

Advice NI's response to the Utility Regulator

Deadline: 7th December 2018

Advice NI welcomes the opportunity to respond to the Utility Regulators Review. **Section 1** includes background information on Advice NI and a general overview. **Section 2** then highlights our response to the discussion questions.

Section One: Background and Overview

Advice NI is a membership organisation that exists to provide leadership, representation and support for independent advice organisations to facilitate the delivery of high quality, sustainable advice services. We provide our members with advice and information management systems, funding and planning, quality assurance support, training from foundation to diploma level, social policy co-ordination and ICT development to ensure best practice, best value and effective advice services delivery.

Membership of Advice NI is for organisations that provide significant advice and information services to the public. We have approximately 60 member organisations operating throughout Northern Ireland, providing advice, information and advocacy services. Last year our members dealt 215,678 enquiries on an extensive range of matters including: social security, housing, debt, consumer and employment issues. For further information, please visit www.adviceni.net.

Advice NI also manages a Business Debt Service, which is a free service offering tailored, independent and impartial advice for sole traders, partnerships and Limited Companies in Northern Ireland. It has been operating since 2013. Since June 2013, the adviser has helped over 2,100 businesses and has dealt with over 6,200 calls. For further information and to access our factsheets visit www.adviceni.net.

Advice NI provides the Specialist Support service for NI, which provides second tier support to money and debt advisers with complex cases through telephone, email, Ask the Expert sessions, newsletters and resource materials. The service also supports supervisors on

undertaking supervisory quality case reviews and manages a dedicated online portal, which provides updates and resources.

With support from the Money Advice Trust, Advice NI delivers the Wiseradviser training programme for Northern Ireland, consisting of 50 Money Advice training courses from Generalist to Specialist level. This includes Money Advice Service accredited training for Initial Contact, Advice, Casework/Specialist, and Court Representation, as well as over 25 courses accredited with Open College Network Northern Ireland. We deliver various Nationally Accredited courses of benefit to Money Advisers including Legal Advice and Advice and Guidance qualifications from levels 2 to 4, and Money Guidance training to advisers and service users including the Money Advice Support Programme. In addition, we have a vast training portfolio outside of debt and money advice.

Section Two: Consultation Questions

Q1: Do respondents share the view of UR that the equality impacts of the proposed CPP are positive and therefore do not require a full screen? If yes, please provide details of any evidence you feel UR should consider.

No comment.

Q2: Do respondents agree with the proposal to expand the existing CPS Leadership objective to become Leadership and Engagement for the reasons set out in this paper?

Yes, we agree that engagement should be included with leadership, as we also believe the Utility Regulator (UR) has a role in conducting and fostering better partnership working between consumer representative bodies and utility providers.

Q3: Are the projects included in tables 9, 10 and 11 the full list of projects that respondents want to see included in CPP? Do you agree with the proposed prioritisation of the projects listed?

We recommend that the UR also consider, either under affordability or empowerment, for firms to do more to review and simplify their offers to customers. We firmly believe those who are deemed vulnerable and those who are financially struggling should be

automatically placed on the cheapest tariff. Also, Citizen's Advice highlight how loyal customers were being unfairly treated in terms of pricing and tariffs¹. We believe this is wrong and that utility companies should regularly review their offerings to ensure that customers are automatically offered or placed onto the most suitable tariff for them, which can be done through the data the company already has on the customer.

We firmly agree that the UR is right to focus on vulnerability. The Financial Conduct Authority (FCA) and Ofgem have begun extensive work in this area in England and Wales. We recommend the UR needs to be a review and agree a definition of vulnerability. The financial sector has worked within the remit of the FCA definition² and we believe that this or similar should also be used for the energy sector,

*'A vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.'*P.7.

Having a universal definition of vulnerability would be preferable as it helps to provide clarity and focus across different sector.

We believe that low income households should be deemed vulnerable, including those who are working and just about managing. It is important to work with all customer groups to recognise and support those that may not be traditionally deemed as vulnerable but their situation is making them vulnerable.

Energy efficiency information and support is important for people who have low incomes especially for those you are just outside the criteria for financial help. Any information that would help the clients cut their bills by making small changes would be beneficial. This should be free, easily accessible and easy to implement.

¹ Citizen's Advice, [2018]; <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/citizens-advice-issues-super-complaint-as-loyal-customers-continue-to-be-penalised-by-over-4-billion-a-year/>

² Financial Conduct Authority [2015] ; <https://www.fca.org.uk/publication/occasional-papers/occasional-paper-8-exec-summary.pdf>

We agree with the UR to carry out a Customer Insight Tracker, this should be conducted regularly, i.e. every 1 or 2 years, as the data needs to be relevant and appropriate. This will aid in tracking trend data to help understand what is happening and what policy issues need to be addressed. We recommend this data is used alongside the data already collected for Retail Energy Market Monitoring.

We strongly recommend that back billing is a priority for the UR and should be time limited to ensure the customer is not harshly or unfairly treated. Having a lengthy back bill could push someone into hardship and could mean extra pressure on the household income and standards. We believe that there should be complete debt write off where the customer is not at fault.

We recommend for one universal utility care register that both customers and utility companies can access. This could be a resource for customers to register and manage themselves. They can change their information as their circumstances change. There could be a function for the customer to indicate which utility companies they are with which would allow those firms to view the information. We believe the UR could help facilitate this discussion with the energy sector and it could be funded by all the utilities companies.

We believe that UR should prioritise establishing consumer/industry/UR groups for consumer's issues and this should happen earlier than year 3.

Q4: Are respondents content with the projects contained in table 11, which are not currently prioritised within the 3 year timeframe of the CPP? And are respondents content that the need for and priority of these projects will be re-examined following year 3 of the CPP?

We agree that vulnerability is an important focus for the UR and the sector and we understand that it will take some time for this to embed. However, developing and implementing policies and procedures should happen simultaneously with developing and implementing performance measures and reporting on vulnerable consumers. We believe that leaving this to year 4 or longer has the potential for delaying implementation.

Q5: Further to the previous consultation questions, do respondents have any general comments on the overall proposed CPP? Please provide evidence to support your answer.

No comment.

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