

Northern Ireland Water
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12 June 2015

Dear Kevin

Utility Regulator's Consumer Protection Strategy

Thank you for the opportunity to comment on the Utility Regulator's Consumer Protection Strategy. We note that the Consumer Protection Strategy focuses specifically on domestic consumers and has the following objectives:

1. A focus on **affordability**.
2. **Equal access** to utility services.
3. **Empowerment** of consumers through education, transparency and responsibility.
4. Providing **leadership** through being a best practice regulator and working with others.

NI Water is supportive of these objectives and the complementary role of the Utility Regulator in supporting our aspiration to provide high quality customer service which our customers value and expect.

The strategy document recognises that domestic customers are not directly billed for water and sewerage services in Northern Ireland. NI Water aims to provide services which are affordable and provide good value for money. In that regard, while some of the proposals are not directly applicable today, it is helpful to understand and assess how they operate. Equal access to utility services, empowerment of consumers and providing leadership through being a best practice regulator all resonate firmly with us.

We have included brief answers to the consultation questions in Annex A attached.

In summary, we are supportive of the objectives of the Consumer Protection Strategy and broadly agree with the work streams which the Utility Regulator has identified for itself and the wider industries.

We look forward to continued engagement with you on these matters.

In the meantime, if you have any queries in relation to any of the points that we raise, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ronan Larkin'.

Ronan Larkin

Director of Finance and Regulation

cc: Liam Mulholland
 Will Gibson
 Caroline McGale

ANNEX A – NI Water Response to Consultation Questions

1. Do you agree with the four strategic objectives in the Consumer Protection Strategy?

NI Water is supportive of the four strategic objectives in the Consumer Protection Strategy.

The strategy document recognises that domestic customers are not directly billed for water and sewerage services in Northern Ireland. Nevertheless NI Water aims to provide services which are affordable and provide good value for money. Equal access to utility services, empowerment of consumers and providing leadership through being a best practice regulator all resonate firmly with us.

2. Are there any additional objectives which should be included in the Strategy?

We are supportive of the four objectives identified.

3. Do you agree that the activities and outputs identified under each of the objectives are the right ones?

A focus on affordability

The strategy document recognises that domestic customers are not directly billed for water and sewerage services in Northern Ireland. In that regard, while some of the proposals are not directly applicable today, it is helpful to understand and assess how they operate.

- The underlying principles inherent in the proposed Code of Practice on Energy Theft would have application to billed customers (albeit non-domestic at present) in the water sector. Consideration might be given to Code of Practice on 'Utility Theft' rather than 'Energy Theft'.
- The references to 'consumers in crisis' might be amended to 'consumers in financial crisis' as this is a more accurate description of the issue in this context.
- NI Water has a Billing and Metering Code of Practice in place for non-domestic customers.

Equal access to utility services

NI Water is supportive of equal access to utility services for all domestic consumers including the needs of older consumers and consumers with disabilities or chronic illness.

- NI Water offers and promotes a Customer Care Register and is willing to engage with Utility Regulator and others on best practice. In our view, the number of entries on the register is not the only positive indicator of consumer protection. Rather it is important that those consumers who require the support offered by such registers take advantage.
- Major incidents and significant supply issues affect different industries in different ways; consumer education in this regard may be beneficial. NI Water has implemented a number of improvements in recent years and continues to develop its emergency response. We are keen to work with

other agencies to promote better awareness and adoption of self –resilience / preparedness.

- Consumer protection policies – NI Water has a suite of Codes of Practice which set out the levels of service that customers can expect.
- The ability to access water and sewerage services is typically governed by geography rather than sociological factors. The borewell grant scheme administered by DARD / DRD provides some mitigation for those in areas not served by a public watermain.

Empowerment of consumers through education, transparency and responsibility

This objective and associated activities / outputs relate primarily to consumer awareness in relation to switching and tariff comparison and as such it does not have particular application to the local water industry.

- Under ‘Best Practice Standards’, the Consumer Protection Strategy states that there are no Guaranteed Standards of Service (GSS) or Overall Standards of Service (OSS) for NI Water although water related GSS consumer research was completed as part of the wider review of GSS across the utilities and the Utility Regulator will continue to review this area. This was picked up in Utility Regulators Review of impact on industrial action. NI Water would welcome early engagement on this matter.
- We are supportive of consumer protection through education e.g. water efficiency, proper use of wastewater services, self-resilience, lead pipe replacement.

Providing leadership through being a best practice regulator and working with others

NI Water is supportive of the role of the Utility Regulator to protect today’s consumers in relation to price and quality of service as well as supporting efficient investment. We are supportive of the Utility Regulator providing leadership through being a best practice regulator as long as appropriate recognition is given to our local circumstances relating to the water industry in Northern Ireland.

4. Are there any additional projects or areas of work which should be included in the Strategy?

We have no further suggestions.

5. What do you think should be the top three priority projects for the Consumer Protection Strategy? (Please also provide supporting reasons).

The Consumer Protection Strategy is intended for domestic customers with a particular focus on the most vulnerable. While we are supportive of the principles of the strategy, we see NI Water being exempt from certain aspects in the absence of direct domestic charging.

From our perspective, activities which relate to our current circumstances are:

- Customer Care Register
- Major Incident Communications
- Billing clarity

6. Is there anything else you would like to add in relation to the Consumer Protection Strategy?

We have no further suggestions.

7. Do you agree that where this consultation has an impact on the groups listed above, those impacts are likely to be positive in relation to equality of opportunity for energy and water consumers?

Clearly since publication of the Social Action Plan in August 2009, significant developments have occurred in the wider economic environment which impact directly on domestic customers.

Progressing some of the activities proposed is likely to have a positive impact on customers.

8. Do you consider that the proposals need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence.

We have no further suggestions.