



## **Consultation on Proposed Modifications to Gas and Electricity Licences**

## **1. Introduction**

1.1. The General Consumer Council for Northern Ireland (the Consumer Council) is an independent consumer organisation, working to bring about change to benefit Northern Ireland (NI) consumers. Our aim is to 'make the consumer voice heard and make it count'.

1.2. The Consumer Council welcomes the opportunity to respond to this consultation.

## **2. Licence modification 1: to ensure suppliers must not block or prevent prepayment meter customers from vending/topping up**

2.1. The Consumer Council is aware through our complaints handling role that in some instances of alleged meter interference, consumers have been blocked from making a vend on their pre-payment meter. We wholly agree with the Utility Regulator's view that this is effectively a form of disconnection and therefore, this is unacceptable. As such, the Consumer Council welcomes this modification and the protection it will offer consumers.

## **3. Licence modification 2: to ensure that prepayment meters must not be calibrated to recover more than 40% of any outstanding charge in any single transaction as a payment of or towards that charge**

3.1. The Consumer Council has experience of handling complaints whereby suppliers sought to recover more than 40% of the outstanding charge based on how the debt was accrued. However there was a lack

of consistency by individual suppliers and at times, no apparent methodology as to how or why a recovery amount was determined.

3.2. The Code of Practice on Payment of Bills states that suppliers will recover debt at no more than 40% of each top up. In our view this should be unambiguous. Debt, regardless of how it originated should be managed consistently in accordance with the Code of Practice.

3.3. The Consumer Council supports the proposed modification. However, we would like absolute clarification that the 40% recovery rate is applicable regardless of how the debt was accrued.

**4. Licence modification 3: to ensure after closing an account with a supplier, any refunds are passed back to consumers within 6 weeks of account closure and treatment of dormant accounts**

4.1. Energy suppliers understandably have specific timelines in place to recoup payment of bills and if this is not adhered to, a programme of debt recovery commences. This approach applies both to existing customers and customers with closed accounts.

4.2. However a similar adherence to timelines is not applied when refunding credit payments to customers. A credit balance, either with an existing or exiting customer is money not belonging to the supplier. As such we believe a licence modification which puts an onus on suppliers to refund customers accordingly is appropriate and welcomed by the Consumer Council.

4.3. In respect of “best endeavours”, we understand that all potential scenarios cannot be stipulated. However we would expect suppliers to apply a similar consistent approach in tracing customers owed money as they would if they were seeking payment of arrears.

4.4. The Consumer Council through its complaints function, will evaluate instances arising where we do not believe “best endeavours” have been made. We will continue to work with suppliers and if necessary, highlight any concerns to the Utility Regulator.

**5. Licence modification 4: to change the period in which supply companies must inform consumers they are coming to the end of a fixed term contract**

5.1. The Consumer Council agrees with the rationale for amending 28 days to 21 days in order to align fixed term contract expiry with the minimum notice of a change in terms and conditions.

**6. Licence modification 5: to place a duty on gas suppliers to offer terms to any domestic consumer (Gas only – new condition)**

6.1. The Consumer Council strongly advocates consumers shopping around to get the best deal to suit their needs. To deliver this message we present a series of “Switch and Save” events in which we engage with consumers and consumer groups around NI, outlining availability of suppliers, tariffs, introductory offers and terms and conditions.

6.2. As such we welcome this modification which ensures consumers are treated equally and have availability of the deal that they believe best meets their individual needs.

**7. Licence modification 6: to amend the definition of domestic consumer in gas supply and gas conveyance licences**

7.1. The Consumer Council represents the interests of both domestic and business customers. Whilst energy related complaints about definition of consumers or premises is not common, we have experience through our work in relation to Water and Sewerage that it can be a complex issue when it arises. Therefore this modification that clearly defines a consumer or premises regardless of energy consumption is in our view clear, concise and most importantly, fair.

**8. Licence modification 7: to align the provision of switching information by distribution companies with the timetables outlined in REMM**

8.1. We acknowledge this amendment that brings an alignment of the timeframe within the licence to the timeframe determined under the REMM framework. We believe the extended timeframe afforded to distribution companies will benefit the process of information sharing.

**9. Licence modification 8: to provide a reference to the minimum standards in the Codes in gas and electricity supply licences**

9.1. As part of the Utility Regulator's consultation process on the implementation of new minimum standards for Codes of Practice, the Consumer Council attended and presented at a workshop supporting this enhanced protection. Furthermore we were consulted with by suppliers prior to them making their final submissions to the Utility Regulator.

9.2. Consumer protection is at the heart of our work and we strongly believe in absolute compliance to these minimum Codes of Practice. As such we fully support this modification that formally recognises these Codes of Practice within the licence.

#### **10.Licence modification 9: to remove duplications in Marketing Condition**

10.1. Supplier compliance to the Marketing Code of Practice is the cornerstone to building trust with consumers and giving them the confidence to switch. The Consumer Council has experience of handling consumer complaints when marketing fails and we recognise the improvements that have arisen following the introduction and application of the Code of Practice.

10.2. We believe that this clarity in the Licence will strengthen how suppliers interact with consumers. Furthermore it ensures protection is in place to help develop the market for the benefit of both suppliers and consumers.

#### **11. Licence modifications: 3.10, 3.11, 3.12, 2.13 and 2.14**

11.1. The Consumer Council acknowledges these licence modifications and the rationale that will ensure references within licences are corrected, use of terms are consistent and redundant Special Conditions no longer in effect are removed. We are in agreement that these modifications will update the respective licences and ensure that they are as accurate and as consistent as possible.

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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