



**Response to the Utility Regulator  
Consumer Protection Strategy Review and  
Proposed New Consumer Protection Programme**

**December 2018**

## **1. Introduction**

- 1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (NI) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland.
- 1.2 The Consumer Council welcomes the opportunity to respond to the Utility Regulator (UR) Consumer Protection Strategy (CPS) review and proposed new Consumer Protection Programme (CPP) consultation

## **2. Background**

- 2.1 The Consumer Council has been a strong supporter of UR's Consumer Protection Strategy from 2015, seeing it as providing a genuine opportunity to make a difference for consumers in vulnerable circumstances. We supported the aim to develop a strategy to protect all regulated energy and water consumers with a particular focus on consumers in vulnerable circumstances who tend to benefit least from competitive markets.
- 2.2 We commend UR for its work in recent years to improve the utility markets for consumers in vulnerable circumstances and its increased focus on consumer engagement as part of the recent network price control processes. We have enjoyed working in close partnership with UR to deliver benefits to consumers.
- 2.3 The Consumer Council supported the decision to conduct a mid-term review of the CPS, not only as a check to ensure that progress was being made on all projects, but also as an opportunity to ensure that the proposed projects are still fit for purpose in a changing political and economic environment. We welcome the robust and thorough review process that UR embarked on in early 2018 and we contributed to both the Consumer Summit in April 2018 and the Consultation Seminar in November 2018.

2.4 The Consumer Council notes that UR has published its draft Corporate Strategy 2019 – 2024, where it reiterates its commitment to *“protecting and empowering consumers”* and states that *“the consumer is paramount and consumers’ needs will be at the centre of our strategy”*. Whilst welcoming this commitment, we seek reassurances that sufficient support and resources will be allocated to the vital work outlined in the CPP throughout the strategic period of 2019 – 2024.

### **3. Proposals for Consumer Protection Programme 2019 - 22**

3.1 UR has proposed to continue to base its consumer protection work on the four objectives that had been outlined in the CPS, i.e. affordability, equal access, empowerment and leadership. The current consultation proposes to extend the leadership objective to include engagement. The Consumer Council is supportive of these objectives as they reflect the Consumer Principles which we ourselves use to assess the consumer interest and form a consistent framework within which our policy is developed and communicated. We use eight consumer principles to work out how particular issues or policies are likely to affect consumers and provide a straightforward way of explaining to stakeholders how we identify and analyse consumer issues. We would encourage UR to actively incorporate the Consumer Principles within all their work and for the principles to act as a “sense check” for any proposals made.



3.2 These principles allow us to champion consistent and transparent policy positions across a diverse range of subject areas and to operate confidently and effectively when new or unfamiliar issues arise. We would encourage UR to use them on a similar basis.

3.3 With regard to the proposed programme of work for the three year period (2019 – 2022), we note that many of the projects proposed will bring benefits to utility consumers in Northern Ireland. However, we are very disappointed that the CPP falls short in some key areas which The Consumer Council considers essential priorities for Northern Ireland consumers. These areas are highlighted below under the relevant objectives. We would also urge UR to address these concerns and to detail the anticipated outcomes for each of the projects within the timescales identified to better clarify what consumers in Northern Ireland can expect from this work.

**Objective 1: Affordability**

3.4 We support the proposed project under Affordability on “consumers facing unforeseen change in circumstances”. This project should deliver tangible benefits to many of the most vulnerable consumers in Northern Ireland. Working with the companies alongside advice agencies to identify not only

those consumers in crisis, but also those exhibiting signs of potentially falling into a crisis situation, will have a real benefit.

- 3.5 We note that the other projects currently proposed under the affordability objective are energy efficiency services provision and back-billing arrangements. As these projects are already well developed elsewhere, we would propose that UR commits to undertaking more projects under the affordability objective.
- 3.6 We would particularly draw UR's attention to the project on reviewing supplier's debt communications which unfortunately has not been prioritised to happen during the three years of the programme but will have a positive impact on preventing consumers getting into debt. We recommend that UR considers conducting and implementing a review of debt communication at an earlier stage of the Consumer Protection Programme.
- 3.7 Similarly, it is very disappointing that the project on consumer pathways to the best deal has not been prioritised for completion during the span of the 2019 – 2022 CPP. The Consumer Council has an extensive programme of outreach work which includes educating consumers on how to get the best deal from many household service providers. This is a project we recognise that the two organisations should work closely on to facilitate and encourage consumers to get the best deal from the retail energy market. We would welcome the opportunity to see where we could jointly work together on this project to see if it could be completed as part of UR's 2019-2022 CPP.

### **Objective 2: Equal Access**

- 3.8 With regard to the Equal Access objective, our understanding is that the projects proposed for years 1 - 2 are already well developed, such as company engagement with consumers during network price controls (including water). While any proposed work on network company consumer engagement is welcome, we would like to see more information on exactly what this project looks like, what the anticipated outcomes will be, what it will deliver in addition

to the work currently being undertaken as part of the price controls and the expected timescales for delivery.

- 3.9 UR should ensure that engagement across utilities moves toward consumer participation and co-design which will help to develop more inclusive and accessible services. Furthermore, we would strongly urge the review of the Supplier Care registers to be reprioritised and to be commenced as soon as possible. Given the work to date on the review of the network company care registers, it would be counterproductive to leave development of this work to 2021/22. A delay could result in actual consumer detriment with regard to their entitlements and interaction with supply companies.

**Objective 3: Empowerment through education and transparency**

- 3.10 The proposals for years one to three regarding Retail Market Monitoring and Consumer Market Analysis are welcome. We would encourage UR to progress this early in the programme timescales to ensure that consumers have early access to information that will enable them to make better informed choices. We seek confirmation from UR that data collected via these mechanisms will be shared with The Consumer Council to accurately inform our work and enable us to undertake our statutory role in partnership with UR. Furthermore, given the work that The Consumer Council does with regard to consumer education and empowerment, we are happy to work jointly with UR throughout the development of these programmes to avoid duplication of effort.
- 3.11 We note that the proposed timescale for reviewing the electricity Guaranteed Standards of Service (GSS) is for year three. As the current standards are out of date and fall behind the provision for gas consumers, we would encourage UR to reconsider and commence this project earlier in the timetable. As in previous iterations of GSS, we are keen to work jointly with UR to undertake this revision.

3.12 We would like to add that we are disappointed that the project on tenant rights in relation to utility services has not currently been prioritised for the current CPP. As the most recent House Condition Survey states, tenants in the private rented sector are particularly vulnerable to fuel poverty. Delaying this project will have a material impact on these households. The Consumer Council is currently working with a range of housing associations to educate their staff and tenants about the energy market in Northern Ireland and their ability to switch and save money on their bill. Furthermore, we have a project in our 2019-20 Energy Team draft work plan which will focus on providing advice and information to the private rented sector on switching supplier and tenants' rights. We would be happy to work with UR to progress this project in order to protect those energy consumers who rent their property.

#### **Objective 4: Leadership and Engagement**

3.13 The proposed Consumer Insights Tracker is a welcome addition to UR data tracking work to measure consumer experience of the energy market in Northern Ireland. We would ask UR if there will be any consideration of similar work with domestic water consumers' experience of water services in Northern Ireland to complement the work undertaken by NI Water. We encourage tracking of performance metrics on vulnerability protection measures which The Consumer Council has asked NI Water to measure as a part of the approach to PC21. We would also encourage UR to allocate time in the latter half of year two and in year three to progress resolution of priority issues identified in the research programme. The Consumer Council would be keen to partner with UR on this work and augment it with our own data and research.

3.14 The Consumer Council also supports the project "investigating and delivering best practice approaches by regulated industries to consumer protection". In our 2019-20 Energy Team draft work plan we have a project to map and evaluate an energy consumer journey through a variety of typical energy activities such as switching supplier, communicating with a supplier over debt and connecting to the network. We consider that this project may help inform the work

proposed in the CPP. Identifying new and emerging approaches to supporting consumers in vulnerable circumstances and supporting companies to integrate these approaches into their services will provide consumers with enhanced service and will ensure the Northern Ireland consumers have at least as good a service as those in GB.

3.15 The proposed UR stakeholder and consumer engagement work is very welcome, however, we would note that substantial work on establishing a forum has already been completed and this, therefore, should be viewed as a business as usual project. We would also caution about setting up too many different discussion forums as most consumer representative organisations have limited time and need to allocate their resources across a broad range of areas. As discussed previously, The Consumer Council is keen to work in partnership with UR on this forum so that can both achieve our statutory aims and objectives.

#### **4. Conclusion**

4.1 The Consumer Council welcomes this consultation by UR and supports the proposals. However, we would ask UR to re-evaluate some of the prioritisation selections that it has made, clarify the outcomes to be delivered and encourage a more ambitious approach in order to deliver the projects not currently prioritised.

4.2 We seek reassurances from UR that adequate resources will be provided to ensure that the necessary work of the Consumer Protection Programme is carried out within the timeframe. The CPP, if adequately resourced, has the potential provide much needed positive outcomes for consumers in vulnerable circumstances during a difficult economic period.

4.3 We reiterate our commitment to constructively work in partnership with UR to deliver positive outcomes from the CPP projects for all consumers in Northern Ireland, with a particular focus on the most vulnerable in our society.



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