

Age Concern Northern Ireland's

## **Response to the Utility Regulator's Social Action Plan 2009 - 2014**

20 March 2009

Age Concern Northern Ireland (ACNI) is a major voluntary organisation committed through campaigning and service provision to promoting the rights of older people as active, involved and equal citizens. We act as a Northern Ireland wide campaigning body and support a network of Age Concern local groups operating throughout Northern Ireland.

We offer policy advice on a range of issues which impact on the lives of older people. Policies are derived from and based on:

- the expressed views of older people throughout Northern Ireland;
- an understanding of older people and an ageing society;
- calls received into our advice line on a daily basis.

ACNI policy objectives are:

- to promote the rights of older people as active, involved and equal citizens;
- to address issues of age discrimination and promote equality of opportunity;
- to enable older people to participate actively in society and in their local communities;
- to allow older people to have choice and control over their lives.

### Our vision for society

ACNI's vision is of a society where older people are valued, respected and participate as active and equal citizens. Equality and human rights play an important role in attaining that vision. We support a vision of a society where everyone is treated equally, with respect and dignity, where difference is welcomed, and where there are sufficient bonds between people to ensure

security and belonging for us all. Achieving this vision will mean a transformation of the lives of older people, and in the institutions of society, including employers, consumer markets, the media and public services. Equality and human rights for older people and a recognition of the opportunities and challenges we face as an ageing society will be seen as part of a common idea of a fair society.

### Policy statement

Older people should have the opportunity to participate in society, including through employment and volunteering, and should not have to overcome either implicit or explicit age barriers to achieve this. **Goods, facilities and services should not be restricted either in availability or quality on grounds of age.**

### Issues and concepts

Age equality means securing the equal participation in society of people **of every age**, based on respect for the dignity and value of each individual. This is a rich concept involving securing a balance between equal citizenship, equality of opportunity, equality of outcome, and respect for difference. Age equality is only one element of securing equality for older people in all their diversity.

Age discrimination includes direct and indirect discrimination. Direct discrimination is explicit unequal treatment on grounds of age, unless this can be justified. Indirect discrimination is the use of an apparently neutral practice that causes disadvantage for people of a certain age, unless this can be justified.

Ageism is the use of unjustifiable prejudices or stereotypes about age. It usually involves patronising 'benevolent' prejudice but can at times include hostility. Older people can be ageist and negative about ageing, because their prejudices are formed when young.

**Age equality overlaps with other equality and diversity issues.** Older people who are women, disabled, from minority ethnic or faith communities, or lesbian, gay, bisexual or trans-gender are particularly likely to suffer from multiple disadvantage or discrimination.

ACNI policy on age equality applies to people of all ages.

Unequal treatment linked to age includes action linked to chronological age, perceived age and association with someone of a certain age.

Our approach to age equality policy applies across the UK, but the details vary according to jurisdiction. ACNI works with other organisations to campaign for age equality, including with Help the Aged in Northern Ireland and the Age Sector Platform. We are members of AGE, the European platform for older people, the Equality Coalition and the Northern Ireland Human Rights Consortium.

### Human rights

Human rights refer to the basic rights and freedoms to which all humans are entitled. Examples of rights and freedoms which are often thought of as human rights include civil and political rights, such as the right to life and liberty, freedom of expression, and equality before the law; and social, cultural and economic rights, including the right to participate in culture, the right to food, the right to work, and the right to education. An example of this is the issue of nutrition and hydration for older people within care facilities.

Human rights principles should be built into the practices and decisions of public bodies and their contractors; law courts; regulators; and professional bodies. Strategic litigation should be promoted by giving interested parties the power to seek Judicial Review. The Act should be used to challenge age discrimination in the securing of older people's right to independent living. The Human Rights Act must cover private providers of public services also.

### Human rights: our policy position

Human rights – based on principles such as dignity, equality and respect – have the potential to transform public services for older people.

A human rights approach can help raise service standards and can also give older people the tools to achieve redress if they receive poor treatment by service providers. Older people should be able to expect public authorities, including regulators, to take positive steps to protect their human rights.

Our policy work on human rights involves promoting their importance for older people, and working to ensure that government departments, regulators and service providers embed human rights principles into their work.

We are also calling for older people who experience human rights breaches to have effective redress.

*Equality and human rights considerations must be central to all public policy and consultation processes.*

#### The demographic context

The issue of demographic change is now receiving increased prominence due to a growing recognition of the challenges and opportunities which are presented. Demographic change is a global phenomenon which affects the economy, the labour market, capital and patterns of migration in Northern Ireland. Demographic shifts impact on all our infrastructure needs. There are many opportunities presented by an ageing population, if policy initiatives take a strategic approach and allow those opportunities to develop.

The reality of demographic ageing has clearly been evidenced over the last number of years. Our society is ageing and that has huge implications for policy development and the consultation process. The reality of demographic ageing should be viewed as a real success of the improvements of the standards of living and health in our society. However, we know that currently, there is a section of older people for whom ageing equates to increased disadvantage; social isolation; social exclusion and higher risk of falling below the poverty line and remaining there. This must not be the implications of ageing in Northern Ireland at the start of the twenty first century.

ACNI wants Northern Ireland to be a place where older people are valued and seen as an important resource. In the past, population ageing has often been treated as a 'pensions and care' issue, but there is growing awareness that it is, for example, critical for policies related to economic growth, employment and social cohesion. ACNI is concerned that the Executive, Assembly and the agencies of Government are not doing enough to address this important issue. If leadership is not demonstrated on this issue, we face the potential of a society where growing older in Northern Ireland is a poor experience for older people and the society we live in. The task of policy makers is to translate the growing awareness and recognition of demographic ageing and the policy levers now

available into strategic responses that ensure that the opportunities presented by population ageing are grasped.

Specifically, ACNI wants to see:

- The development of a comprehensive positive ageing strategy which co-ordinates the activities of all Government departments and agencies towards achieving a reality for ageing where older people are enabled and engaged as citizens to participate in our society.
- That our policy makers develop a system of age proofing as part of the policy making process to support the implementation of policies that promote and enable positive ageing.

The demographic context should be recognised in any consultation or policy process.

## RESPONSE

### 1 Background

Age Concern Northern Ireland (ACNI) welcomes the opportunity to respond to the Utility Regulator's consultation on the Social Action Plan for 2009 - 2014. ACNI's current 'Can't Heat or Heat' campaign calls on Government to help older people cope with the high cost of living. These demands include that Government establish the link between the state pension and average earnings immediately, increase the winter fuel payment to £500 and ensure that pension credit is automatically paid for a period of three months. Also, as a priority, benefits for older people should be promoted and social tariffs should be introduced for older people.

## 2 Statutory Consultees

ACNI is disappointed to note that in the list of consultees in Appendix 6 that no group representing older utility customers was included in the consultation process. Given that both the Energy Order (Northern Ireland) 2003 and the Water and Sewerage Services (Northern Ireland) Order 2006 state that the Utility Regulator must have regard to the interests of individuals of pensionable age we believe that it was a serious oversight not to include any representatives from the older age sector as consultees. We would hope that drawing this to your attention will prevent such an exclusion from occurring again.

## 3 Issue of Vulnerability

With regard to the definition of vulnerable customers ACNI considers that this section does not adequately identify who are vulnerable customers. This may reflect the lack of stakeholder engagement with representative organisations during the development of this consultation. ACNI would also draw attention to the fact that the Utility Regulator sees age as an intensifier to vulnerability and not a characteristic in itself. We wish to raise our concerns at this section of the consultation as we would strongly oppose any attempt to diminish the issues and problems that older utility consumers face by merely describing age as an intensifier. Given that more than one-half (56%) of households headed by an older person (75 plus) were in fuel poverty in 2006 and more than three-fifths

(62%) of lone older households were fuel poor<sup>1</sup>, older consumer's issues need to remain high on the agenda for the Utility Regulator in the Social Action Plan and in Corporate Social Responsibility strategies of utility companies.

#### 4 Protecting Vulnerable Customers - Special Services

With regard to the Special Services offered by utility companies for vulnerable consumers, ACNI is encouraged by the broad range of support services available. The Utility Regulator indicates that these services are monitored and we believe that it would have been beneficial to see what targets the Utility Regulator sets for these services, how many consumers have used these services and the impacts. Anecdotally, members that we spoke to were mostly unaware of the services offered by the companies, which reinforces the Consumer Council<sup>2</sup> research indicating that almost three quarters (73%) of eligible utility customers are unaware of the special services available to them. We believe that there is an opportunity for ACNI to work with both the Utility Regulator and the utility companies in promoting the existence of these services and the priority vulnerable customer registers through our existing networks to benefit our members. We propose working with the Utility Regulator to find innovative ways of increasing the number of eligible customers registering.

In terms of the actual services provided, a number of suggestions have been made such as making the talking bill available on a freephone basis to any

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<sup>1</sup> NIHE House Condition Survey 2006

<sup>2</sup> Research into consumers' views on initiatives by energy suppliers to help disadvantaged and vulnerable customers, December 2008, the Consumer Council and the Utility Regulator

vulnerable customer who requests one, not only those with a visual impairment. Personal safety is of major concern not only to ACNI members but to many vulnerable customers. Ensuring a full uniform is worn by all meter readers and staff at all times and making specific appointments or providing advance notice of meter reading or visits would provide assurance to vulnerable customers.

#### 5 Protecting Vulnerable Customers - Financial Vulnerability

ACNI welcomes all energy efficiency measures for fuel poor homes however we note from this consultation that energy companies are only obliged to “make available guidance” on energy efficiency (pg 25 para 5.7). We believe that these companies should be obliged to promote energy efficiency to vulnerable customers. This would enable customers to find out about the range of schemes that are available to make their homes more energy efficient thereby reducing bills and raising comfort levels. These schemes should be widely promoted as our concern is that the most vulnerable consumers are often the most isolated and are not aware of where to get this advice. ACNI would be keen to work with the Utility Regulator and the utility companies to promote these schemes through our existing networks.

ACNI welcomes the Utility Regulator’s work on social tariffs and looks forward to engaging with the Utility Regulator and responding in full to the consultation when issued.



With regard to payment methods offered, utility companies offer discounts for payment through Direct Debit. There are many vulnerable consumers who cannot take advantage of this discounted payment method as they do not have a bank account. ACNI would like to see the introduction of a Prompt Payment Discount for those customers who pay their bills on receipt. This would benefit those consumers who regularly pay their bills promptly and may incentivise others to pay within a specified period.

ACNI understands that debt is a major issue for many vulnerable households in Northern Ireland and welcomes the Utility Regulator's proposal to investigate the potential for all utility companies to operate a harmonised approach to debt management. This should provide benefits for all consumers providing a best practice approach is identified and implemented. We would also recommend best practice guidelines for use of debt collection organisations be identified and implemented. ACNI would be happy to support suppliers and the Utility Regulator in this project.

#### Pre-payment

The Utility Regulator has rightly brought pre-payment customer issues to the fore in this consultation and ACNI agrees that older customers may be particularly vulnerable to self-disconnection.

Although research conducted by the Consumer Council in 2006 indicated that the majority of households do not self-disconnect for financial reasons<sup>3</sup>, a recent report in GB suggests that some pensioner households may not disconnect from their energy supply but ration their fuel usage to stay out of debt.

“There is strong evidence that pensioner households appear particularly likely to ration fuel use – for example by under-heating bedrooms and turning off heating for some of the daylight hours.”

“Other actions to reduce the use of fuel included cutting back on the number of cooked meals and in some instances going without lighting. This problem is exacerbated amongst those groups which are present for longer periods in the home – for example pensioner households and people with disabilities or illnesses.”

“Households adopting coping strategies of rationing fuel use and under-heating homes, which particularly includes pensioner households, are at greater risk of physical impacts including cardio-vascular and respiratory problems. They may also experience greater levels of stress, which contributes to mental health problems and depression.”

Source: Cold Comfort: A Review of Coping Strategies Employed by Households in Fuel Poverty, August 2008 Centre for Economic & Social Inclusion

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<sup>3</sup> In Control?, An investigation into the patterns of use and level of self-disconnection by gas and electricity Pay As You Go meter users in Northern Ireland, 2006, the Consumer Council.

Evidently the result of this self-rationing or reduction in cooked meals or lighting will have a major impact on the health of vulnerable consumers and issue highlighted in our current “Can’t Heat or Eat’ campaign. ACNI would recommend that further research be undertaken to look into the prevalence of self-rationing among pre-payment customers in Northern Ireland.

This research in GB has also suggested that those who do self-disconnect may do so due to lack of access to payment facilities. This may be particularly relevant to vulnerable customers who have mobility issues or who are concerned about their personal safety. As pre-payment customers may not have banking accounts, telephone vends may not be an option for them. This may also link to the lack of awareness of the emergency credit facility which utility companies make available for pre-payment customers. In the Consumer Council ‘In Control?’<sup>4</sup> report it states that 40% of pre-payment customers are not aware of the existence of emergency credit which would indicate the need for a campaign to increase awareness of this facility.

With regard to potential retail competition, ACNI would seek assurances that customers on pre-payment meters are not discriminated against by utility suppliers and that they are afforded the same opportunity to switch to an alternative suppliers as those customers on standard credit or Direct Debit.

On the number of natural gas customers who may have a prepayment meter installed, many households prefer this method of payment as it enables better

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<sup>4</sup> **In Control?, An investigation into the patterns of use and level of self-disconnection by gas and electricity Pay As You Go meter users in Northern Ireland, 2006, the Consumer Council.**

budgeting therefore all new gas customers should be entitled to choose the method of payment that suits their circumstances best and not have their choice reduced.

Given the number and breadth of issues regarding pre-payment customers, ACNI would propose the creation of a Pre-Payment Working Group to include suppliers, the Utility Regulator and community and voluntary groups to examine the challenges identified in this consultation and work together to develop the appropriate actions to overcome these issues.

## 6 Key Issues Going Forward

As stated earlier, ACNI is keen to see the awareness of the Social Action Plan and the special services offered increased among older consumers and will work closely with the Utility Regulator and utility companies to promote these measures across the network.

## 7 Forward Work Plan

ACNI welcomes the proposal in the Forward Work Plan to establish a panel of experts from academia, industry and government to advise on fuel and water poverty issues however we would recommend representation from the community and voluntary sector to ensure the voice of the vulnerable consumer is heard directly in this arena.

