number of additional steps to ensure it remains GDPR compliant.

The UR requirement to have compatible data systems across industry and for suppliers to upgrade or amend current systems to align with new system requirements is an extremely challenging ask both from a Power NI perspective and industry specifically in the proposed timescales.

Whilst the UR have stated that requirements for the new register should be decided through the industry working groups, Power NI would welcome the UR providing more leadership regarding requirements of what they expect, cognisant of what information a supplier has and recognising that system development is both costly and takes time to implement.

Power NI note that costs can be recovered through applicable price controls, which ultimately passes costs back to the customer in what is already a challenging time for customers. Power NI would urge the UR to consider what they feel necessary versus the costs required to implement such significant changes.