



# **Implementation of a new supplier Code of Practice on Energy Bills and Statements**

**(Second consultation)**

**April 2017**

## **1 Introduction**

- 1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (NI) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland (NI).
- 1.2 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.
- 1.3 The Consumer Council welcomes the opportunity to respond to the Regulator's second consultation on the Implementation of a new supplier Code of Practice on Energy Bills and Statements.

## **2 General comments on the proposed code of practice**

- 2.1 The Consumer Council shares the Regulator's view that suppliers should have a requirement to keep a record of all changes to their billing processes or bills and statements. As REMM reporting to the Regulator is a common requirement upon suppliers, we agree that amending this to reflect changes to bills and statements is a common sense approach.

- 2.2 The feedback received regarding specific customer research associated with the development of the proposed code of practice clearly demonstrates concern amongst suppliers. The Consumer Council fully acknowledges that in seeking to ensure a best practice approach which could be costly; it must be informed by detailed research. We therefore welcome that the Regulator has sought to strike a balance by removing some requirements deemed to be onerous on suppliers and plans future consumer research activity.

### **3 High level principles for the code of practice**

#### **3.1 Overarching principle – all bills and statements are clear and easily understandable**

The Consumer Council notes the feedback the Regulator has received about the term “average consumer” and its decision to remove this reference altogether. In our view the guiding principle must be that bills and statements are clear and understandable to all consumers. Subsequently we welcome the new overarching principle stating that bills and statements are clear and easily understandable, without defining consumer groups. This should include recognising the needs all, including vulnerable consumers.

#### **3.2 Principle 4 – customers will be made aware if there are cheaper tariffs available to them**

Stakeholder feedback has highlighted that tariff comparison for consumers may not be as simple as pence per kWh. The Consumer

Council also recognises additional factors for consumers to consider may apply such as switching incentives, loyalty bonuses and discounted starting tariffs. Through our outreach work in which we encourage consumers to shop around to get the best energy deal, we highlight savings that consumers can make in addition to the pence per kWh tariff price. We therefore believe it is important that consumers are made aware of all financial incentives associated with tariffs.

3.3 The Regulator has proposed the following mandatory bill statement;

Thank you for choosing <supplier name>. We offer a range of tariff options so please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may also change your <electricity/gas> supplier. Impartial advice and information about tariffs and switching can be found at [www.consumerCouncil.org.uk](http://www.consumerCouncil.org.uk)

We are aware that at present, not all suppliers offer a range of competitively priced tariff options<sup>1</sup> therefore this statement could be misleading to customers of these respective suppliers. Of course these respective suppliers will have individual views on this statement however we would propose removing “*We offer a range of tariff options so...*” as follows:

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<sup>1</sup>[Consumer Council Price Comparison Table - Electricity](#)

Thank you for choosing <supplier name>. Please check our website <website details> or speak to one of our advisors <customer number> to find out if you are on the best deal for you. You may also change your <electricity/gas> supplier. Impartial advice and information about tariffs and switching can be found at [www.consumerCouncil.org.uk](http://www.consumerCouncil.org.uk)

We very much welcome that the Consumer Council is referenced should consumers wish to receive impartial advice and information about tariffs and switching. We are steadfast in our commitment to promoting the benefits of switching to get the best deal and believe it is appropriate that our role is highlighted to NI consumers.

3.4 The Consumer Council firmly believes that non domestic bills and statements require the same mandatory statement outlined above as domestic customers' bills and statements. We disagree with supplier assertions and the proposed position of the Regulator that non domestic customers have more awareness about tariffs and are engaged about tariffs.

3.5 The Consumer Council recently evaluated business awareness and engagement levels following the Regulator's removal of Power NI's price control for Industrial & Commercial (I&C) 0-50Mwh. Our evidence suggests that small businesses in NI face some of the

same problems as domestic energy customers, but do not enjoy the same level of protection. Furthermore, research told us that NI small businesses “often find it difficult to engage in the energy market”<sup>2</sup>.

- 3.6 The Regulator has outlined its intention to undertake a project in 2017/2018 which reviews the protection for small I&C customers and micro-businesses and will investigate if a statement would be beneficial. Whilst this project is welcomed we are of the view that the statement should be included on non-domestic bills until it is demonstrated not to be necessary.

#### **4 Code of Practice Details**

- 4.1 The Consumer Council supports the requirement for suppliers to consult with us regarding all significant changes to the content and/or format of all bills and statements. We would like to reassure suppliers that we see our role as one of providing guidance, on what works best for consumers. Whilst we acknowledge this requirement is not placed upon changes to non-domestic bills and statements, we are available to assist suppliers and would welcome the opportunity.

- 4.2 The Consumer Council agrees with the Regulator that consumers repaying debt must be kept informed of how the debt is reducing. In order to ensure formality it is our view that written

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<sup>2</sup> Source: Consumer Council research Energy information needs of NI small businesses in March 2016.

communication is the most appropriate methodology. We also support the requirement to provide further information on the consumer's right to complain, the role of the Consumer Council and the role of the Regulator if the Consumer Council is unable to resolve the complaint.

4.3 The Consumer Council is satisfied with the five key pieces of information that the Regulator has proposed should be on the front of all supplier bills. However we would also prefer keeping the proposed statement encouraging customers experiencing difficulty paying, to contact their supplier. The Regulator, following its proposed removal of this statement has encouraged suppliers to voluntarily apply it; we therefore reiterate our view that it should not be removed. It is beneficial to both customers and suppliers to engage about payment difficulties. We believe this type of statement can act as an invitation to consumers and remove any perceived stigma they may have.

4.4 If you would like further information or to discuss any issues in this paper, please contact Mark Crawford on 028 9025 1640 or [mark.crawford@consumercouncil.org.uk](mailto:mark.crawford@consumercouncil.org.uk).



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