

# **Consumer Protection Strategy Review and Proposed New Consumer Protection Programme commencing April 2019**

**UR Consultation**

**Power NI Response**

6 December 2018



## Introduction

Power NI welcomes the opportunity to respond to the Utility Regulator's (UR's) Consultation Paper in relation to its Consumer Protection Strategy review and proposed new Consumer Protection Programme commencing in April 2019.

As the UR is aware, Power NI are committed to providing the highest levels of service to all of our customers which includes identifying, protecting and assisting those most vulnerable within society. To Power NI, this commitment is not an isolated project but rather ingrained within the core vision, values and operation of the business.

Over many years, Power NI has established a broad network of partners such as Advice NI, Dementia NI, Action against hearing loss, Age NI, Age Sector Platform, NEA, HECA, Macmillan, Saint Vincent de Paul, CAP, NICC and Now. Alongside these partners, Power NI has been and continues to be involved in numerous campaigns, information sharing, referral schemes and staff training initiatives.

While committed to work positively alongside the UR in the area of consumer protection, it is important to recognise that a supplier has limited knowledge about their customer and are already heavily regulated through Codes of Practice. Typically, unless explicitly informed, the supplier may only know the name of the individual registering, the address, consumption information and preferred payment method. This information offers limited insight into the customers' circumstances or potential vulnerability. It is often therefore only by working in partnership and having referral arrangements to and from those organisations with a broader insight into the customer, that an electricity supplier can positively affect the particular circumstance or issue.

This contextualisation is important when considering what is and is not possible for the energy industry to achieve in this area. Careful consideration and evidence based decisions are crucial to ensuring that initiatives are effective both in terms of the deliverable and the implementation costs.

Mindful of this requirement the identification of the specific harm to be addressed is crucial. A programme deliverable cannot be a general statement or high level aspiration; it must be grounded in a targeted, customer focussed and evidenced manner. It is also important to recognise that the Northern Ireland market is different to neighbouring jurisdictions when considering importing initiatives from other areas.

## Specific Questions

The UR posed a number of specific questions within the Consultation Paper and Power NI has sought to deal with each in turn.

**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.**

*Power NI response:*

Power NI has no specific comments in respect to the UR's equality obligations.

**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?**

*Power NI response:*

Power NI supports the expansion of the CPS leadership objective to include engagement. As described above, energy suppliers have a part to play in partnership with other organisations. These partnerships and learning from other jurisdictions can be facilitated by the UR. Should the UR adopt a role of facilitative engagement then best practice, new ideas and important issues can be shared between energy industry participants and 'third sector' organisations. Fostering this type of interaction will improve the provision of services to customers and ensure that the CPS delivers tangible benefits.

It is also important to recognise that the UR can play a crucial role in the facilitation of broader initiatives by using its position as a government department to negotiate access on the energy industries behalf and significantly could assist with resolving potential data protection concerns.

**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?**

*Power NI response:*

The projects listed by the UR in tables 9, 10 and 11 are recognisable from the outputs and discussion which took place at the Consumer Protection Summit and subsequent workshop. Power NI is broadly supportive of the initiatives and looks forward to constructively engaging with the UR as the detail of the individual objectives are defined.

It is important however to recognise the interdependencies in what the UR is looking to achieve under individual objectives. The project on back-billing, which Power NI has been advocating for some time, is an area which is intrinsically linked to the performance of the network operator under the common services model. It is therefore impossible to

deliver a truly effective back-billing position without the accompanying electricity Guaranteed Service Standards. Power NI therefore strongly urges the UR to ensure that the back billing project and the electricity GSS project are delivered in parallel and not as sequentially as suggested. To adopt that approach will deliver sub optimal outcomes and reduce the effectiveness of the outputs.

**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?**

*Power NI response:*

The projects listed in table 11 reflect a prioritisation process that the UR has undertaken. It is important to recognise that both the UR and industry participants have finite resources and it is not possible to deliver everything that might be looked for within the timeframe of the CPP. The UR has recognised that the CPP will create an expectation within both the wider community and within the energy industry. It is therefore important that the CPP is challenging however also realistic and achievable.

It is also noteworthy that many of the issues in table 11 are likely to be subject to work in other areas. For example, debt communication is subject to the Energy Theft Code of Practice, the issue of energy efficiency should be subject to clarification when the Strategic Energy Framework is delivered while accessibility to bank accounts and the internet is a wider societal issue highlighted more through pension and benefits changes than by energy.

**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.**

*Power NI response:*

At the Consumer Protection Summit senior members of the UR Team highlighted that the energy sector in Northern Ireland has a strong record in consumer protection and high levels of customer trust. This position has been achieved through no small part, suppliers proactively engaging in consumer protection initiatives and corporate social responsibility. Energy supply is a service and price based sector. Brand reputation is incredibly important as companies will work to protect and enhance their brand position. This can also be used as a differentiator in a competitive market. In recognising its competing obligations, the UR should act only to ensure that the appropriate minimum standards are mandated while in parallel highlighting best practice.

As described above, the UR also has an important role in facilitation and Power NI believes this is an area in which significant progress could take place. While there are many examples of good practice in the Northern Ireland market learning can always be

taken from other markets and sectors. The UR is well positioned to facilitate cross jurisdiction and sector information sharing. Such facilitation can increase the energy sectors knowledge, establish vital linkages and support new initiatives.

The UR also has an important role in the implementation space. The electricity market in particular, has specific common services arrangements which mean that the network company is crucial to many deliveries. Power NI is concerned that traditional network, asset focussed, price regulation does not adequately facilitate the flexibility required to deliver supplier driven enhancements. This significantly restricts and frustrates suppliers.