



Consumer Protection Programme

Final Decisions Paper
April 2019



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs, Markets and Networks. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



Our vision

To ensure value and sustainability in energy and water.



Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



Abstract

This paper details our decisions following the review of the Utility Regulator's (UR) Consumer Protection Strategy (CPS) which was launched in 2016. We have reviewed and revisited the CPS, and made the decision that there will no longer be a standalone CPS. Rather, within our new Corporate Strategy (2019-2024) there will be an identifiable Consumer Protection Programme (CPP) due to begin in April 2019. The CPP will be central to the UR Corporate Strategy.

The new CPP was developed through extensive consultation and discussions with stakeholders. We are grateful for their input and ongoing partnership delivery.

This final decisions paper contains the CPP project delivery tables; the CPP will be a prioritised 3 year programme and build upon the strong foundation of work that has gone before, both within the CPS and throughout UR. CPP projects which are not prioritised into the 3 year timeframe will be reconsidered at a planned CPP review point of 2022. It is our intention to review the CPP at the end of the 3 year delivery period.

Audience

This document is most likely to be of interest to regulated companies in the energy and water industries, consumer organisations, community and voluntary organisations, natural gas, electricity and water consumers, government and other statutory bodies.

Consumer impact

Each of the projects identified is expected to have a positive impact on domestic electricity, gas and water consumers. The costs and benefits of each project will be identified during the scoping phases of the individual projects.



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1. Foreword

Protecting and empowering all consumers is the overarching purpose of the UR's new Corporate Strategy (2019-24), reaffirming our commitment to protecting consumers today and tomorrow.

Our Corporate Strategy and our Forward Work Programme for 2019/20 both set out our approach to regulation and the initiatives we have prioritised in order to deliver our three Corporate Strategy objectives. Those objectives are:

1. Promoting markets that deliver effective competition, informed choice and fair outcomes;
2. Enabling 21st century networks; and
3. Enabling security of supply and a low carbon future.

The UR recognises that vulnerable domestic consumers require additional and bespoke regulatory interventions in order to ensure they too secure the benefits of competition and choice and also achieve fair outcomes. This is a fundamental role for regulators across the UK, and even more so in Northern Ireland given our relatively high levels of deprivation.

The Consumer Protection Programme (CPP) is our key vehicle to deliver these fair and equitable results for domestic consumers of electricity, gas and water, especially those in vulnerable circumstances.

The CPP has been developed through an extensive period of engagement with our partners in industry and consumer representatives and we are grateful for that. This engagement has resulted in a rich programme of tailored consumer protection projects which, when fully implemented, will result in positive outcomes for some of the most vulnerable customers in Northern Ireland.

We know that domestic consumers may need specific protection at certain times and in particular circumstances where they may be vulnerable. In recognition of this, we have for the first time included a definition of vulnerability which we will use for policy development and targeting. This will also bring clarity for both industry and consumer representatives when discussing consumer protection and vulnerability issues with us.

Through our CPP, we will aim to bring clarity, consistency and best-practice to consumer protection throughout Northern Ireland utility markets, while recognising our specific characteristics and sometimes unique challenges.

We developed the CPP following extensive engagement and consultation, and



we will continue to involve our stakeholders in the delivery of all the projects we have identified. This is fundamentally important and we look forward to delivering the new CPP in partnership with others.



Jenny Pyper
Chief Executive



Key Points

4

key objectives from the CPP:
Affordability, Equal Access,
Empowerment through
education & transparency, and
Leadership & Engagement

3

year programme of prioritised
projects to enhanced
consumer protection

We have for the first time included a definition of vulnerability which we will use for policy development and targeting:

‘A consumer is deemed vulnerable when their personal characteristics or circumstances reduce their ability to engage effectively and achieve fair outcomes. A vulnerable consumer is significantly less able to protect or represent their interests and significantly more likely to suffer detrimental impacts on their health, wellbeing or finances’

The CPP is our key vehicle to deliver fair and equitable results for domestic consumers of electricity, gas and water, especially those in vulnerable circumstances

2. Introduction and Background

- 2.1 This paper contains the UR's final decisions in regards to our new Consumer Protection Programme (CPP). The CPP was developed following a formal mid-term review of the UR's Consumer Protection Strategy (CPS).
- 2.2 The new CPP is a 3 year programme for domestic consumers, which will build on the strong foundation of work that has gone before, both within the CPS and throughout the UR.
- 2.3 The CPS was the UR's flagship strategy and action plan designed to bring about an enhanced level of domestic consumer protection for electricity, gas and water consumers in Northern Ireland. The CPS was launched in early 2016¹ and contained a commitment to have a formal review following year 2 of project delivery. The review of CPS commenced in April 2018 and concludes now with the release of this new CPP.

Context of the UR's work on consumer outcomes and CPS review

- 2.4 Since the publication of the CPS, in 2016, the political and societal discourse has emphasised the importance of consumer protection in a new and enhanced way.
- 2.5 In the past, regulators were expected to protect the interests of consumers primarily through the promotion of competitive markets and the regulation of monopoly networks. Whilst regulators have existing provisions to have due regard for the needs of defined groups of vulnerable customers, this has tended to be secondary to the promotion of competition, which it was thought would adequately deliver the best outcomes for consumers. There is now a wide recognition amongst regulators and policy makers that market outcomes can fail to deliver fair outcomes for some customers, especially those in vulnerable situations.
- 2.6 A number of key publications, highlighting this strategic shift in thinking, in regards to consumer outcomes and fairness have been recently released. The Department for Business, Energy and Industrial Strategy (BEIS) published a Consumer Green Paper entitled, 'Modernising Consumer Markets' (April 2018). This paper sets out this policy shift towards one that places the focus on consumer outcomes. BEIS has stated that²,

¹ 2016/17 – 2020/21 Consumer Protection Strategy Decision Paper
<https://www.uregni.gov.uk/publications/201617-202021-consumer-protection-strategy-decision-paper>

² Department for Business, Energy and Industrial Strategy, 'Modernising Consumer Markets: Consumer Green Paper', April 2018

“consumers ought to be able to trust that they will be treated well both because firms recognise it is the right thing to do and because regulators will act if they do not”

Consumer protection and fairness

- 2.7 One of the key regulatory discussions in GB is the shift in emphasis, for regulators, to focus on fairness as equal to competition and efficiency. This is evidenced through a number of recent publications, for example the recent National Audit Office (NAO) report. The NAO report on *‘Vulnerable Customers in regulated industries in GB’*, included a review of the following agencies (1) Office of Gas and Electricity Markets (Ofgem), (2) the GB Water and Sewerage regulator (Ofwat), (3) the Financial Conduct Authority (FCA), and (4) the communications regulator (Ofcom).
- 2.8 This NAO report considers the following:
- The experiences of vulnerable consumers and whether regulators understand vulnerability in their sectors;
 - Whether key organisations, and regulators in particular, have clear roles, responsibilities and objectives; and
 - How effectively firms and regulators identify and support vulnerable consumers, and monitor progress
- 2.9 The NAO report noted that “none of the regulators [reviewed] has yet translated its high-level aims on vulnerability into detailed objectives”³, it recommended that regulators and government should work together to:
- Clearly define roles and responsibilities for supporting vulnerable consumers, while recognising regulators’ independence; and
 - Proactively explore options to enhance data-sharing that would allow better identification of, and support for, consumers in long-term or permanent vulnerable circumstances
- 2.10 The NAO report has led to a new consumer vulnerability cross-sector taskforce in GB, and UKRN interaction with that taskforce
- 2.11 The UKRN has worked to present a more consumer focused discourse in recent times and has established a work stream, which UR contributes to, to look at consumer vulnerability across the regulated sectors.

³ National Audit Office, ‘Vulnerable customers in regulated industries’, 31 March 2017

- 2.12 Furthermore, BEIS has created a new Consumer Forum chaired by the Minister for Consumer Affairs to discuss overarching priorities for the regulated sectors. This joint government-regulator Consumer Forum brings together senior representatives from across government and regulators and other experts, such as the Competition and Markets Authority (CMA), as appropriate.

Contextual implications for delivering CPP

- 2.13 This evolution in thinking in GB, has resulted in a new emphases being placed on fairness of outcomes for all consumers and the needs of those who are unable to engage with the competitive market.
- 2.14 Regulation does not and should not take place in a vacuum; rather it must be responsive to change in both markets and consumer circumstances. Therefore, the UR has noted this policy shift towards a more consumer outcome focused form of regulation. The UR has sought to incorporate the themes of this new strategic thinking into the CPP in order to ensure that all relevant best practice is captured and delivered for consumers in Northern Ireland.
- 2.15 The implementation of the CPP is of particular importance given the current high priority discussion in GB concerning consumer outcomes and protection in regulated sectors. Stakeholders have challenged UR to guarantee that the new CPP will be capable of delivering positive material outcomes for domestic customers generally and more specifically vulnerable customers.

Understanding of vulnerability

- 2.16 It is clear from policy discussions and strategic statements in GB that society's expectations of what markets, particularly essential services and regulated markets such as energy, should deliver for all customers has changed. Fairness of market outcomes for all consumers, including those in vulnerable circumstances, has become a fourth element to be equally considered in regulatory policy alongside price, security of supply, and sustainability.
- 2.17 The UR's CPS decision paper in 2016, recognised that any consumer could be considered vulnerable given a particular set of circumstances. Thus, that paper concluded that a high degree of protection needs to be in place for all domestic consumers with a particular emphasis on circumstances (rather than individual characteristics) which could result in consumers becoming vulnerable. Consequently, the CPS decision paper recognised that 'vulnerability' is not necessarily a permanent characteristic but rather a fluid state.
- 2.18 Following publication of the CPS decision paper, the concept of vulnerability has developed further in the UK wide discourse. Society's understanding of

vulnerability has developed; moving from being restrictively based on defined customer groups, to an understanding that anyone can be vulnerable given a combination of circumstances. These circumstances can be complex, are often multi-dimensional, and can be fluid, with people moving in and out of positions of vulnerability. It is therefore not appropriate to limit vulnerability to something that only affects specific customer groups.

- 2.19 Consumers' circumstances are not the only factor impacting on consumers' vulnerable status. Company policy, practice and behaviour can be equally important in contributing to consumers being at greater risk of vulnerability and of that risk crystallising into detriment. Company policies and procedures to assist customers in vulnerable circumstances ought to be viewed from the perspective of the consumer receiving the support.
- 2.20 The issue of defining vulnerability will be returned to in this paper in the CPP final decisions chapter (page 11). Stakeholders asked that the UR clarify the vulnerability definition that would accompany the delivery of the CPP, and in response to this request the UR has included a vulnerability definition in the CPP final decisions.

3. CPS Review and CPP Development

- 3.1 The process to review the CPS followed a number of steps.
- 3.2 **Firstly**, in order to facilitate the review of the CPS the UR hosted a Consumer Summit in April 2018, providing an early opportunity for stakeholders to engage directly with UR. This Summit, marked the beginning of the formal review of the CPS. The Consumer Summit provided attendees with an opportunity to shape the policy priorities the UR has set to protect consumers in Northern Ireland.
- 3.3 The Summit had two goals:
1. To provide Summit participants with key information on recent major changes in the energy and socio-economic context that impact on utility consumers in NI; and, subsequently,
 2. To invite participants to give their views on how the existing CPS might be refined / reshaped to address the current context and challenges. Specifically, participants were invited to consider and deliberate on:
 - the continuing relevance of the existing objectives;
 - the need for new / refined objectives;
 - the need for new actions; and
 - the need for UR to have further information to enable it to prioritise its work and assess its impact/effectiveness.
- 3.4 The Summit provided the evidence base for the CPP which is included in this final decisions paper. The Consumer Summit report is included in [Annex 2](#), which accompanies this report.
- 3.5 **Secondly**, the UR internally commissioned the production of a piece of desk-based research. This research reviewed the context, background and ideas from wider discourse on consumer vulnerability in regulated sectors to inform the UR's review of the CPS and development of the new CPP. This paper can be found in full in [Annex 3](#), which accompanies this report. This paper deliberately focuses on issues and lessons from GB regulation in regulated sectors. This focus on GB is appropriate due to a number of factors which include: (i) similarities in the market, policy and regulatory models (whilst recognising policy/regulatory differences); (ii) UK-wide relevance of policy discussions in regards consumer vulnerability; and (iii) work across UK regulators to better understand optimal vulnerability

definitions, impacts, and regulatory policy responses. The information captured in this paper has been used as learning points for the NI debate.

- 3.6 **Thirdly**, a public consultation paper was produced by UR, ‘Consumer Protection Strategy Review and Proposed New Consumer Protection Programme commencing April 2019’⁴, which incorporated the comments and suggestions from the Summit.
- 3.7 **Fourthly**, a consultation seminar was also held in November 2018 during the 8 week public consultation period. This workshop was attended by all Network companies and the majority of Suppliers; a number of key consumer representative bodies also attended. All stakeholders contributed to the workshop discussion and many of the issues raised at the workshop were reflected in the formal consultation submissions that the UR received. The consultation paper and the consultation responses are published on the UR website.
- 3.8 All of these forms of engagement with stakeholders have informed the review of the CPS and in parallel have laid the foundations for the development of the new CPP.
- 3.9 Following the review of the CPS, the UR has decided that there will no longer be a standalone CPS. Rather, within our new Corporate Strategy (2019-2024) there will be an identifiable CPP, which will ensure a core position for consumer protection within the delivery of the objectives of the UR.

CPS review and CPP consultation responses

- 3.10 Our consultation on the CPS review and proposed new CPP closed in December 2018, following an 8 week public consultation period. The UR received 13 responses to the consultation from a range of stakeholders including industry and consumer representative bodies.
- 3.11 The consultation was received with interest by both industry and consumer representative bodies; this is evident in the high number of responses that were submitted. This level of interest and engagement is to be welcomed but also presents challenges for the UR, with stakeholders calling upon the UR to ensure that the CPP is deliverable and meets the high expectations of our key stakeholders going forward.
- 3.12 Consultation submissions agreed that all of the potential CPP projects would achieve enhanced consumer protection and benefits. A number of responses

⁴ Consumer Protection Strategy Review and Proposed New Consumer Protection Programme commencing April 2019, published in October 2018, <https://www.uregni.gov.uk/consultations/review-consumer-protection-strategy-and-proposed-new-consumer-protection-programme>

asked for projects to be re-prioritised in the CPP delivery plan, whilst others suggested new and additional projects for inclusion in the CPP.

- 3.13 We received a number of detailed and considered responses, from both industry and consumer representative bodies, to the consultation. Indeed, we are encouraged by the wide ranging support for our CPP proposals that we have received from both industry and consumer representative bodies.
- 3.14 It is clear from the consultation submissions that stakeholders have endorsed the policy direction and aim of the CPP. However, the feedback to the consultation paper emphasised the high expectations that stakeholders have in regards to the potential positive impacts that the CPP could have on consumer outcomes.
- 3.15 Industry, whilst supportive of the CPP, have called on the UR to give due regard to utilities' ability to facilitate delivery of any proposed changes to consumer protection work in an efficient, cost-effective manner. In addition, they have also requested that UR is mindful of the size and scale of the Northern Ireland market and therefore implement consumer protection projects in an appropriate and proportionate manner.
- 3.16 Consumer representative bodies commended the UR for our work in recent years to improve outcomes for consumers in vulnerable circumstances. They also supported our decision to conduct a mid-term review of the CPS, not only as a check on progress, but also as an opportunity to ensure that the proposed projects are still fit for purpose in a changing political and economic environment. Many consumer representative bodies also sought reassurances that sufficient resources would be allocated to the implementation of the CPP going forward; ensuring positive outcomes for consumers, particularly vulnerable consumers in Northern Ireland.

4. Consumer Protection Programme Final Decisions

- 4.1 The consultation process undertaken by the UR, including the Consumer Summit, workshop and the formal consultation exercise, has heavily influenced the UR's decision making. This chapter identifies and comments on the UR's final decisions for the CPP.
- 4.2 Consultation respondents agreed that all of the potential CPP projects would achieve enhanced consumer protection and benefits. Consumers will benefit from the prioritised projects in a number of ways including enhanced protection and establishing best practice benchmarks. The UR intend to ensure that the future regulatory framework both includes and requires the early adoption of these CPP priorities.

Deliverability

- 4.3 Deliverability of the CPP was a key theme amongst the consultation submissions. In recognition of this concern from stakeholders, the UR Board has allocated increased resources to work exclusively on CPP implementation. It is envisaged that this commitment from UR will not only provide reassurance to our key stakeholders but also demonstrate that the UR has listened and given due regard to the concerns raised by stakeholders in our decision making process. These enhanced resources will be put into place during 2019.

CPP final decisions

- 4.4 Below we identify each of the main issues raised by consultation respondents and provides the UR's final decisions in regards to each.

Equality considerations

- 4.5 The CPP consultation paper asked respondents if they shared the view of the UR, that the equality impacts of the proposed CPP are positive and therefore do not require a full screen. Of the respondents who answered this question, all agreed with the UR's assertion that a full Equality Impact Assessment was not required.
- 4.6 **Final decision:** A full Equality Impact Assessment is not required for the CPP.

Leadership objective

- 4.7 The UR proposed amending the existing CPS Leadership objective in the consultation paper. We proposed expanding the objective to become Leadership and Engagement in order to demonstrate that this objective is now inclusive of the themes that had been raised with UR at the Consumer Summit. The themes highlighted at the Summit included the UR committing to better engagement, ensuring clarity and ease of understanding around UR policy decisions and conducting more consumer focused research.
- 4.8 Consultation submissions agreed that the UR had a role in conducting and fostering better partnership working between consumer representatives and utility providers. Respondents also stated that a new Leadership and Engagement objective would allow the UR to take on the role of bringing together a range of interested groups to examine key consumer, market and competition outcomes. Respondents also noted that the UR could play a unique role in identifying research, best practice and highlighting any regulatory considerations.
- 4.9 Consequently, the UR will expand the CPS Leadership objective to become a new Leadership and Engagement objective for the new CPP.
- 4.10 **Final decision:** CPP will retain the three objectives of affordability, equal access, empowerment through education and transparency and include the now expanded leadership and engagement objective.

CPP projects

- 4.11 The consultation paper included 3 CPP project tables which were split into 3 levels of prioritisation; (a) the priority projects for delivery in years 1 and 2, (b) projects for delivery in year 3, and finally those projects which were not currently prioritised during years 1-3 of CPP.
- 4.12 The UR has made final decisions in relation to the CPP project tables which are included at **Annex 1**. These project tables reflect UR final decisions based on the feedback received from consultation submissions. Stakeholders were content with the projects that the UR had identified for inclusion in the CPP but did request a series of amendments to the proposed CPP project prioritisation.

Best practice frameworks

- 4.13 The UR was particularly pleased to see the universal endorsement and support for two central priority projects to the CPP. The two projects are: **best practice framework (1)**: consumers experiencing an unforeseen change in circumstances and **best practice framework (2)**: investigating and delivering best practice approaches by regulated companies. The UR

has included the delivery of these projects during years 1 and 2 of the CPP; thus making them key priority projects within the CPP.

- 4.14 The implementation of both of these projects will result in the establishment of practical interventions to address some of the consumer difficulties brought about by vulnerability.

CPP projects years 1 – 2

- 4.15 Respondents provided constructive feedback on the projects they wished to see included for this priority delivery. Highlighted below are the changes and amendments that have been made to the CPP priority years 1 and 2 projects as a result of the consultation responses and ongoing UR review of the new CPP proposals and resources.

Supplier Debt Communications Review

- 4.16 The consultation paper proposed delivery of supplier debt communications review project during year 3 of the CPP. However, a number of respondents commented that the supplier debt communications review project should be re-prioritised within the CPP.
- 4.17 One respondent stated that it was difficult to see how enhanced protection for consumers, particularly vulnerable consumers, could be achieved in the absence of a supplier debt communication review. Another commented that their organisation anticipated consumer debt increasing in the next few years and so were concerned that the supplier debt communication review had not been prioritised earlier in the CPP.
- 4.18 Overall, consultation submissions recommended that UR considered conducting and implementing a review of supplier debt communication at an earlier stage of the CPP.
- 4.19 **Final decision:** Mindful of the concerns raised by respondents and the supporting evidence supplied in the consultation submissions; the UR has re-prioritised the supplier debt communication review project from delivery in year 3 of CPP to priority delivery during years 1 and 2. It is envisaged that this project would lead to improved supplier debt communications with consumers who are in financial difficulty, and should result in reduced levels of consumer debt and help to avoid supplier bad debt.

Definition of vulnerability

- 4.20 A key recommendation coming from respondents was that the UR should make it a priority to decide upon and adopt its own definition of vulnerability. Attention was drawn to the definitions currently used by Ofgem and Ofwat, which focus on the consumer's ability to access the market and potential

consumer detriment rather than defining specific vulnerabilities. Both definitions identify the potential detriment which could occur if direct consumer protections are not in place.

4.21 It is now commonly accepted that the contemporary definition of vulnerability used across UK regulators recognises the transient nature of vulnerability. However, this approach could potentially make the identification and targeting of vulnerable customers more difficult. In order to help utility companies in Northern Ireland to transition to the new definition of vulnerability, one of the UR's CPP priorities includes a project to identify best practice in relation to the identification and targeting of vulnerable customers; this will include data sharing where appropriate.

4.22 UR has decided upon the following definition of vulnerability:

A consumer is deemed vulnerable when their personal characteristics or circumstances reduce their ability to engage effectively and achieve fair outcomes. A vulnerable consumer is significantly less able to protect or represent their interests and significantly more likely to suffer detrimental impacts on their health, wellbeing or finances.

4.23 **Final decision:** Following feedback from consultees, the UR has decided to adopt the above definition of vulnerability for inclusion in the CPP. This definition reflects and accepts that vulnerability is transient and multi-dimensional. The definition recognises that vulnerability is highly context specific and therefore it is deliberately wide in nature; allowing the definition to be flexible enough to permit application in a wide range of personal circumstances and personal characteristics. However, we do recognise that targeting vulnerability for policy purposes requires identification on a more case by case basis. This will require individual judgment by industry participants, coupled with the use of characteristics such as age, chronically sick, disabled etc where appropriate. This definition aims to provide a tool to help industry identify vulnerable customers and offer the appropriate services. We will engage further with industry on these matters when developing the 'best practice' priority CPP project mentioned above.

Electricity Guaranteed Standards of Service (GSS)

4.24 The CPP consultation included the review of electricity GSS as a project for delivery in year 3 of the CPP. However, both industry and consumer representatives commented in their submissions that the review of electricity

GSS is a significant project and therefore needs to be prioritised within the CPP. Furthermore, respondents commented that the review of electricity GSS should be seen as a parallel project to the review of back-billing. The back-billing project was proposed as a year 1 and 2 project in the CPP consultation. Overall, consultation responses requested that the review of electricity GSS be included for delivery in years 1 and 2 of CPP.

- 4.25 **Final decision:** GSS set out the prescribed levels of service which consumers can expect from the network operator and supplier. An effective GSS mechanism has the potential to benefit consumers by incentivising high quality customer service and ensuring that customers receive redress for inconvenience caused by failures of electricity network companies and electricity suppliers to meet the prescribed levels of service. The current GSS regime requires review to ensure it is fit for purpose and once reviewed should ensure that consumers are informed about the minimum standards of service they can expect and the associated compensation for failure to meet these standards. Due to the concerns expressed by respondents and supporting evidence supplied in their consultation submissions; the UR has re-prioritised the review of electricity GSS for priority delivery during years 1 and 2.

Review energy consumer pathways to better deals

- 4.26 The consultation paper proposed delivering the project entitled review energy consumer pathways to better deals during year 3 of the CPP. However, a number of respondents requested that this project be re-prioritised for delivery earlier in the CPP.
- 4.27 Stakeholders commented that they wanted to see more emphasis placed on helping and encouraging consumers to find the best tariffs available to them. Respondents further suggested that consumers can be heavily disadvantaged due to their inability to switch or lack of awareness around switching. They particularly drew attention to the difficulties experienced by those consumers, often vulnerable, who feel they are digital excluded.
- 4.28 **Final decision:** This project would identify the most effective pathways for consumers, particularly vulnerable consumers, to engage with the retail energy market. The aim of this project will be to ensure that consumers can access the best deals available for their individual circumstances. Due to views expressed by respondents and supporting evidence supplied in the consultation submissions, the UR has re-prioritised the review energy consumer pathways to better deals project for priority delivery during years 1 and 2 of the CPP.

CPP projects year 3

- 4.29 Highlighted below are the changes that have been made to the CPP projects scheduled for delivery in year 3.

Review existing processes and procedures for domestic customers switching supplier

- 4.30 The review existing processes and procedures for domestic customer switching supplier project is a new and additional project to the CPP. This project was suggested to the UR for inclusion in the CPP through formal consultation responses.
- 4.31 Stakeholder commentary around this project stated that they wished to see a stronger focus on competition throughout the CPP and in particular that the CPP should include specific projects to address competition issues in the Northern Ireland market.
- 4.32 **Final decision:** Due to feedback from consultation responses, the UR has included this new and additional project, review existing processes and procedures for domestic customers switching supplier, for delivery during years 3 of the CPP. Through this project, the UR will seek and gather views of both industry and consumers in relation to the existing switching process and procedures which are in place for domestic customers in Northern Ireland. Any areas identified for further examination will be subject to future consultation and review.

Scope and review the establishment of a universal utility care register

- 4.33 The scope and review the establishment of a universal utility care register project is new and additional to the CPP. This project was suggested to the UR for inclusion in the CPP by stakeholders.
- 4.34 Consultation submissions noted the need for a universal utility care register that both customers and utility companies can access. The responses stated that the UR could help facilitate this discussion with the energy sector in regards to how the register would function.
- 4.35 **Final decision:** Due to feedback from consultation responses, the UR has included this new and additional project, scope and review the establishment of a universal utility care register, for delivery during year 3 of the CPP. The UR anticipates that this project will provide material outcomes for consumers once the review of network care registers and the review of supplier care registers have both been completed and fully implemented. These reviews will ensure that the existing care register promotion and services provided are fit for purpose. Once this has been achieved, the UR

will examine the potential of a universal utility care register for Northern Ireland.

CPP projects not currently prioritised during years 1 - 3

- 4.36 Highlighted below is the inclusion of an additional project. This additional project is the amendment that has been made to the CPP projects which are not currently prioritised during years 1- 3. The projects not currently prioritised during years 1-3 of the CPP will be included for re-prioritisation during the review of the CPP in 2022.

Scope the possible introduction of social tariffs in Northern Ireland

- 4.37 The scope the possible introduction of social tariffs in Northern Ireland project is a new and additional project to the CPP.
- 4.38 Some of the consultation submissions called for social tariffs to be introduced in Northern Ireland, stating that it is important consumers are protected from unduly high prices, especially those consumers who are vulnerable and disengaged. Another respondents drew attention to the water industry in GB, where social tariffs are available to consumers on low incomes who could otherwise not afford their water and sewerage bill. Likewise in the GB energy sector, vulnerable consumers benefit from an annual Warm Homes Discount of £140⁵ (this scheme does not extend to NI). Respondents called upon the UR to replicate across Northern Ireland a scheme similar to those in GB which could help to address some of the persistent affordability issues affecting consumers.
- 4.39 **Final decision:** Due to feedback from consultation responses, the UR has included this new and additional project. Through the delivery of the CPP, the UR seeks to ensure that domestic consumers in Northern Ireland have adequate levels of regulatory protection. Therefore, we will explore the use of social tariffs in other jurisdictions and any potential benefits to domestic consumers. We will also liaise closely and discuss the policy context and issues with relevant Government Departments. Any recommendations coming from this exploratory work will be fully consulted upon prior to the taking of any final decisions.

⁵ Warm Homes Discount <https://www.ofgem.gov.uk/environmental-programmes/warm-home-discount-whd>

5. Conclusions and Next Steps

- 5.1 The UR was pleased with the level of support for the CPP from the consultation responses received. The UR welcomes the endorsement of the aim and objectives of the CPP by consultees and their recognition that implementation of the CPP will result in positive material consumer outcomes.
- 5.2 The UR is confident that consumers will benefit from the CPP in a number of ways including enhanced protection and establishing best practice benchmarks.
- 5.3 The consultation submissions have both encouraged and challenged the UR in the development of the CPP. We have listened carefully to stakeholders and endeavoured to integrate their comments into the delivery plan for the CPP. This had resulted in a number of CPP projects being re-prioritised for delivery into years 1 and 2, thus becoming priority projects, and the inclusion of a number of new and additional projects which the UR believes will enhance the CPP. These amendments to the CPP delivery are now reflected in the CPP project tables at **Annex 1**.

Next Steps

- 5.4 Following the publication of this paper, the UR will work to ensure the efficient delivery of the CPP. The UR will work closely with stakeholders through a series of formal and informal platforms to ensure CPP projects are effectively implemented.

6. Equality Considerations

- 6.1 As a public authority, the UR has a number of obligations arising from section 75 of the Northern Ireland Act 1998. These obligations concern the promotion of equality of opportunity between:
- ✓ Persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
 - ✓ Men and women generally;
 - ✓ Persons with disability and persons without, and;
 - ✓ Persons with dependants and persons without.
- 6.2 The UR must also have regard to the promotion of good relations between persons of different religious belief, political opinion or racial groups.
- 6.3 In the development of its policies the UR also has a statutory duty to have due regard to the needs of vulnerable consumers i.e. individuals who are disabled or chronically sick, individuals of pensionable age, individuals with low incomes and individuals residing in rural areas. Some of the above equality categories will therefore overlap with these vulnerable groupings.
- 6.4 In order to assist with equality screening of the proposed Consumer Protection Programme consultation paper, the UR requested respondents to comment on the equality impact of the proposed projects and to provide any information or evidence in relation to the needs, experiences, issues and priorities for different groups which they felt was relevant to the implementation of any of the projects.
- 6.5 All of the respondents who expressed a view in relation to equality felt that the proposals had the potential to have a positive impact on equality of opportunity for utility customers. Based on equality screening undertaken by the UR, the UR considers that this decision paper will have positive impacts for consumers. Therefore, the UR considers that the proposals do not need to be subject to an Equality Impact Assessment.

7. Acronyms

BEIS	Department for Business, Energy and Industrial Strategy
CMA	Competition and Markets Authority
CPP	Consumer Protection Programme
CPS	Consumer Protection Strategy
GB	Great Britain
NAO	National Audit Office
NI	Northern Ireland
Ofgem	Economic regulator of the energy sector in GB
Ofwat	The Water Services Regulation Authority
UKRN	UK Regulators Network
UR	The Northern Ireland Authority for Utility Regulation

8. Annex 1: CPP Project Delivery Tables

Table 1: Priority projects for CPP years 1 and 2

Objective	Project
Affordability	Best Practice framework (1): Consumers experiencing an unforeseen change in circumstance which heightens their vulnerability (a) improved early identification of customers at risk of crisis, (b) ensure that customers made vulnerable through unforeseen circumstances (e.g. bereavement or health issue) are protected in best practice ways; and (c) ensure utility staff are adequately trained to identify and help potentially vulnerable customers at risk
	Examine back-billing arrangements in NI and ensure they operate fairly
	Suppliers debt communication review
	Review energy consumer pathways to better deals
Equal Access	Review Quick Check 101
Empowerment through education and transparency	Deliver new published content to help educate/empower consumers and stakeholders about energy market and consumer outcomes
	Review electricity GSS
Leadership and Engagement	Consumer Insights Tracker (CIT): a new baseline of domestic consumer outcomes, attitudes and experiences in relation to energy markets. Initial CIT to be released in 19/20 and repeated at least every two years

	Best Practice framework (2): Investigating and delivering Best Practice approaches by regulated companies to vulnerable consumer protection, such as (a) staff training, (b) practical measures and (c) signposting and engaging in multi-agency approaches
	UR to take part in stakeholder and consumer engagement and also in working groups with external bodies, including government/regulatory/statutory to capture best practice approaches which are advantageous to consumers and be responsibly imported into can NI
	Establish and adopt a definition of vulnerability for Northern Ireland domestic consumers. Ensure this definition is adequately adopted across regulated companies

Table 2: CPP projects year 3

Objective	Project
Affordability	Review existing processes and procedures for domestic customers switching supplier
Equal Access	Supplier Care Registers Review
	Consider extension of Quick Check 101 to Suppliers (currently Network companies only)
	Scope and review the establishment of a universal utility care register

Leadership and Engagement	Establish consumer/industry/UR group for consumer issues
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Table 3: CPP projects not currently prioritised during years 1 – 3

Objective	Project
Affordability	Examine potential for supplier charities e.g. hardship funds
	Review energy efficiency Code of Practice requirements
	Scope the possible introduction of social tariffs in Northern Ireland
Equal Access	Accessibility issues for consumers e.g. relocation of prepayment meters
	Review equality of access for consumers who have no access to a bank account and or no internet access
Empowerment through education and transparency	Tenants' rights in relation to utility services
	Performance metrics and reporting on vulnerable consumer protection measures across regulated companies

