



The Citizens Advice Draft Consumer Work Plan 2019/20

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1. Who we are and what we do

1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland.

1.2 The Consumer Council has specific statutory duties in relation to energy, postal services, transport, and water and sewerage. These include considering consumer complaints and enquiries, carrying out research and educating and informing consumers.

1.3 We pay particular attention to consumers:

- Who are disabled or chronically sick;
- Of pensionable age;
- With low incomes; and
- Who live in rural areas.

2. Consumer Principles

2.1 The Consumer Council uses eight consumer principles to understand how particular issues, policies and regulatory proposals are likely to affect consumers in Northern Ireland. These are outlined below.



3. The Citizens Advice Draft Consumer Work Plan 2019/20

- 3.1 The Consumer Council is pleased to provide comments on the Citizens Advice draft consumer work plan 2019/20.
- 3.2 The work plan demonstrates a comprehensive approach to how Citizens Advice will look to improve consumer outcomes across a number of key markets in 2019/2020.
- 3.3 The Consumer Council looks forward to continuing to build on its positive relationship with Citizens Advice, and Citizens Advice Scotland, so we can protect consumers across the UK.
- 3.4 We respond to the consultation by making comments on the proposed work for Post, Energy and Cross Sector activity.

4. Postal Services

Examining whether the Universal Service Obligation (USO) continues to meet consumer need

- 4.1 The Consumer Council is pleased to work with Citizens Advice to assess if the USO is meeting consumer need.
- 4.2 A strategic UK wide approach will be essential considering the purpose of the USO. The Consumer Council will soon have completed its research into this area which will complement the work Citizens Advice is proposing.
- 4.3 The Consumer Council will share its intelligence, and work with Citizens Advice and Citizens Advice Scotland, to ensure consumers across the UK are represented at future debates on Postal Services and the USO.
- 4.4 Citizens Advice identifies the work of the European Regulators Group for Postal Services (ERGP). The ERGP's recent report¹ raises a number of future strategic policy considerations for the postal sector and regulation in the postal market. For instance, sustainability of the USO, the scope of the USO and the challenges with the relationship between cost-orientation and affordability.

¹ European Regulators Group for Postal Services (ERGP). [Developments in the postal sector and implications for regulation](#). November 2018.

4.5 Additionally, the ERGP report talks about the potential of the USO to be redesigned in a way which focusses on protecting vulnerable postal consumers in a more targeted way. It is clear the Consumer Advocacy Bodies for Postal Services in the UK will have an important role. With this in mind, we agree Citizens Advice must be prepared for future policy debates so all consumers across the UK are adequately represented.

4.6 We support Citizens Advice's desired outcome of an affordable redirection service for everyone. In The Consumer Council's response to Ofcom's proposal for the second class safeguard cap², we outlined evidence which shows the pricing related challenges consumers in Northern Ireland face with postal services, e.g. access to the second class service. In this context, it is vital the redirection service is affordable for all consumers and it is equally important consumers do not experience significant price increases to this service. Another measure of success will be if consumers feel the redirection service represents good value for money.

Strengthen consumer voice in markets where people have less choice

4.7 The Consumer Council welcomes the work Citizens Advice is proposing on how consumers interact with the parcel market and to better understand the detriment consumers experience across the different engagement points.

² The Consumer Council. [Response Ofcom consultation: Review of the price safeguard for Second Class standard letters, large letters and parcels up to 2kg](#). October 2018.

- 4.8 The priority area in the parcel market for The Consumer Council is parcel surcharging. This continues to negatively affect consumers in Northern Ireland who shop online. Parcel delivery surcharging and restrictions are applied by some UK online retailers to deliveries in Northern Ireland, Highlands and Islands in Scotland and other remote areas. Additionally, consumers usually do not have an option to select which operator the retailer uses to deliver their item. The issue of surcharging is a longstanding issue which causes consumer detriment in Northern Ireland.
- 4.9 However, parcel surcharging is not the only issue in the parcel market. Most consumers and small businesses in Northern Ireland do not shop around when they need to send a parcel. Past Consumer Council research showed nearly half of consumers (49%) and over a third (35%) of businesses that send parcels say competition in the parcel market is limited³. This reduces choice and means consumers and small businesses may pay more than necessary.
- 4.10 Additionally, The Consumer Council has assessed postal operator complaint processes. This includes the complaint procedures on parcel operator websites to understand if consumers have access to the right information so it is easy to make and pursue a complaint⁴. We believe significant improvements can be made so

³ The Consumer Council. [Experiences and attitudes of vulnerable consumers and businesses to the postal service](#). August 2017.

⁴ The Consumer Council. Stamp Out Complaints. December 2018.

complaint procedures are visible, transparent and easy to use for all consumers. We welcome the input and support from the other UK Consumer Advocacy Bodies and look forward to continuing to work together around complaints and redress in this part of the postal market.

- 4.11 Overall, we look forward to supporting Citizens Advice's proposed work across the different engagement points in the parcel market.

Ensure access to essential physical infrastructure

- 4.12 The Post Office network provides consumers across the UK with vital access to a range of highly valued essential services such as postal services and basic banking services.

- 4.13 Since 2010, almost 43% of bank branches have closed in Northern Ireland⁵. Post office outlets are seen as part of the solution to bank branch closures so consumers have access to basic banking services especially in rural areas⁶.

- 4.14 However, it is vital post office outlets can handle an increase in consumer footfall, maintain and improve the quality of service consumers receive and that consumers are aware of the banking services they can carry out. It is also important these outlets are financially sustainable.

⁵ <https://www.telegraph.co.uk/business/2018/11/09/post-office-moves-tackle-bank-branch-deserts-amid-mp-probe-finance/>.

⁶ The Consumer Council. Internal Analysis of Bank Branch Closures. January 2019.

4.15 While The Consumer Council does not intend to carry out a research programme in Northern Ireland, we are happy to contribute to policy discussions and offer insight into the Northern Ireland consumer experience. We also look forward to discussing the findings from Citizens Advice's proposed research programme.

4.16 Like Citizens Advice, The Consumer Council recognises the importance of monitoring Business As Usual (BAU) changes to the post office network⁷. We will continue to work closely with Citizens Advice to ensure we learn from each other's experience in the BAU environment. It is important that the Consumer Advocacy Bodies for Postal Services are responsive to any emerging issues which could reduce consumer access to post office outlets.

Investigate firms' use of consumer data

4.17 The Consumer Council welcomes the work Citizens Advice is proposing in this area. Making it easier for consumers to opt out of marketing mail will help consumers decide whether they wish to receive this type of mail or not. This improves consumer choice.

4.18 The Consumer Council is happy to provide any assistance from the Northern Ireland consumer perspective so any streamlined opt-out process works for consumers across the UK. We look forward to learning more about the new streamlined opt-out process as the project develops.

⁷ The Post Office. [Principles of Community Engagement on changes to the Post Office network](#). June 2018.

Ensure disabled people have equal access to postal services

4.19 Postal services remain an essential service for consumers particularly those with a disability⁸. The Consumer Council recognises the importance of Citizens Advice continuing its work to get operators and retailers to sign up to its delivery charter so the needs of consumers with a disability are fully met in this part of the market.

4.20 The Consumer Council is also committed to working with stakeholders to explore how best consumers with a disability can access postal services. For instance, The Consumer Council is keen to review the accessibility of Delivery Advice Cards, particularly for consumers with impaired vision. This represents an opportunity for the UK Consumer Advocacy Bodies to work together and look at how best to achieve this. We look forward to further discussions.

Using the post to access essential services

4.21 The Consumer Council welcomes Citizens Advice's work in this important area. Indeed, our research shows the importance of the postal service to vulnerable consumers in Northern Ireland⁹. We are happy to offer Citizens Advice any insight into the experience and attitudes of consumers in Northern Ireland.

⁸ Ibid. Footnote 4.

⁹ Ibid. Footnote 4.

4.22 The Consumer Council looks forward to seeing the results of the homeless people's access to postal services project and how this might impact consumers in Northern Ireland.

5. Energy

5.1 From an energy policy perspective we would like to highlight The Consumer Council's work around the consumer principles framework. In particular, The Consumer Council is in the process of assessing how this framework can help inform the development and monitoring of energy and water networks' price controls. A positive contribution has been made by Citizens Advice Scotland and Scottish Water. We would welcome the opportunity to discuss how our organisations and the consumers we represent can benefit from this framework.

5.2 It is good news that one focus of Citizens Advice in 2019/20 will be the energy price cap. Although the energy price cap has not been applied in Northern Ireland, consumers here benefit from a hybrid model whereby regulated tariffs from the incumbent electricity and gas suppliers offer price protection for those consumers who don't switch. This hybrid model has contributed to making domestic electricity and gas prices in Northern Ireland cheaper than in GB.

5.3 The Consumer Council looks forward to Citizens Advice's findings with regards to the implementation of the energy market price cap, and would welcome the opportunity to discuss and share our respective work in this area.

5.4 The Consumer Council acknowledges the need to encourage those consumers who do not engage in the energy market, to do so. The Consumer Council has developed a number of initiatives in recent years to try and address this issue, and we would be happy to share any successes in the future, and learn from Citizens Advice's experiences and projects in this area.

5.5 Finally, The Consumer Council recognises the benefits of partnerships and successes with local organisations and housing associations in developing initiatives around oil buying clubs, supporting the development of the gas network in Northern Ireland. We would welcome the opportunity to engage with Citizens Advice to discuss and share experiences, best practice and ideas for projects in this area.

6. Cross Sector

Tackle the loyalty penalty

6.1 The loyalty penalty is of particular interest to The Consumer Council as it has far reaching consequences across a number of markets, not just essential markets. We therefore look forward with interest to learn about the outcome of Citizens Advice's work in this area.

7. Contact details

- 7.1 If you wish to discuss any aspect of this response please contact Kellin McCloskey on 028 9025 1637 or by email on kellin.mccloskey@consumercouncil.org.uk;



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