



The Consumer Council for Northern Ireland's response to the Utility Regulator consultation on changes to the Domestic Marketing Code of Practice

9 February 2021

The Consumer Council

1. The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland.
2. The Consumer Council has specific statutory duties in relation to energy, postal services, transport, and water and sewerage. These include considering consumer complaints and enquiries, carrying out research, and educating and informing consumers.

Consumer Principles

3. The Consumer Council welcomes the opportunity to respond to the Utility Regulator's (UR) consultation published on changes to the Domestic Market Code of Practice. We use the eight consumer principles shown in Figure 1 as a framework that asks important questions about service design and delivery, consumer impact and how services should look and feel to the consumer, and that helps assess regulatory decisions from a consumer perspective.

Figure 1: The Consumer Council's Eight Consumer Principles





4. The consumer principles also establish a common language that all stakeholders (Government, Regulator, Consumer Advisory Body, and the Company) can use to meaningfully and constructively engage with consumers to develop trust and a better understanding of how the changes to the Marketing Code of Practice will help customer needs.

Q1. Do respondents have any objections to the removal of the prohibition on annual bill comparisons that is currently in the Domestic Code of Practice?

5. The Consumer Council believes that allowing annual bill comparisons in the Domestic Code of Practice is a step towards making it easier for consumers to compare energy costs.
6. The Consumer Council welcomes any new initiatives that encourage consumers to make savings by switching tariffs or suppliers. The Consumer Council hopes that the introduction of the annual bill comparison will see an increase in the number of consumers switching to better energy deals which means they save money.
7. However, consumers must be protected. The Consumer Council supports the Marketing Code of Practice as a way to protect consumers from mis-selling in the energy market. The Marketing Code of Practice should also help to create a better platform for consumers to confidently engage with suppliers. This includes consumers being able to make comparisons about how any potential new energy deals compares to a consumers' existing energy deal.
8. The new approach must ensure consumers have access to information which allows them to make like for like comparisons across the energy market. Information must be accessible, accurate and useful to consumers. Additionally, this information must support the consumer decision making process so they can make the right choice.
9. It is vital that the UR requires suppliers to provide information that is easy to understand, accurate, consistent and that is accessible for consumers. The UR must also regularly monitor adherence to the Code of Practice and if it identifies issues with the new approach including non-compliance it must immediately intervene to put things right.
10. The Consumer Council would like to highlight some key findings from recent research which is relevant to how consumers view energy prices and how they feel about discussing switching with suppliers¹. This research identified that:
 - Vulnerable consumers have little understanding about energy prices and tariffs; and
 - There are some concerns about vulnerable consumers feeling under pressure to switch without fully understanding the projected saving.

¹ The Consumer Council. Vulnerable Energy Consumers. March 2020.



11. These findings underline the importance of providing easy to understand and comparable information to consumers and helps to highlight the importance of being able to access information from a trusted and independent source so consumers do not feel pressured. Consumers need time to reflect and make the right decisions.
12. The Consumer Council provides a number of tools to help consumers. This includes the Electricity Price Comparison Table, the Economy 7 Price Comparison Table and the Gas Price Comparison Table for the Greater Belfast and Larne area, and Ten Towns². However, the information contained in these tables clearly shows how complex the energy market is for consumers. It is important that consumers can make like for like comparisons closely related to their actual energy use.
13. In recognition of the complex market and to further support consumers, The Consumer Council created its energy price comparison tool which provides a tailored service based on individual usage rather than relying on annual average costs which are less accurate.
14. This tool has a number of benefits for consumers which includes taking seasonality into account, providing more accurate results on how much consumers are likely to save each year and by providing more accurate comparisons across all suppliers. It allows consumers to make better choices.
15. With this in mind, The Consumer Council would ask the UR to:
 - Consider how it can encourage suppliers to refer to The Consumer Council's independent and free price comparison tool as part of any sales process and any sales material. The Consumer Council comparison tool is a much more tailored experience based on a consumer's actual energy consumption and the tool calculates the results using up to date tariffs that suppliers provide. We believe action in this area will improve consumer engagement in the energy market, build greater levels of trust and help to improve switching levels. The Consumer Council would welcome further discussions on this aspect to assess the benefits before any decisions are reached; and
 - Review if 3,200 units per year for electricity and 12,000 units per year for gas are still relevant estimates for the average consumption of a domestic user. This is particularly important in the current climate were, generally speaking, domestic consumers are using more electricity and gas in their homes. It is essential that estimates are as

² The Ten Towns area, operated by Firmus Energy, includes: Antrim, Armagh, Ballymena, Ballymoney, Banbridge, Coleraine, Craigavon, Limavady, Derry/Londonderry and Newry.



relevant as possible. Again, The Consumer Council would welcome further discussions on this aspect to assess the benefits before any decisions are reached.

Q2. Are there any issues with the deletions and/or new drafting in the Domestic Code of Practice?

16. The new drafting appears consistent with the UR's proposal as detailed in the consultation paper. The updated version of the code (Annex 1) should make it clear to suppliers that they must show a typical annual bill for comparison purposes. It is vital that information empowers consumers to make informed decisions.
17. The Consumer Council would welcome a copy of the decision paper and looks forward to working with the UR to encourage more consumers to switch to deals that benefit them, and to quickly address any issues that arise from future developments in this area.
18. Should you wish to discuss any aspect of this response please contact me on the details outlined below.

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