



Action for Warm Homes

**National Energy Action Northern Ireland's
response to the Utility Regulator's Implementation
of a New Supplier Code of Practice on Bills and
Statements**

Second Consultation

April 2017



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About NEA

NEA is the national charity working to ensure affordable energy for disadvantaged consumers. NEA's strategic aims include influencing and increasing strategic action against fuel poverty; developing and progressing solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households and enhancing knowledge and understanding of energy efficiency and fuel poverty.

NEA seeks to meet these aims through a wide range of activities including policy analysis and development to inform our campaigning work, rational and constructive dialogue with decision-makers including regulatory and consumer protection bodies, relevant Government Departments, the energy industry, local and national government and develops practical initiatives to test and demonstrate the type of energy efficiency programmes required to deliver affordable warmth. NEA's educational and training initiatives have recently won the National Ashden Award, which recognised the importance of improved knowledge and understanding of domestic energy efficiency among consumers and communities and their work to 'up skill' the workforce across the energy industry.

Fuel Poverty in Northern Ireland

The latest Northern Ireland House Condition Survey, while carried out in 2011, indicated that 42% of all households in Northern Ireland were in fuel poverty. This by far outstrips the rest of the UK and the size and scale of the problem here makes it one of the biggest issues facing our society today.



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Introduction

National Energy Action Northern Ireland (NEA NI) welcomes the opportunity to respond to this second consultation on the implementation of the new supplier Code of Practice (CoP) on energy bills and statements. We commend the Utility Regulator (UR) for the thorough interaction which took place with stakeholders throughout the consultation process in 2016. While we are pleased to see some of our recommendations reflected in the revised domestic CoP, we are none the less disappointed that other issues we raised have not been reflected. We have raised these issues again below.

General comments

We welcome the opportunity to be involved in the consumer engagement activities outlined on pages 23-24 of the document, which states the plans to carry out further consumer engagement in 2017. It would be helpful to know the timeline for finalising the Domestic CoP and the timing of the consumer summit as this does seem somewhat unclear.

Energy Bills are the most important form of communication between the supplier and the consumer. Better engaged consumers are more likely to take an interest in their overall energy awareness.

The Principles approach does have the potential to have less focus than mandatory regulations, however the positives are, that the suppliers may be more innovative. Crucial monitoring should ensure that the principles approach continues to protect consumers in a timely fashion.

We are disappointed that neither training or education are referred to in the second consultation document. We previously recommended that a formal energy awareness standard, for example the NEA/City and Guilds 6281-01 Energy Awareness training and qualification, should be the standard used for all energy advisers and again call on the UR to direct energy suppliers to this best practice.



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High Level Principles

1.1 All bills are clear and understandable

We stated in our original response that the specific needs of vulnerable consumers should still be acknowledged, and note on page 26-27 the removal of 'for example consumers with limited literacy or numeracy or consumers with low engagement in the energy market' (page 71: 1.2.2). It is these consumers who are likely to need advocacy and the protection from the Code of Practice (CoP). There is still a need for a reference to vulnerability within the CoP or assurance that the Retail Energy Market Monitoring (REMM) process will identify any issues.

Principle 1: A customer is able to find quickly and understand important information

We are disappointed to see that our recommendation to have energy usage and unit price displayed on page one, has not been adopted.

We believe that including this information 'upfront and central' is one of the key ways to bring about the 'game changer' that will be required if we truly wish to engage consumers with their energy bills. All other household bills provide this information upfront. For example, when purchases are made at the supermarket or hardware store, the consumer is provided with a bill/receipt showing number of item(s) purchased and the price of each individual item with the overall amount owed at the bottom of the bill/receipt.

Providing this vital information on page one may go some way towards empowering, engaging and enabling the consumer to make comparisons to consider switching, not just supplier but also unit price with the same supplier. Engaging the consumer in this way will also reinforce the benefits of any energy efficiency improvements.



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Principle 2: A customer will know immediately what action is required from them when reading a bill

As highlighted in our previous response, we believe that follow up communication for consumers with late payments or debt is crucial. Those consumers who remain in credit largely are unaffected; however, those struggling with finances need this particular aspect of communication. We believe that the Code of Practice (CoP) is weak in this area and could benefit from some focus on this aspect of billing, as there is a lack of follow up communication e.g. letters regarding non-payment of bills or debt in that so much of consumer difficulties occur at this stage. We are unclear around current practice and would respectfully seek clarification as to what actually does occur at this stage.

4.1 Font - typeface, size and colour

We agree with the details on Page 82-83 on font size etc. However, as stated above we are disappointed that details on the consumers energy usage since the previous bill and unit price are not included on page one in the layout of important information.

Conclusion

Overall we are pleased with many aspects of the CoP. We look forward to working with the Utility Regulator and other stakeholders at the consumer engagement events and providing input into any future research.

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