



Consumer Protection Strategy

2016/17 – 2020/21



Report from Consumer Summit

12 April 2018



Social Research Centre

Independence Integrity Excellence

Acknowledgement

The Social Research Centre joins with the Utility Regulator NI in thanking all those who took part in the Consumer Summit at Riddell Hall Belfast, 12 April 2018. Please know that your contributions are greatly appreciated.

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INTRODUCTION

Corporate Strategy

The UR's Corporate Strategy 2014-2019 and Forward Work Programme set out its approach to regulation and detailed the initiatives it has prioritised to deliver its three corporate objectives:

- 1. Promoting effective and efficient monopolies;**
- 2. Promoting competitive and efficient markets; and,**
- 3. Protecting the long-term interests of business and domestic consumers.**

Consumers Protection Strategy (CPS)

The UR's Consumer Protection Strategy (CPS) for domestic consumers (first drafted in 2016) is a major initiative in support of the third objective of the UR's Corporate Strategy.

The UR places consumers at the heart of everything it does. All three of its corporate objectives are built upon this ethos.

The UR regards engagement with stakeholders as being of the fundamental importance. Indeed, the UR developed its initial CPS following a robust and extensive consultation process. (Final Decision Papers for CPS at: <https://www.uregni.gov.uk/publications/201617-202021-consumer-protection-strategy-decision-paper>). This inclusive approach brought clarity and rigour to the consumer protection activities throughout Northern Ireland utility markets, whilst allowing for commercial differences and best practice approaches.

The UR committed to conducting a review of the CPS following year two (2017). Given the importance that UR attaches to continually engaging with its stakeholders, and the importance of the CPS as a key element of the UR's Corporate Strategy, the UR appointed an independent company, the Social Research Centre, to support it to design, conduct and report on a Consumer Summit as part of its post year two review activities.

The UR already recognised that some domestic consumers need specific protections particularly where vulnerability can arise in specific circumstances and realised it was important to address this in the updated CPS. In addition, the UR remained committed to continuing to reference, in the CPS and in other places, further protective initiatives that were additional and complementary to its core work (e.g. price controls and wholesale market regulation).

Consumers Protection Summit

On 12th April 2018, The Utility Regulator NI (UR) hosted a full day Consumer Protection Summit in the Riddell Hall, Belfast. The workshop was one of a series of pro-active steps taken by the UR to update its Consumer Protection Strategy (CPS).

The Summit had two goals:

- To provide Summit participants with key information on recent major changes in the energy and socio-economic context that impact on energy consumers in NI; and, subsequently,
- 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;
 - The need for UR to have further information to enable it to prioritise its work and assess its impact / effectiveness.

A full copy of the presentation, the exercises and outcomes from the electronic voting are included in Appendix A. All views, ideas and suggestions were welcomed and a variety of techniques (including semi-structured round table discussions, open plenary and electronic voting) were deployed to capture the views of participants on the day.

In total, 79 people attended the event. The profile of the attendees is shown in the table below. (See Appendix B for List of Attendees)

Sector Represented	Number of Attendees
Government Department	23
Utility Company	22
Consumer Rep/Consumer Advice	22
Other (specify) UR & Social Research Centre	12
TOTAL	79

Participants made it clear that the Summit had been a truly worthwhile investment of their time:

- 100%** rated the event as **USEFUL** - with almost half (45%) rating it as very useful.
- 100%** rated the event as **ENJOYABLE** - with almost a fifth (17%) rating it as very enjoyable.
- 97%** indicated that they would **RECOMMEND** a Summit like this to others.
- 90%** indicated that they would **ATTEND THE NEXT SUMMIT**.

This report:












- summarises what took place at the Summit; and,
- highlights the key insights and messages from it.

KEY FINDINGS

Overview

During the first part of the Summit, a series of speakers provided detailed information on the current and emerging challenges in the NI context. (See Appendix A for details).

The deliberative aspect of the Summit was comprised three semi-structured discussions, open plenary discussion and electronic voting.

  	Discussion 1: Possible New Objectives (fit within remit) 	Q: Which OBJECTIVES would you propose and prioritise? 
 	Discussion 2: Possible Further Actions 	Q: Which ACTIONS would you propose and prioritise? 
 	Discussion 3: What more does Utility Regulator need to know to prioritise its work? What to track? How? 	Q: What are the INFORMATION GAPS? 



In the sections below, we take each of these discussion in turn, describe what was asked and summarise the feedback.

■
■ **Discussion 1: OBJECTIVES**
■

Existing Objectives

Participants were asked for their opinion on whether the UR’s current objectives were still relevant (given the changed and changing context in NI). All of the existing objectives were considered to be still relevant albeit several nuances were proposed to each.

Objective	Nuances proposed...	
Affordability	<ul style="list-style-type: none"> Clarify what affordability means (quality?) and to whom it applies Consider impacts of ISEM Consider impact of smart meters implementation More active identification and use of cheaper tariffs Clear billing formats Improved energy efficiency in housing stock More price protection 	<ul style="list-style-type: none"> Introductory offers to new not existing consumers-equity? Keep or increase NISEP Focus on vulnerable Consider use of registers Be aware of social issues & emerging trends Engage with consumers Energy companies to engage with third sector
Equal Access	<ul style="list-style-type: none"> Tech and innovation should be available to all. Consumer service that meets need (operator vs automated) 	<ul style="list-style-type: none"> Can network and supplier complete care registers together Better (permitted) sharing of data.
Empowerment	<ul style="list-style-type: none"> Educate / increase awareness of energy supply chain, available services, after introductory offers, long-term offers, consumer rights, in layperson language. Go beyond UR web site. Consider those with no internet access. 	<ul style="list-style-type: none"> Focus on <i>how</i> communication is done – message/ tone/ style/ vehicle Paper bills Ensure people made vulnerable by circumstances do not miss out Extend ‘Quick check’ to suppliers
Leadership	<ul style="list-style-type: none"> Maintain regulated supply margin for incumbents Less focus on switching more emphasis on long term benefits What’s best for NI – competitive or regulated market? 	<ul style="list-style-type: none"> Examine best practice elsewhere Provide leadership to consumers – e.g. Price Control in laypersons language Be aware of wider political issues

Proposed New Objectives

During the round table discussions five new objectives were proposed (see items 5 to 9 on the diagram below). Participants used electronic voting to indicate which objectives they perceived the UR should be tackling and of these which three they considered the most important for the UR to tackle.

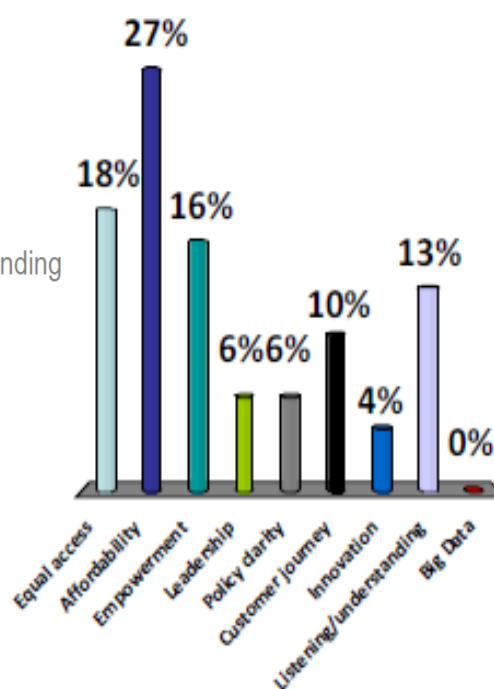
The results showed that participants considered UR should tackle all of these issues to some extent, the three that they considered most important for the Utility regulator to tackle were:

- Affordability (27%)
- Equal Access (18%)
- Empowerment (16%).

Whilst not in the top three, Listening and Understanding and the Consumer Journey also featured prominently; attracting 13% and 10% of the available votes respectively.

Which **THREE** of these would you say are the **MOST IMPORTANT** for the Utility Regulator to tackle (Choose **THREE**)

1. Equal access
2. Affordability
3. Empowerment
4. Leadership
5. Policy clarity
6. Customer journey
7. Innovation
8. Listening/understanding
9. Big Data





Discussion 2: POSSIBLE FURTHER ACTIONS

Suggested Actions re Existing Objectives

During the round table discussions, participants proposed further actions in relation to each of the **existing objectives**. These are summarised in the table below. Any actions that participants considered were a priority for a specific objective are shown below in red.

Objective & Priority Actions	Further actions proposed...	
Affordability <ul style="list-style-type: none"> ▪ Transient vulnerability ▪ Back billing ▪ Price controls ▪ Energy efficiency ▪ Quality of Information 	<ul style="list-style-type: none"> ▪ Consider Warm Homes Scheme ▪ Consider allowances to supply companies for innovation ▪ Northern Ireland Sustainable Energy Programme (NISEP) ▪ Improve identification and targeting of vulnerability ▪ Implement earlier and better engagement with consumers re debt and disconnection, back billing ▪ Establish supplier charities 	<ul style="list-style-type: none"> ▪ Consider regulation of oil ▪ Consider incentives to gas companies to increase access to gas ▪ Increase research on impact of switching ▪ Provide more and earlier education re switching ▪ Establish Consumer/Suppliers/UR Groups
Equal Access <ul style="list-style-type: none"> ▪ Establish consumer rep working groups ▪ Accurate information ▪ Supplier Care Registers 	<ul style="list-style-type: none"> ▪ Have payment methods for consumers without a bank account or online access ▪ Clarify procedures for taking over a bill payment following bereavement ▪ Consider mental health training for call centre staff ▪ Consider translation services ▪ Have easier methods of replacing prepay meters 	<ul style="list-style-type: none"> ▪ Consider extension of gas network ▪ Review oil regulation ▪ Ask consumer re needs ▪ Improve synergy between health and energy sector ▪ Improve landlords' accountability for energy efficiency ▪ Extend 'Quick Check' 101
Empowerment <ul style="list-style-type: none"> ▪ Ensure financial inclusion ▪ Increase Winter Fuel Allowance ▪ Reflect consumer needs ▪ Provide clearer tariff information 	<ul style="list-style-type: none"> ▪ Engage with landlords to improve tenants' rights to access best deals ▪ Listen to / understand consumers ▪ Guaranteed Standards ▪ Impacts of bulk buying scheme ▪ Improve information re switching and introductory offers, especially for vulnerable ▪ Choice over digital transacting ▪ Review how consumer data is used. 	<ul style="list-style-type: none"> ▪ Consider an engagement 'code' regarding use of consumer data. ▪ Have choice over smart meters ▪ Examine best practice elsewhere e.g. cash back incentive sites ▪ Extend 'Quick Check' 101 to doorstep selling
Leadership	<ul style="list-style-type: none"> ▪ Work to achieve clarity re NI Water's funding ▪ More consideration and policy influence re innovation ▪ Define 'informed consumer' 	<ul style="list-style-type: none"> ▪ Consider whether economic regulation is too narrow a focus. Other social issues? ▪ Clarify 'transient vulnerability' for industry

Suggested Actions re Proposed New Objectives

A number of actions were proposed in relation to each of the proposed new objectives:

Objective	Actions proposed...
Policy Clarity	<ul style="list-style-type: none">▪ Warm Homes Discount introduced in NI
Consumer Journey	<ul style="list-style-type: none">▪ Following the stages of the customer journey and experience and better understating the needs at each stage
Innovation	<ul style="list-style-type: none">▪ Consider introducing software that benefits consumers e.g. highlights and facilitates switch to best offers
Listening/ Understanding	<ul style="list-style-type: none">▪ Need to listen to and understand consumer opinions, views, needs, priorities, preferences, capacities▪ Outcomes based working
Big Data	<ul style="list-style-type: none">▪ Consider how we can use big data to enhance consumer protection whilst enabling supply and network to thrive.▪ Consider GDPR implications



Discussion 3: INFORMATION GAPS

Several discrete suggestions were made during the round table and open forum discussions respectively. Clearly identifiable themes were evident within these. What was abundantly clear overall was the desire for a much **stronger focus on the needs of consumers going forward**; specifically, listening to and understanding consumers much more proactively and fully and responding more appropriately, and in a more agile manner, based on the insights gained.

What more does the Utility Regulator need to know to prioritise its work and track impact and effectiveness?	How would knowing the answer to this be of benefit to the Utility Regulator in its role? How best might the Utility Regulator go about gathering such data/ information?
Consumer	
<ul style="list-style-type: none"> ▪ Clarify ‘vulnerability’ ▪ Consumer journey / experience / priorities (Tenant segment within this) ▪ Consumer awareness and understanding of available protections ▪ Consumer misunderstandings / myths ▪ Impact of poor mental health ▪ Impact of not understanding bills ▪ Profile / segmentation of consumer debt specifically debt to energy companies by amount, duration, supplier ▪ Experience of pre-payment meters ▪ Profile of consumers who self-disconnect and reasons for self-disconnection ▪ Switching <ul style="list-style-type: none"> ○ Experience & impacts of switching ○ Perceptions / attitudes to switching (including to gas). 	<p>Benefits</p> <ul style="list-style-type: none"> ▪ Greater understanding of issues from consumer perspective. ▪ Better targeting of need. ▪ Better identification of supplier behaviour ▪ Can thereby inform consumers more effectively. <p>Gather</p> <ul style="list-style-type: none"> ▪ Existing research ▪ Key stakeholders ▪ Consumer forums ▪ Representative groups (including public and community voluntary sector) ▪ Surveys
Supplier	
<ul style="list-style-type: none"> ▪ Monitor changing practices of suppliers ▪ Review Retail Energy Market Monitoring (REMM) data ▪ Review oil regulation and expansion of gas sector 	<p>Benefits</p> <ul style="list-style-type: none"> ▪ Can assess extent to which consumers are being treated fairly <p>Gather</p> <ul style="list-style-type: none"> ▪ Consider trial approaches initially to test efficacy / usefulness

POINTS FOR CONSIDERATION

The feedback from the participants at Summit suggests that:

- Each of the existing objectives of the UR, namely Affordability, Equal Access, Empowerment and Leadership, are still relevant, albeit with a number of nuances proposed.
- The three most important objectives for the UR to tackle are, in this order, Affordability, Equal Access and Empowerment.
- Engaging and understanding consumers' needs, priorities and experience is considered to be a very important area.
- Given the nature, scale and importance of the consumer-related information that is proposed to be gathered (combined with the analysis and actions that would flow from same), it seems that a substantive amount of work is likely to be needed on consumer engagement specifically. Consequently, it would appear to make sense for UR to consider creating an additional CPS objective, namely "Consumer Engagement" and develop a series of appropriate actions related to this. The feedback from participants suggests that when this activity is done effectively it has the potential to deliver very significant benefits to consumers, UR and suppliers alike.
- As shown above, a preliminary model, for further consideration, could be to explicitly position consumers (i.e. consumers' needs, priorities, experiences) at the apex of UR's strategic considerations.

