



The Consumer Council

**Response to the Department of Enterprise,
Trade and Investment's consultation on
'Future Consumer Representation Arrangements'**

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Executive Summary

This is the Consumer Council's response to the Department of Enterprise, Trade and Investment's (DETI) consultation on future arrangements for consumer representation in Northern Ireland.

The Consumer Council believes that the only viable option to ensure that consumers continue to benefit from strong representation and protection is its continuation as an arm's length body (Option 1 in the consultation document). An independent representative body with the sole purpose of championing consumer needs and concerns is needed now more than ever in view of the challenges faced by consumers. The Consumer Council has been alert and responsive to their changing needs and has sought to continually improve and respond positively to their expectations.

The consultation document and Simpson report, which gave rise to it, reflect a limited view of how the consumer landscape has changed. They focus on changes in organisational and political structures and do not take account nor reflect other significant changes that have a bearing on the needs and concerns of Northern Ireland consumers. These include the effects of the economic downturn, the increasing cost of living, spiralling energy costs, radically changing markets, changes to the way consumers access goods and services and knowledge of consumer rights.

In a changing political landscape the Consumer Council has successfully represented consumers' views to Northern Ireland's political representatives and to decision makers in Westminster and the European Parliament. It is a valued resource for elected representatives and is frequently called on by them for advice, briefings and support.

Retention of the Consumer Council (Option 1) would mean that Northern Ireland will continue to have the best consumer representation in these islands. By contrast it is hard to see that Options 2 or 3 – a self financing body or the splitting up and transfer of functions to another body – would be remotely adequate.

The efficacy and responsiveness of the Consumer Council is acknowledged by DETI in the consultation document. Each function within the Consumer Council supports and informs the other. If one or more of the functions were to be removed (Option 3) the integral strength of the structure would be lost.

The consultation document provides no explanation as to how consumers could be effectively represented by Options 2 or 3. And without a body with statutory powers to represent consumers Northern Ireland's influence on consumer issues at UK and EU levels would be very much diminished.

Whichever option is chosen for the delivery of consumer representation it must have the needs of consumers as its foremost consideration. The Consumer Council is committed to working with DETI and believes that the continuation of the current non departmental public body (NDPB) status represents the best approach to meeting the needs of consumers. But this is not a 'stand still' option. This review should be used as opportunity to improve and strengthen the way the Consumer Council meets the ever changing needs of consumers.

Introduction

In October 2012 the Minister for Enterprise, Trade and Investment appointed Paul Simpson to undertake a review of the Consumer Council.

The purpose of the review was to:

“..... ensure that the consumer advocacy role in Northern Ireland is delivered by the most appropriate body or bodies, and is structured and positioned correctly within Government or otherwise and operating efficiently and effectively in terms of accountability to ensure that it is fit for purpose in moving forward with the Executive’s consumer and wider economic aims.”

Paul Simpson reported June 2013. His conclusion was that, while the Consumer Council was an effective organisation and responsive to consumers, changes in the political and consumer landscape meant that the Consumer Council “*may not be the most cost-effective mechanism for consumer representation in Northern Ireland*”.

In October 2013 the Minister published the Simpson Report¹ and launched a consultation on future consumer representation arrangements in Northern Ireland². The consultation paper set out certain options for alternatives to the current arrangements. This document is the Consumer Council’s response to the consultation.

The Council believes that the question of the most appropriate arrangements for the future delivery of consumer representation can only be addressed on the basis of a full understanding of the extent to which the consumer landscape has changed, the nature of those changes and therefore the type of consumer representation now required. We therefore devote the first part of our response to describing in some detail the consumer landscape and the current functions of the Consumer Council. In the second part we go on to consider the options set out in the consultation document.

¹ http://www.detini.gov.uk/review_of_the_consumer_council_for_northern_ireland_version_9.pdf

² http://www.detini.gov.uk/min_signed_-_review_of_ccni_-_consultation_document_2_.pdf

PART 1

The Role and Impact of the Consumer Council

The role of the Consumer Council

The Consumer Council is an independent consumer organisation, working to bring about change to benefit Northern Ireland (NI) consumers. Its aim is 'to make the consumer voice heard and make it count'.

It has a statutory remit to *promote and safeguard the interests* of consumers in NI, paying particular regard to vulnerable consumers, and have specific functions in relation to energy, water, transport and food. These include considering consumer enquiries and complaints, carrying out research, educating and informing consumers, and lobbying and campaigning on their behalf. From April 2014 the Consumer Council's statutory role will be extended to represent consumers in relation to post and postal services.

The Consumer Council is a designated body for the purposes of super-complaints, which means that it can refer any consumer affairs goods and services issue to the Office of Fair Trading (OFT), where it feels that the market may be harming consumers' best interests. In December 2013 the Consumer Council was also awarded by HM Treasury 'super-complainant' status for financial services, meaning it now has additional powers to bring a 'super-complaint' on financial matters to the Financial Conduct Authority.

In taking forward its broad statutory remit the Consumer Council is informed by and representative of consumers in NI. To represent consumers in the best way it can, the Consumer Council listen to them and produces robust evidence to put their priorities at the heart of all that it does. In 2012–13 the Consumer Council undertook over 100 consumer panels across NI and 25 pieces of consumer research.

The benefits of the current integrated model of delivery

The Consumer Council has a unique mix of research, policy, education and complaint handling roles. It specialises in working across a range of areas, including regulated and competitive markets.

The Consumer Council works directly with consumers to understand the issues affecting them. Between 1 April 2013 and 31 December 2013 the Consumer Council has dealt with over 3,500 consumers and has put almost £0.5 million back into their pockets.

The Consumer Council carries out extensive, detailed research to find out about the issues affecting consumers. Its daily interaction with consumers shapes its work, policies and recommendations for improving the experiences of both individual and business consumers.

In almost 30 years' existence, the Consumer Council has built up a solid body of knowledge and expertise. Its approach allows it to effectively identify and respond to consumer issues and trends that span different markets which have an impact on consumers' lives. This enables the Consumer Council to respond in the most effective way through its policy, advocacy, complaints handling and education functions. The approach recognises that consumers are faced with many choices across different markets at the same time and therefore it is critical consumer issues are not considered in isolation but collectively.

Dealing with consumer issues, enquiries and complaints provides a powerful source of intelligence to spot trends and issues affecting consumers. Working to ensure the voice of consumers is listened to when policy, either at a Government or company level, is being developed ensures consumer needs are fully considered and the potential for consumer detriment minimised.

How this works

The Consumer Council's model is simple, straightforward and delivers for consumers. It is an integrated model of consumer representation which brings a strong emphasis and consistency to key issues of importance to consumers. The Consumer Council has a clear focus on local issues affecting consumers and works across a broad range of issues. Recognising consumers can face difficulty across a range of markets, the Consumer Council ensures there is a high degree of cross-sectional working, sharing of knowledge and research.

The diagram below shows how the Consumer Council's functions work together and provides just one worked example of how this delivers an outcome for both the individual and consumers more widely.



Taking a joined up approach is key so that the Consumer Council can effectively identify consumer issues and trends that span each area of its work and respond in the most appropriate way through its policy, advocacy or education functions. The Consumer Council's policy work is informed by its complaints handling and feedback from its educational and outreach activities; and knowledge from its policy work feeds through into its complaint handling, education and outreach work.

The Consumer Council believes its efficacy and responsiveness, acknowledged by DETI in the consultation document, relies on the above model and the way in which it underpins all that it does for and on behalf of consumers. Each

function supports and informs the other and if, as a result of this review, one or some of the functions were to be removed, the integral strength of the structure would be diminished.

Changing the shape of consumer protection at a time when consumers are still experiencing the worst effects of the economic downturn would be detrimental, cause confusion and uncertainty and could ultimately produce less robust and effective protection for consumers. However, that is not to say the Consumer Council is resistant to change, rather that it sees this time as an opportunity to strengthen the impact and reach of the Consumer Council.

Responding to consumer needs

Staying close to consumers means that the Consumer Council is able to identify and respond to emerging issues and trends. This is demonstrated in its evidence based approach, conducting research and directly engaging with consumers to find out where they need support. The Consumer Council has adapted to changing consumer issues since being first established, with its role extending to now include energy, water and sewerage services, air and sea travel.

Responding effectively to emerging consumer need is clear through the development of education tools to help consumers adapt to and take advantage of choice in the energy and banking markets. This has been recognised more recently by the Department for Business, Innovation and Skills (BIS), with its decision to make the Consumer Council responsible for postal services from April 2014.

The changing consumer landscape and the response of the Consumer Council

The consultation document outlines DETI's view of the changes to the consumer landscape that have taken place since the Consumer Council was set up in 1985. However, this view relates mainly to organisational and political structures and does not take account nor reflect other significant changes that have a bearing on the needs and concerns of NI consumers. Therefore in this section of our response we focus on the key areas having an impact on consumers in NI and how the Consumer Council has reacted. In particular, we demonstrate how, given the Consumer Council's broad statutory remit and status, it has been able to respond quickly and effectively to changes in the consumer landscape.

Economic downturn and the rising cost of living

Consumers are still experiencing the worst effects of the economic downturn that has seen household finances coming under extreme pressure with price inflation rates outstripping wage growth.³ The effects of weak wage growth and welfare reforms are leaving consumers in NI particularly exposed to the rising cost of living, especially essentials such as utilities and food. The result is that households in NI were left with just £60 of discretionary income a week in quarter 3 of 2013, compared to the UK average of £158 for the quarter.⁴ One of the ways the Consumer Council has responded to this was to assist consumers in financial difficulty by establishing affordable credit pilot projects, working in partnership with credit unions.

Energy costs

Fuel poverty in NI (42 per cent) is the highest in the UK.⁵ Since 2009 the cost of heating oil has risen by over 62 per cent; the cost of electricity has increased by 61 per cent; and, the cost of natural gas by 38 per cent.⁶ In addition to large rises in price for domestic consumers, the cost of electricity for large and medium industrial and commercial businesses in NI is amongst the highest in

³ UK Economic Outlook, PwC, November 2013 <http://www.pwc.co.uk/the-economy/publications/uk-economic-outlook/>

⁴ ASDA Income Tracker, September 2013

⁵ NI Housing Condition Survey 2011; NI Housing Executive

⁶ Consumer Council Cost of Living Brief October 2013

Europe.⁷ The Consumer Council has represented consumers in the regulated suppliers' tariff reviews and energy companies' regulated Price Controls and exerted downward pressure on the price.

It can be estimated that the recent electricity price control determination will bring an estimated saving of £20 per year to each domestic customer, or a gross saving of over £15 million per year for each of the five years of the Price Control period to the domestic customer base compared to Northern Ireland Electricity's (NIE) initial proposals.⁸ A recent report⁹ argues that had the regulatory model not involved separate consumer representation, there would have been less pressure to justify price rises and less transparency in the regulatory decision making process.

Furthermore this report states that over a five year period the Consumer Council contributed to a downward pressure on energy and water prices which by itself is estimated to have boosted NI GDP by £18million each year.

Unlike Great Britain (GB), more homes in NI (68 per cent) are reliant on home heating oil which is significantly more expensive than gas and the volatility of oil prices makes it harder for families to budget for their fuel expenditure.¹⁰ In response to this, the Consumer Council has built on its work with Bryson Energy to explore options for fuel brokering specifically for consumers who rely on home heating oil and developed its partnership with the Northern Ireland Oil Federation to draft and implement a Customer Charter for oil suppliers.

Food Costs

As a result of the Consumer Council's contact with consumers and their concerns about rising food costs, it conducted research which culminated in the Consumer Council's *Hard to Stomach* report¹¹, which found that nine in ten consumers are worried about the cost of food and many expressed anxiety about their ability to feed their family a healthy balanced diet. The Consumer

⁷ Utility Regulator March 2013: NI Electricity Prices Data and Comparisons Information paper

⁸ Competition Commission Provisional Determination

⁹ Regulatory models for Consumer Bodies: David Stubbs report, January 2014

¹⁰ The Price of Being Poor. A Consumer Council report highlighting how poorer people pay more for everyday essentials, June 2011

¹¹ Hard to Stomach – The impact of rising food costs for Northern Ireland consumers, January 2013

Council is working with food industry representatives, retailers and the Food Standards Agency NI to take forward recommendations from the report.

Motoring

NI motorists are hit harder than elsewhere in the UK as they regularly pay the highest price for petrol and one of the highest in Europe for diesel.¹² The Consumer Council has engaged with the NI Assembly and stakeholders to work towards ending the practice of localised fuel pricing at supermarket petrol and diesel forecourts. The Consumer Council also provides practical help by researching, publishing and promoting examples of the cheapest and dearest petrol and diesel prices across NI on a weekly basis to encourage consumers to shop around to get the best deal.

Car insurance

Following a formal submission from the Consumer Council in August 2011, the OFT collected evidence in relation to motor insurance costs. The OFT found the cost of car insurance in NI to be on average 11 per cent higher than in GB, with quotes for rural areas costing between 30 and 70 per cent higher again.¹³ In September 2012, the OFT referred the UK private motor insurance market to the Competition Commission for investigation, and the Consumer Council is now examining the Competition Commission's provisional findings.

The Consumer Council also provides briefings and secretariat support to an all-party working group at the NI Assembly set up, as a result of its research, to explore the issue of the high cost of motor insurance in NI and have developed a guide in partnership with the Association of British Insurers (ABI) and the British Insurance Brokers Association¹⁴ (BIBA) to help consumers become more effective at shopping around for cheaper insurance premiums.

¹² AA monthly fuel price monitoring reports.

¹³ <http://www.oft.gov.uk/markets-work/motor-insurance/>

¹⁴ Driving Down the Cost of Car Insurance, Consumer Council
<http://www.consumercouncil.org.uk/publications/>

Changing markets

Energy market

The market to supply electricity to domestic customers in NI was opened to competition on 1 November 2007. There are currently four suppliers to choose from and new companies can join the market at any time in the future.

It is important to help consumers make informed decisions when choosing energy suppliers. The Consumer Council encourages them to research the best deal, and switch supplier if necessary, by producing regular price comparison tables for consumers (the Consumer Council is the only organisation in NI to provide this information and it has been accessed by almost 80,000 consumers in the last year). The Consumer Council helps to reduce the barriers faced by consumers by making switching easier through publishing leaflets and working with the industry to develop its technical systems and processes for switching supplier, billing and communicating with customers.

Overall the total number of domestic customers switching electricity supplier in 2012¹⁵ was 103,177 with an average saving per customer of £55¹⁶ and a total saving for NI domestic electricity customers of over £5.6 million. In respect of natural gas, the total number of domestic customers switching supplier in 2012 was 18,700¹⁷, with an average saving per customer of £43, and a total saving of over £800,000. While not all of these savings can be directly credited to the Consumer Council's intervention, it is reasonable to assume that it did contribute significantly to the information process that encouraged consumers to switch.

Shopping online

The Consumer Council's research shows there has been a 32 per cent increase since 2003 in the number of NI consumers shopping online at least once a month.¹⁸ One in three NI consumers now shops online¹⁹ and according to Ofcom, eight in ten homes have internet access.

¹⁵ Utility Regulator Energy Retail Report 2013

¹⁶ Consumer Council figure based on average savings between different payment types and different suppliers on 2013 tariff rates

¹⁷ Utility Regulator Energy Retail Report 2013

¹⁸ Canny Consumers? Are consumers standing up for their rights? A Consumer Council progress report on consumer proficiency levels, August 2012

¹⁹ As per footnote 14

The Consumer Council has responded to this change in consumer behaviour by working to educate consumers about taking proper precautions to protect their payment details or check out the web retailer or product, through leaflets, its outreach work and in its post-primary teacher support materials.

The Consumer Council will take on responsibility to represent consumers on postal issues from April 2014. One area of work to follow on from that will be a focus on postal surcharges as online shoppers from NI face the highest level of detriment from these additional charges.

Consumer Proficiency

Consumer skills

It is estimated one in four consumers in NI struggles with literacy and numeracy skills. Consumers in NI scored below average in literacy, numeracy and problem solving in technology-rich environments in an international survey of adult skills.²⁰ This can disadvantage consumers in numerous ways, including comparing financial products and understanding terms and conditions. The Consumer Council has developed resources and learning tools that can be used by a variety of audiences to suit a range of abilities and learning styles, therefore helping to prevent exclusion and providing ready-to-use resources for voluntary and community group leaders, youth workers, essential skills tutors and teachers.

Awareness of rights

Encouragingly, consumers' confidence to express their rights in difficult situations has increased by 32 per cent since 2003 when the Consumer Council first started measuring this as part of its proficiency work.

The challenge of raising consumers' knowledge of their rights requires innovative ways of engaging with consumers. The Consumer Council has built an impressive bank of resources, presentations and toolkits that not only provides information but also develops the attitudes and skills needed to make

²⁰ The 2012 International Survey of Adult Skills, National Foundation for Educational Research (NFER) in partnership with TNS-BMRB, NatCen Social Research (NatCen) and Northern Ireland Statistics and Research Agency (NISRA)

use of it. It is work that needs to be continually revisited so that as many consumers as possible are reached and that knowledge is updated. This is important not only for individual consumers, but also for businesses and the local economy. As has been recognised by the UK Government and the Executive, informed, empowered consumers who understand their rights and act responsibly will help drive up standards and help grow the economy.

The Consumer Council successfully lobbied to ensure consumer awareness is taught in post-primary schools and as a result all children and young people learn about their consumer rights and responsibilities as part of the home economics specification up to Key Stage 3.

To support teaching, the Consumer Council has worked in partnership with the Council for the Curriculum Examinations and Assessment (CCEA) to develop lesson plans and activities as well as web-based learning resources. These innovative resources are often requested by teachers from other parts of the UK as they do not have the equivalent materials in GB.

The consumer education work has been singled out as good practice in the past by the BIS as the Consumer Council takes a holistic approach to raise consumer education and skills amongst children and young people, students, community and voluntary groups, adult learners and the general public via outreach activities and media messages. The Consumer Council also uses a ‘Train the Trainer’ approach so that key messages and resources can be cascaded by participants to their co-workers and service-users.

Business proficiency

Enhanced business proficiency, in terms of consumer law and customer care, is vital in achieving the NI Executive’s stated aim to “...grow NI’s private sector and enable it to compete on a UK, Island of Ireland and international basis.” Businesses need reliable information and support to help them deliver excellent customer care. The Consumer Council’s findings, published in the *Back to Business* report,²¹ show that while consumers and businesses seem to agree that standards are generally high, there are significant gaps in relation to

²¹ Back to Business. Are businesses getting consumer rights wrong? Consumer Council, December 2013

businesses' awareness of the law regarding some everyday consumer scenarios.

Businesses need to get it right first time, not only for consumers, but also for businesses themselves who will be saved the cost of protracted complaints and/or a risk to their reputation. The Consumer Council works with colleagues from Trading Standards Service, Invest NI, trade associations and business representative bodies to look at ways in which businesses can be further supported and encouraged to access up to date consumer law information and share this with their staff through effective training in customer care and complaint handling.

Working with regulators and policy makers

It is estimated by the Utility Regulator that NI Water's first two Price Controls (PC10, 2010-2013 and PC13, 2013-2015) delivered total savings of £149 million (£91 million for PC10²² and £58 million for PC13²³). The Consumer Council led on consumer research conducted to inform PC10 and PC13. Its involvement meant that independent consumer representation was an important part of the process that led to the achievement of these savings.

At the request of the Department for Regional Development (DRD) the Consumer Council conducted research to inform the development of a draft long-term water strategy for NI. Further research has been requested by DRD to inform the public consultation stage of developing this policy.

The Consumer Council worked significantly with the Utility Regulator and energy companies to ensure the effective implementation of the European Directives known as IME3. These Directives will increase consumer protection in key areas such as dealing with debt and services for vulnerable consumers.

The Consumer Council has a formal agreement with the Civil Aviation Authority (CAA) to act on behalf of passengers with complaints about flights departing from or arriving into NI. This relationship has developed as the CAA recognises the role of the Consumer Council in representing the interests of passengers

²²http://www.uregni.gov.uk/uploads/publications/Final_Summary_Report_PC10_NIAUR_FD_Feb_10-Doc01-Summary_Report_1.pdf

²³http://www.uregni.gov.uk/uploads/publications/PC13_Final_Determination_Website_version.pdf

and the benefits of having an experienced organisation acting locally for consumers.

Recent work on consumer representation in the regulatory model reported that current arrangements in NI are consistent with best practice compared to other regulatory models and are conferring significant economic benefits for NI consumers.²⁴ The report went on to state that in general consumers are best served by an independent consumer body, whose only remit is to pursue consumer interests. Such a body proves an essential counterbalance in the policy decision-making process within a context where the regulatory body has to balance the needs of the consumer and the company.

Devolution

The consultation states that the political landscape has changed since 1985 and makes reference to the locally accountable government in NI post-devolution. The Consumer Council provides extensive support to the political structures. For example, it regularly provides regular oral and written briefings to Members of the NI Assembly and to NI's MPs on a range of consumer issues to help shape government policy proposals. The Consumer Council submits evidence papers regularly to Assembly Committees and provides oral evidence sessions to a broad range of Committees. It also submits evidence papers to Westminster, the Northern Ireland Affairs Committee (NIAC) and gives oral evidence to members.

The Consumer Council meets regularly on various aspects of its remit with local elected representatives on UK, NI and local constituency issues. It investigates complaints referred by local elected representatives and provides supporting information and advice to help bring these complaints to resolution. In addition the Consumer Council provides the full range of its consumer guides and resources to all constituency offices in NI.

Development of Legislation

Consumer Law

In the past 30 years there have been significant changes to consumer law, including the Consumer Protection (Distance Selling) Regulations 2000 and the Consumer Protection from Unfair Trading Regulations 2008. Further

²⁴ Regulatory Models for Consumer Bodies: David Stubbs report, January 2014

significant changes are expected in the coming year with the Consumer Rights Bill, which seeks to consolidate and modernise consumer law.

In each case the Consumer Council has a statutory responsibility to educate consumers about their rights under these laws so that they use the protection afforded and challenge instances where these laws are not followed.

Evolution of Consumer Council Legislative Powers

The Consumer Council's evolving role is underpinned by increased and widening legislative powers, for example The Gas (Northern Ireland) Order 1996, the Water and Sewerage (Northern Ireland) Order 2006 and the recent designation of financial super-complaint status.

The Consumer Council became the statutory complaint handling body for the Access to Air Travel Regulation EC No 1107/2006 and the recognised complaint handling body for the Air Passenger Denied Boarding and Cancellation Regulation EC No 261/2004.

These developments, together with the forthcoming new responsibilities for postal services, demonstrate the confidence of legislators at local and UK level that the Consumer Council has the skill set, knowledge, experience and expertise to carry out the statutory functions and recognise the strengths of the current integrated model.

An example of how the extension of these roles supports the Consumer Council to deliver for consumers can be provided through a focus on the extension of its role in water. The Consumer Council took on its formal water role in 2007. Before the commencement of the 2006 Water Order the Consumer Council led the scrutiny of water reform proposals from the consumers' perspective. This led to significant changes in the proposals being brought forward.

The impact of the Consumer Council as water reform plans were developed and the benefits this has brought to NI consumers are well documented. They include the initial deferral of the introduction of domestic water charges; the re-charging of roads drainage to DRD Roads Service not NI Water customers; arguing for the recognition of payments already made via domestic rates; the design and agreement of an Affordability Tariff should domestic water charges be introduced; and winning a Judicial Review against the process of legislative consultation.

Vulnerable consumers

The Consumer Council has a statutory duty to protect and represent the interests of vulnerable consumers. It recognises that consumers can become vulnerable at any time due to changing circumstances, and so work to increase consumers' knowledge and skills. It also works to increase access to organisations; for example utility companies, and to services; such as affordable credit, and with organisations to inform them about the barriers consumers can face.

In March 2013 the Consumer Council published its revised *Access to Air Travel* information guide. It engaged with various disability organisations, including RNIB, Action on Hearing Loss, Guide Dogs, Mencap and the Orchardville Society to ensure the guide best meets the needs of passengers with a disability, and to provide passenger rights information sessions.

The Consumer Council has worked with NI Water to develop and promote a Customer Care Register which offers free additional services for consumers with a disability, older consumers and those who need extra help for any other reason. There are currently 3,131 consumers registered including 404 nursing homes and 60 closed communities.

Individual complaints

The Consumer Council helps individual consumers with complaints about buses, trains, planes, ferries, natural gas, electricity, coal and water. The Consumer Council has an excellent reputation for the thoroughness and effectiveness of its complaint handling amongst complainants, service providers and regulators alike. This is evidenced in the achievement of an average of 97 per cent consumer satisfaction with the service provided by the Consumer Council in the last three years.

So far this year the figures have surpassed any previous year. The Consumer Council has helped over 3,500 consumers and put almost £0.5 million back into their pockets.

The consultation presents the stage two complaint figures as low. It does not, however, reflect the complexity of the complaints handled and the improvements driven in companies' services by removing faults highlighted

through complaints, for instance, the resolution of one individual complaint could have a positive policy impact for thousands of consumers.

The examples set out above show how the Consumer Council, in its current form, has been able to respond effectively to the changing needs and circumstances of consumers in NI, and that it has the credibility and proven track record to be trusted to take on new responsibilities and roles.

Representing the needs of NI consumers at a European and national level

Promoting the interests of consumers at a European Level

The European Union (EU) undertakes a critical role in safeguarding and protecting consumer rights. A range of Regulations has been enacted to ensure consumer rights are protected and upheld, that consumers have access to forms of redress, and that they can have confidence that their needs are considered when services are being planned and delivered.

In addition to a focus on specific consumer protection, the EU also has a key role to develop Regulations to protect consumers within a range of markets including energy, finance, transport and water. The Consumer Council recognises that the key opportunity to influence proposed policy at a European level is at consideration stage, prior to implementation.

The Consumer Council has established a specific work programme area '*Representing Consumers at a European level*' which is focused on raising the profile of NI consumers within European programmes. The Consumer Council has strong engagement with all three local Members of the European Parliament (MEPs), European Networks such as the European Consumer Centres (UK and ROI), European Consumer Network (BEUC), and have established a North/South Consumer Organisations Working Group. In 2013 the Consumer Council also applied (and is currently awaiting confirmation from the EU) to be one of two UK representatives on the European Consumer Consultative Group (ECCG).

Examples of where the Consumer Council has represented NI consumers at a European level include:

- Strengthening Ferry Passenger Rights – the Consumer Council worked to influence the development of the Maritime Passenger Rights Regulation (EU) No 1177/2010 to ensure it adequately protects passengers when travelling by sea. During the passage of the legislation through the EU ordinary legislative procedure, the Consumer Council represented the interests of consumers to MEPs and the UK Department of Transport to influence the views of decision makers at the European Parliament and the Council of the EU.

- EU airport slot allocation – the Consumer Council engaged with MEPs with the aim of ensuring the draft Regulation on common rules for the allocation of slots at EU airports will provide protection for services operating between regional and hub airports (i.e. Belfast and Heathrow). The NI economy depends substantially on its links to Heathrow as the key UK hub airport, and ensuring access is essential to the economic and social wellbeing of NI consumers.

Influencing European institutions requires proactive engagement by the Consumer Council with European networks and agencies, a strong evidence base and clear positioning to ensure the protection consumers currently benefit from is not diluted. It requires a focus on the needs of current and future consumers, recognising that influence must be brought at a European level as Regulations are being developed and at a national level as Regulations are being transposed.

The EU recognises the key contribution consumers make to driving competition, innovation, economic growth and confidence which is reflected in the EU Consumer Agenda (2014–20). This reflects a determination by the EU to take a holistic approach to consumer issues across the economy and the work of all the main Directorates General of the European Commission. The key focus is consumer empowerment and the contribution confident consumers can make to economic growth. As this programme is rolled out across member states it is essential there is a strong body representing NI consumers across the broad range of consumer issues and markets to ensure they benefit equally and as fully as other member states.

Promoting the interests of NI consumers at a national level

Many issues that impact on consumers in NI derive from national policy and indeed many policy issues remain reserved matters for Westminster. An essential role the Consumer Council undertakes is to represent consumer interests on a range of reserved matters such as petrol and diesel prices, air passenger duty, the cost of insurance and access to banking services. This involves supporting MPs and committees with position papers, research and briefings and working directly with national Government Departments and statutory bodies. The Consumer Council also engages with a range of national bodies and working groups to ensure the issues facing NI consumers are not overlooked and any specific concerns are not hidden or masked by a one size fits all national picture.

Examples of where the Consumer Council has represented NI consumers at a national level include:

- Fuel Costs – the Consumer Council continues to highlight the impact high petrol and diesel prices are having on consumers directly with HM Treasury and through detailed briefs for political representatives. The contribution of the Consumer Council in terms of focus and clarity on this important issue has been recognised by a number of elected representatives. NI political representatives have kept this issue high on the agenda in Westminster, evidenced by the Chancellor of the Exchequer repeatedly scrapping planned fuel duty increases.
- Domestic Flood Insurance – the Consumer Council conducted research on flood risk and domestic flood insurance to inform the UK debate from the perspective of NI consumers. This informed the Consumer Council's work with Rivers Agency (as the competent authority in NI), discussions with the Association of British Insurers, the Department for Environment Food and Rural Affairs (DEFRA) and local representatives on Westminster's EFRA Committee to ensure the NI consumer was not lost within the wider UK debate and policy development.
- Department for Business, Innovation and Skills – the Consumer Council has worked closely with BIS in respect of the forthcoming transfer of the consumer representation role for postal services from Consumer Futures to the Consumer Council. This has included commenting on draft legislation to ensure it is effective, maintaining ongoing partnership arrangements to ensure a seamless transition and that the NI perspective is influential on important issues such as the future of the post office network, the Universal Service Obligation and international postal services.
- Department of Transport (aviation/maritime) – the Consumer Council works in formal partnership with the CAA, the Maritime and Coastguards Agency and the Department for Transport (DfT) to represent the interests of air and sea passengers in NI with a disability or reduced mobility and the interests of all passengers when services are delayed or cancelled.

Supporting MPs, Committees and National Government Departments

The Consumer Council highlights how consumers are affected by policy decisions taken at Westminster and identifies possible options which could promote and improve the experience of NI consumers. Over the last year the Consumer Council has provided around 40 briefings, research reports and submissions on topics ranging from car insurance to flooding issues affecting consumers in NI to local MPs.

The Consumer Council has developed a strong relationship with the NIAC and has presented oral evidence and written submissions to ensure the issues facing NI consumers are fully considered. Recent evidence provided has focused on the disproportionate impact Air Passenger Duty has on NI consumers, the importance of regional access to hub airports and considerations for an Air Transport Strategy for Northern Ireland.

The Consumer Council was also the first organisation to be called upon by the NIAC to give evidence into its Inquiry into Banking Structure in NI. It was able to outline how it has used consumer evidence to produce a complete manifesto for day to day banking in NI, alongside three current issues which are impacting on consumers:

- Access to financial services
- Branch closures
- The Ulster Bank payments crisis of 2012 and the role of the Financial Conduct Authority

The Consumer Council also continues to work closely with a range of Government Departments at Westminster.

Working with statutory and national bodies across the UK

Often the specific concerns of NI consumers can be missed or misunderstood by national bodies especially if local specific market conditions are not considered within research or information gathering approaches.

The Consumer Council works diligently to ensure the specific issues facing NI consumers are recognised and acknowledged. There are strong relationships established with organisations such as the OFT, Competition Commission, Financial Conduct Authority (FCA), CAA, Maritime and Coastal Agency, BBA, Payments Council, Consumer Protection Partnership and LINK. It is testament to the recognition of the Consumer Council role that these national bodies engage with us to ensure the voice of NI consumers is identified and policy options considered.

Examples of the Consumer Council's work and impacts with statutory and national bodies include:

- OFT – the Consumer Council regularly monitors the cost of airline charges including the fees charged for paying by credit or debit card. In 2011 the Consumer Council used this information to contribute to an investigation by the OFT into these surcharges. In December 2011 the Government announced that by the end of 2012 only the actual cost of processing debit and credit card payments could be charged to consumers.
- Competition Commission – in 2012 and 2013, having failed to reach an agreement with Phoenix Natural Gas (PNG) and NIE respectively, the Utility Regulator referred their price controls to the Competition Commission for its determination. The Consumer Council was the only third-party organisation that invited to provide evidence to the Competition Commission on the PNG Referral, and the only consumer representative to be invited to give evidence to the NIE Price Control referral.

The Consumer Council liaised actively with the Competition Commission providing written and oral evidence to ensure the issues and priorities for consumers were given due consideration in the final determinations.

The Consumer Council's contribution supported a positive outcome for consumers particularly with the NIE referral, where the Competition Commission reduced NIE's proposal to increase consumers' annual bills by £25 down to £5. The Competition Commission also recommended changes to the existing Price Control regulatory model, which was part of the Consumer Council's submission.

- Which? – the Consumer Council, together with Which?, made a super-complaint in 2004 to the OFT stating that NI consumers were faced with excessive charges, low interest rates and poor transparency in banking. It led to a Competition Commission investigation which concluded that bank customers in NI were not being offered competitive personal current accounts (PCAs) and that banks would have to change. The Competition Commission set out a list of legally binding remedies in February 2008 which gave consumers the information they needed to take control of their banking and to switch banks to get a better deal.
- LINK – the Consumer Council is the only NI member of the LINK Consumer Council, the UK operator of cash machines. A key part of this work is an ongoing campaign by the Consumer Council and LINK to ensure everyone in NI has access to a free-to-use cash machine. Since the programme began in 2006, 55 cash machines have been installed in areas of lower income, and of the identified 71 target areas, only five now remain. In practical terms, it means people do not have to pay up to £2 each time they withdraw £10.

The Consumer Council is continuing to work with LINK and cash machine operators, as well as local consumers and their political representatives, to target other areas which do not yet have a free-to-use cash machine.

Working with Consumer Bodies across the UK (and beyond)

The Consumer Council works with Which? in relation to our work on the impacts that rising food costs are having on NI consumers. The Consumer Council has shared research findings and linked policy recommendations to maximise the impact for all consumers.

The Consumer Council works closely with the Consumer Council for Water and Consumer Futures in their work representing water consumers in Scotland. Bi and tri partite discussions and meetings are held to share learning and progress national water issues. The Consumer Council also engages with other UK water organisations such as Water UK, the representative body for the UK water industry, Waterwise on water efficiency and sits on project steering groups for UKWIR (UK Water Industry Research).

The Consumer Council continues to work with Consumer Futures on energy issues such as the implementation of IME3 which provides additional consumer protection within the competitive energy markets, to inform its policy development in this area. The Consumer Council has also worked jointly to campaign on fuel poverty across the five nations and took the lead role in developing the NI Fuel Poverty conferences in 2012 and 2013.

In relation to financial issues, the Consumer Council is a member of the British Bankers' Association's Consumer Panel. The panel brings together consumer advocates, leading charities and senior bankers to identify areas where banks can improve the service they offer to customers. The Consumer Council is also a member of the Financial Ombudsman Service consumer-liaison group which seeks to address issues causing consumer detriment and complaints in financial services.

The Consumer Council's integrated approach to protect, represent and educate consumers is recognised at a national and international level. A broad range of organisations have visited the Consumer Council to learn from its approach and experience in helping consumers including:

- Jersey Consumer Council
- Guernsey Consumer Council
- Consumer Focus Scotland
- Turkey Consumer Protection Programme
- Consumer Protection Agency, Republic of Moldova
- Consumer Protection Agency, Republic of Kazakhstan
- Malta Competition and Consumer Affairs Authority (MCCAA)
- Cyprus Consumers Organisation

PART 2

Response to the Options Proposed

Proposed delivery options

This consultation is seeking views on the most appropriate arrangements for the future delivery of consumer representation in NI. The review concluded that the Consumer Council, as a NDPB, has operated effectively and has been responsive to customers, but noted some concerns about the current structure.

The following section addresses DETI's concerns about Option 1 (continuation of the current arrangements), and provides a critique of Options 2 (a self-financing consumer representation body outside government) and 3 (abolition of the Consumer Council and transfer of the consumer representation role to another body)

Option 1 – continuation of arm's length body status

NI Executive priorities

The review report states that there is little evidence that the policy research work of the Consumer Council as a NDPB is consistent with DETI's and the Executive's priorities. However, the Consumer Council contributes to the Executive's Programme for Government and DETI's operating plan. In addition to this, the Consumer Council publicly consults on its draft Forward Work Programme annually and is Corporate Plan once every four years. This includes engagement with political representatives to ensure that the Consumer Council is meeting the needs of local consumers and are supportive of the Executive's priorities.

Independence

The consultation document states that Option 1 presents an inherent tension with the Consumer Council as an arm's length body being funded by the Executive. The document makes the point that the Consumer Council is not independent of its funding and sponsoring department, DETI, or of the Executive in general.

However the Department of Culture, Arts and Leisure's (DCAL) review of Sport NI recognises the independence exercised by the Consumer Council as an arm's length body from government. This review refers to:

“Independent Public Interest bodies whose credibility depend on them being clearly insulated from ministerial influence such as the Consumer Council or the Regulation and Quality Improvement Authority.”²⁵

This is in line with Cabinet Office guidance.²⁶

The Consumer Council’s Management Statement and Financial Memorandum (MSFM) includes a section which sets out how the Consumer Council exercises its independence responsibly in its structure as an NDPB (**see Appendix 1**).

The independence of the current Consumer Council model is exhibited through the role it has played in many difficult debates trying to redress balance against heavily resourced voices of industry (including public or quasi-public bodies). Any consumer body outside of the current Consumer Council status may be at risk, even where it is consulted on policy issues, from difficulties in areas such as confidentiality of information and the level of appropriate disclosure possible. Moving consumer representation outside government could lessen its impact, for example, on energy and water prices.

In addition, because the Consumer Council operates at arm’s length and is not part of central government, it has sufficient freedom to offer constructive challenge – just as any publicly funded ‘watchdog’ should. It is therefore imperative for the long-term effectiveness of the organisation that the Consumer Council remains as an NDPB.

Finance and Governance

The significant benefit of the current model is that government funding is set aside and readily accessible to deliver operations. The document gives no consideration under Options 2 and 3 of the difficulty and risk in maintaining sufficient funding to sustain and grow the service level required.

The transition to any new option also poses a significant risk in terms of weakening and fragmenting the current service to consumers. The loss of the line of democratic accountability that comes with arm’s length body status and the inherent commitment from government to provide the best

²⁵ DCAL's Draft Report re Stage 2 Review of Sport NI, p4, November 2013

²⁶ The Approval Process for the Creation of Non Departmental Public Bodies, The Cabinet Office, December 2012

representation for NI consumers seems contradictory to providing a better model for consumers.

Any NDPB by its nature is established to ensure legal separation from inappropriate political influence for the delivery of a public function, while also ensuring a line of accountability to government for spending of public funds. It is a model commonly used to safeguard independence – the very issue that the document suggests needs to be delivered differently. The Consumer Council does not agree that this is a weakness of the current delivery mechanism; it is indeed a strength of Option 1 that ensures proper stewardship and accountability of tax-payers' money and industry levies.

Changing GB landscape

The consultation document states that in GB, the consumer representation role has been transferred to the Citizens Advice Bureau and no consumer representation NDPBs or arm's length bodies remain in place. This is not the case; a range of bodies still exist, such as Passenger Focus, Consumer Council Water and Consumer Futures.

In considering these new arrangements in GB, David Stubbs reports that in practice there has already been significant delay in the implementation of the new arrangements and considerable uncertainty and loss of expertise in relation to consumer issues.²⁷ He goes on to explain that the loss of an independent consumer body in the policy process has led, in part, to an apparent policy vacuum in the energy sectors which has been filled by competing policy promises on how to address energy costs. He is of the opinion that Ofgem has been left somewhat isolated in the policy process and has been attacked from all sides as being unable to represent consumers effectively despite its regulatory processes, with politicians already discussing how to ensure a better representation of consumers in this area. He concludes that whilst the new arrangements have yet to settle down, at present they do not appear to be working as effectively as those currently in place in NI.

²⁷ Regulatory Models for Consumer Bodies: David Stubbs report, January 2014

Further, in its response to the DETI consultation, Consumer Futures stated that '*in many ways the conclusion of the GB review was to have a body with the strengths and characteristics that CCNI now has.*' It then goes on to recommend the retention of the Consumer Council as an Arm's Length Body.

Statute

The Consumer Council is established in statute under the General Consumer Council Northern Ireland Order 1984. It is the Consumer Council's belief that most utility organisations would not have taken seriously the views represented, and would not have been persuaded to cooperate, without this statutory underpinning. To dismantle the functions of the organisation or to establish a self-financing body outside of government, would risk dissolving this statutory function with the net result of dilution of consumer representation and the ability to achieve significant impacts for consumers.

Option 1 is the only proposal which would see the need to represent the interests of consumers retained in statute. There is nothing outlined in the alternative options that confirms the statutory obligation to represent consumers' interests would remain.

Critique of Options 2 and 3

Option 2: The establishment of an independent consumer representative body outside Government

DETI sets out that the establishment of "*a self-financing consumer representation body outside government would address the independence issues and potential conflicts of interest that are present in the NDPB model.*"

We set out below why the Consumer Council believes Option 2 is not a viable arrangement for the future delivery of consumer representation in NI.

Option 2 proposes a "self-financing consumer representation body" but with no explanation of what this means or how it will be 'self-financing' aside from highlighting that it will need to "identify alternative sources of funding." This option risks a significant impediment to the consumer body's independence as any non-public sector financing would bring into question the independence and allegiance of any consumer organisation and the veracity of the consumer body in representing consumers robustly. Additionally, due to the

procurement process, a self-financing body would need to compete for contracts and so might not wish to offer a sufficient challenge to its sponsors in government.

If funding was to be provided, in at least part, via government contracts, the incumbent body would be constrained to meeting the service level agreements within these contracts. Therefore, it would lose the agility, flexibility and responsiveness the existing model brings. In effect this would diminish consumer representation as the organisation would be less able to clearly identify and respond to emerging consumer themes and issues.

No consideration is given under Option 2 to the difficulties of procuring and contracting out a service as wide ranging and evolving as the Consumer Council's. The awarding of numerous individual contracts would risk adding substantive administration time and cost, and reduce the consumer focus of the organisation. The only way to avoid this would be to award a 'central' contract to a single body. This would emulate the perceived problems of the existing model therefore removing any assumed advantages of Option 2.

The instability and insecurity of non-sustainable long-term funding would also present problems of up scaling and downsizing on a regular basis. This would also limit the ability of the organisation to retain staff and develop expertise. This would undermine the ability to engage most effectively with regulators and industry and best represent consumers.

Option 2 also risks creating a conflict between the pursuit of financing and the delivery of public benefit because services could be developed based on the pots of money available, not based on the issues that are having an impact on consumers.

Conversely a non-government body may have stronger incentives to disengage from the policy process and engage in more populist campaigning which could weaken strategic decision-making and reduce trust in the process.

Option 2 would not deliver any reduction in financial scrutiny. If financed through grant-in-aid or government contracts the similar financial oversight and probity as described as a negative impediment against Option 1 would be required by the relevant government department.

Option 2 risks diminishing the overall levels of representation and protection for consumers in NI by forcing competition against organisations the Consumer

Council currently works with to deliver different but complementary benefits for consumers.

The risks outlined above and a lack of evidence to support how consumer representation delivered under Option 2 would be to the advantage of consumers means Option 2 should be rejected.

Option 3: abolition of the Consumer Council and transfer of consumer representation role to another body

Option 3 is the most aligned to the recommendations made in the Simpson Review. It is the opinion of the Consumer Council that the presentation of Option 3 does not adequately represent the work of the Consumer Council, the evolving landscape and how different bodies in NI work together.

The consultation document states under Option 3 the “*need that existed in 1985 has been significantly addressed*”. Consumer needs continually evolve and no assessment has been made of the current ‘needs’ of consumers or the suitability of Option 3 to meet these.

Option 3 would dismantle the Consumer Council’s integrated model. This would diminish the model’s main strength by removing the ability of each function to support and inform each other. This proposal ignores the effectiveness of the existing complaint, policy, advocacy, and education roles which work together as an integrated model to deliver the best outcomes for consumers.

No assessment is provided of the potential impact of Option 3. Merging selected features of the Consumer Council into an advice giving body will have a major impact on the 'other' organisation or its services. Any change without assessing the impacts would risk the existing strengths of the other organisation and the selected Consumer Council functions thereby risking diluting the overall provision of consumer representation and protection.

Non-government advice bodies are based much more firmly on the complaints of individual consumers. The handling and dealing with such complaints is an important part of consumer representation, but is not the same as being able to identify strategic consumer interests. If a merger did not at the same time conserve the ability of the consumer body to understand and pursue strategic

consumer interests, it is possible that the quality of policy making as a whole would be reduced.

Option 3 proposes a similar change to consumer representation to that progressed in GB but without any analysis or assessment of those changes. It is too soon to assess the benefits or otherwise of the changes in the GB consumer landscape. However, arbitrary policy decisions appear to be being made in the absence of a strong consumer voice. Indeed, a reverse contestability clause has been written into the grant agreement should the Citizens Advice Service fail to deliver in line with government's expectations.

Without an explanation or structured plan of how the Consumer Council's functions will be adopted and performed by other bodies the overall level of consumer representation risks being diminished. For example, the research and lobbying role of the Consumer Council is presented at Option 3 as being carried out by other advice bodies. No other existing body represents or lobbies consistently across the Consumer Council remit. The transfer of the regulated industries work of the Consumer Council as proposed under Option 3 would not create a replica of the Consumer Council's current remit of research and lobbying work. It also ignores the outreach and education functions currently performed by the Consumer Council.

Option 3 sets out that the complaint handling role of the Consumer Council could be transferred to another body but does not specify what this other body could be. This risks a diminution in the third party complaint resolution support available to consumers in addition to the loss of the strategic intelligence gained from complaints.

The requirement to retain and transfer elements of the Consumer Council outlined under Option 3 recognises the role but ignores the risk of separating out the different functions. The abolition of the Consumer Council outside the retention of the 'regulated industries' risks losing staff knowledge and expertise currently in existence.

The risks outlined above and a lack of evidence to support how consumer representation delivered under Option 3 would be to the advantage of consumers means Option 3 should be rejected.

Proposals for improving future operations

Despite misgivings regarding the approach and focus of the consultation, the Consumer Council has consistently stated its intention to approach the review in a positive manner and will welcome change that brings benefit to consumers. As its track record demonstrates the organisation has been reactive and responsive welcoming change, as long as it provides greater protection to consumers. In this section areas where the Consumer Council might be even more effective in representing consumers are highlighted.

Information Gathering

In GB, Consumer Futures currently has the power²⁸ to acquire information from a range of regulators, businesses and any person that supplies goods or services in the course of business. Where a person who supplies goods or services refuses to provide the information, Consumer Futures can refer this to the relevant regulator (if the person is a regulated provider) or can apply for a court order. This power clearly gives Consumer Futures leverage when taking forward investigations on issues which concern consumers and a greater opportunity to represent their interests.

Consumer Futures maintains that this statutory power has been a key tool in helping it to resolve and prevent consumer detriment. The information requested has been used by Consumer Futures to assist planned policy work, inform consultation responses and strengthen referrals to enforcement bodies. It provides clarification to inform future action plans and can assist in investigations and monitoring of services. Having the power as an option often makes it easier to secure information on an informal basis and facilitate more productive and honest engagement as organisations are aware that the statutory power can be exercised if necessary.

Consumer Futures has used this statutory power to formally request information from Royal Mail on the current level of post box provision. This allowed it to assess the impact on consumers and businesses of any removal and/or relocation of post boxes in each nation. It has also used it to remedy significant consumer detriment where vulnerable consumers in GB were having their energy supplies unfairly disconnected, which was in breach of standard licence conditions and putting consumers' health and welfare at risk.

²⁸ Section 24 of the Consumer Estate Agents and Redress Act 2007

Additionally, Consumer Futures provided each of the big six energy suppliers with an individual confidential report, following information requests to all of them about their vulnerable consumer debt and disconnection processes.

These examples show how this power can be used not only to fulfil statutory representative duties but to facilitate more meaningful engagement and information sharing with service providers, which can be mutually beneficial for both consumers and industry.

In NI, Consumer Futures Post powers and responsibilities will be transferred to the Consumer Council in April 2014 which will include this power for Post and Mail markets. Under the Water Order, the Consumer Council can direct the Utility Regulator or NI Water to provide information to allow the organisation to adequately perform its duties.

Information gathering powers available to Consumer Futures Post should be made available to the Consumer Council across its statutory functions. This development would strengthen advocacy and policy work and provide greater protection to consumers.

Outreach and Partnership working

Within the review and consultation, queries have been raised about the potential overlap and role of organisations working on behalf of consumers whether that is from the statutory, voluntary or community basis. Given that consumers face a broad range of issues it is essential the Consumer Council seeks to improve how we engage and reach consumers and build on our working relationships with voluntary and community groups and advice sector. The Consumer Council developed an outreach strategy in 2011 which aims to reach out to all consumers in NI who need our support, with a focus on hard to reach consumers. Feedback gained from interaction with consumers is used to inform the organisation's work; it prioritises invitations to provide information, exhibit or present at events which have a focus on or include one or more of its target audiences (low income, older people, young people and students and people with disabilities) or target geographical locations; and it evaluates every outreach opportunity to capture learning in order to inform future decisions.

In recent years there has been a deliberate 'Train the Trainer' approach for colleagues working in the advice, voluntary and community sectors to help forge collaborative relationships and to ensure that vital consumer messages can be cascaded throughout the network of those working in an advice and

signposting role. This extends to a broad range of resources, information and materials which we develop to share across all sectors and constituency offices.

The Consumer Council co-founded the Fuel Poverty Coalition (FPC) with National Energy Action (NEA). In the first two years of the FPC we were heavily involved in recruiting members, issuing newsletters and jointly chaired the steering group. Once the FPC was well established and reached a steady state we recognised the leadership role of NEA in this specific area, took a step back and became a regular member of the steering group, continuing to lend support to the coalition.

The Consumer Council's work on various flood forums further illustrates our outreach and collaborative partnership working in order to deliver benefits for consumers.

The Consumer Council recognises that we need continue to build upon these examples and develop an improved outreach and partnership strategy so that we can jointly articulate the roles of different organisations and look to target as many consumers as possible with the support and information they need.

Coordination and Leadership role

The Consumer Council identified in 2008 that there were a number of different organisations trying to address the growing problem of a lack of money management skills. As a result, we set up and continue to lead the Financial Capability Partnership NI (FCPNI). The FCPNI was set up with two aims, firstly to embed financial capability into government strategy and secondly to ensure that there was a coordinated and joined up approach to the delivery of any initiatives in NI.

The FCPNI managed to secure the development of a Financial Capability Strategy as part of the NI Executive's Programme for Government in 2012. As a result the focus of the Partnership has evolved and we now work towards helping to shape the draft Strategy and Action Plans through DETI's Financial Capability Forum as well as continue to ensure a joined up approach to the practical delivery.

After identifying the lack of basic water efficiency advice for businesses and farms in one place and the number of businesses and farms not claiming water

bill allowances, the Consumer Council developed its ‘Business Connect’ project and resources. This project, including the Water Champions award and entry level NI Water efficiency advice for business, was developed in partnership with NI Water and Invest NI.

This coordination and leadership role has been highlighted by stakeholders at the DETI consultation events with comments including: “*the Consumer Council has the ability to proactively see a problem emerging and get the right people around the table to find potential solutions*”.

The Consumer Council believes it should further develop work which focuses on proactively identifying future issues and concerns for consumers. Policy decisions especially on energy, finance, transport and water are taken with a long term view so it is essential the consumer impact is considered over a long term period as well.

Work with NI Businesses

The Consumer Council has a statutory responsibility to represent all consumers; this includes businesses who are customers or consumers of services too.

Many businesses successfully use our consumer support function. For example, a hairdressing business recently celebrated after the Consumer Council helped the business get over £20,000 reduced from its water bill.

The Consumer Council has worked with businesses and farmers through our Water Champions Award and water efficiency advice developed in partnership with NI Water and Invest NI. This low cost but effective project is being extended to run for 2014/15. During the period 1 January 2012 to 31 December 2013 the Consumer Council also negotiated a refund of over £185,000 on behalf of NI businesses on disputed energy bills.

The Consumer Council has produced leaflets for small businesses on getting the best deal on energy. During 2013 we gave both written and oral evidence to the Enterprise Trade and Investment Committee for its investigation into the fact that businesses in NI pay some of the highest electricity prices in Europe.²⁹

²⁹NI Electricity Prices: Data and Comparisons Information Paper. Utility Regulator March 2013

As consumer spending accounts for 60 per cent of GDP it is essential consumers and businesses are confident of their rights, know how to express them and who to turn to for help. Confident and optimistic consumers knowledgeable about their rights are essential to driving NI forward as a region and as a competitive economy.

There are key areas where the Consumer Council alongside business representatives and support bodies can help ensure NI businesses have access to reliable consumer law information and customer care resources. To achieve the recommendations set out in our *Back to Business*³⁰ report we will seek to use and build on the relationships we have with business representatives and support bodies.

The Consumer Council recognises it can be an even more effective advocate for business consumers to ensure they have access to support and redress. The Consumer Council will also engage further with the business sector to ensure access to reliable consumer law information and customer care resources.

International Comparisons

As part of a process of continual improvement, the Consumer Council had already, prior to the consultation, begun researching other models of consumer representation by reviewing existing bodies across the world; further demonstrating a commitment to continually develop and improve in order to provide the best representation for NI consumers.

The structure and role of consumer bodies at a European level can provide valuable insight for operating within the evolving EU framework with the continued dismantling of barriers to competition, the harmonisation of regulatory approaches and industrial standards, and the gradual extension of regulatory oversight at EU level. By comparing across the EU the Consumer council can identify best practice that can be adapted for implementation to the benefit of NI consumers.

³⁰ Back to Business. Are businesses getting consumers' rights wrong? The Consumer Council, December 2013

Conclusion

The Consumer Council's response to DETI's consultation has outlined in detail how the organisation has delivered effectively for consumers under its current status, has been responsive and a positive organisation for consumers to turn to. The Consumer Council believes that the continuation of the current model provides the best option for the future delivery of consumer representation, but as an organisation we are not resistant to change or continual improvement. It is imperative that the opportunity is not lost to improve the representation and support consumers can rely on.

As part of the consultation process the Consumer Council has reflected on its role internally and through engagement with a broad range of stakeholders. As with any organisation there could be improvements in what it does and how it does it. Any improvements should build on the strong foundations, experience, relationships, recognition and expertise that have been developed over the last 30 years. This should be an ongoing process of improvement.

Consumers are at the core of everything the Consumer Council does. The outcome of this consultation and chosen delivery option must have the needs of consumers as their foremost consideration. If there is a preference for change there must be an absolute and compelling evidence based case which demonstrates beyond doubt that consumers will have better representation and protection. It should not risk these entitlements being eroded and diluted. Consumers need a stable and powerful advocate to speak on their behalf. The Consumer Council has provided and will continue to provide an objective, independent voice for consumers throughout NI, at a local, regional, national and EU level, ensuring their needs and concerns are taken into account by key decision and policy makers.

The focus throughout this process must be on the consumer. The Consumer Council is committed to working with DETI to ensure that consumers can be confident that they have the best representation and protection, and an organisation which has their interest – and only their interest – as the heart of everything it does.

APPENDICES

- 1. How the Consumer Council exercises its independence**
- 2. Consultation response questionnaire**
- 3. Consumer Council's initial response to DETI**

APPENDIX 1 - How the Consumer Council exercises its independence

THE CONSUMER COUNCIL FOR NORTHERN IRELAND POSITION PAPER ON HOW WE EXERCISE OUR INDEPENDENCE RESPONSIBLY

The Consumer Council is a Non-Departmental Public Body set up in legislation to safeguard the interests of all consumers, and particularly the vulnerable and disadvantaged. The Consumer Council is an independent organisation which operates to promote and protect the consumer interest with the Minister, the Northern Ireland Assembly and other partners including government, departments, regulators and service providers.

The Consumer Council believes that its independence and statutory powers puts it in a strong position as a consumer advocate and champion. The Consumer Council values the support provided by the Minister and the Department of Enterprise, Trade and Investment in upholding and protecting its independence. With such powers comes responsibility in exercising its statutory remit interdependently with all its partners.

The purpose of this paper is to openly and transparently articulate how the Consumer Council strives to responsibly perform its statutory role as the consumer champion within the context of the devolved Northern Ireland Assembly.

Mission

The Consumer Council's mission is to make the consumer voice heard, and to make it count. This requires the Consumer Council to present the consumer view to business, the government, the public and the media in an evidence-based, timely and relevant way and to influence and lobby to drive change which benefits and advantages the consumer. It also requires that the consumer is established as a key part of the social, economic and environment framework and is reflected within the Assembly's Programme for Government.

How Do We Achieve Our Mission?

The principles set out below are applied openly and transparently. The Consumer Council will always strive to practise these principles without exception unless the Consumer Council deems there is conflict with consumer interest. In exercising these principles the Consumer Council will pay due regard to whether legal powers are devolved or reserved at Westminster but will at all times work to drive change to benefit consumers in all markets which may cause consumer detriment.

The Consumer Council:

- Carries out its statutory duties in a responsible way and in line with its corporate mission, values and principles
- Commissions and conducts research, develops and promotes policy, influences, lobbies and campaigns on behalf of consumers, and also deals with individual customers' complaints in energy, transport and water
- Is evidence-based and centres its work on the excellence of its research, analysis and intelligence base
- Meaningfully engages with, listens to and reflects the views of consumers, their representatives and partners within the private, public, community and voluntary sectors in its own work of promoting the consumer interest
- Drives change to benefit consumers in all markets which may cause consumer detriment paying due regard to whether legal powers are devolved or reserved at Westminster
- Exercises its duties in a variety of ways as it feels appropriate as an advocate, a watchdog, a thought leader developing and influencing consumer-focused policy and practices and innovation
- Measures the impact of its work in terms of Reputation and Connectivity, Consumer Impact and Value for Money
- Seeks formal and informal stakeholder feedback on the work it does and the way in which it is done on behalf of consumers on an ongoing basis
- Works within formal, statutory and ad hoc partnerships
- Seeks to influence all politicians across all parties, committees, departments and ministers through lobbying, briefing and presentations on Consumer Council policy and consumer issues
- Responds to queries and briefing requests from politicians, parties, committees and ministers as deemed appropriate to the work of the Consumer Council and interests of consumers
- Lobbies and briefs across all politicians, parties, committee members, clerks and ministers as deemed appropriate to the work of the Consumer Council and interests of consumers
- Responds to media requests as deemed appropriate to the work of the Consumer Council and interests of consumers

Appendix 2 - Consultation response questionnaire

FUTURE ARRANGEMENTS FOR CONSUMER REPRESENTATION IN NORTHERN IRELAND

CONSULTATION RESPONSE

Completion Instructions

We welcome your comments and views on the future arrangements for consumer representation in Northern Ireland.

Please answer the following questions as completely as you can.

About You

1. Are you responding as:

- An individual
- An organisation (if so, please state name of organisation below)

The Consumer Council

Are you content for your responses to be made available to the public (in the Northern Ireland Assembly Library and/or on the DETI website)? Please tick as appropriate.

Yes No

2. Are you a professional/practitioner engaged in an aspect of consumer representation?

Yes (please specify) **No**

Comments:

We are the statutory representative of consumers in Northern Ireland with a duty to promote and safeguard the interests of consumers.

3. Do you work primarily with any vulnerable groups?

Yes (please specify) **No**

Comments:

The Consumer Council works to promote the interests of all consumers in Northern Ireland but has a specific statutory remit to represent vulnerable consumers. Our aim is to make the consumer voice heard and make it count.

The Consumer Council's Corporate Plan outlines our key focus on ensuring the needs of vulnerable consumers are met. The Consumer Council works with various organisations to ensure vulnerable consumers are aware of their rights, and we engage with service providers in the utilities, transport and financial sectors to make sure services are accessible for vulnerable consumers.

The Consumer Council undertakes various projects targeted specifically to consumers with a physical or learning disability, consumers with a hearing or visual impairment, older and younger consumers, and consumers who could be considered to be financially vulnerable.

Current Arrangements for Consumer representation in Northern Ireland

4. Do you consider that the Northern Ireland consumer is adequately represented in terms of consumer advice, complaints handling, and representation on consumer issues under current arrangements?

Yes No Don't know

Comments:

Our detailed response to the consultation outlines how the Consumer Council, under current arrangements, continues to meet the evolving needs of consumers. The consultation recognises that the Consumer Council is responsive and effective under current arrangements. No other evidence is provided to suggest consumers representation needs are not being met by the current structures in place.

5. Do you consider that there are any gaps in current consumer representation arrangements?

Yes No Don't know

Comments:

There has been no analysis of consumer representation undertaken by the review or the consultation and therefore no suggestion of potential gaps. It is therefore not possible to answer this questions without further information.

6. Do you consider that there is any overlap or duplication in the provision of consumer advice and representation in Northern Ireland?

Yes No Don't know

Comments:

We do not believe there is any overlap or duplication in the provision of consumer advice and representation in Northern Ireland. The Consumer Council seeks to work with and complement other organisations and where possible use the opportunity to co-ordinate and provide leadership in the area of consumer representation. There has been no analysis of duplication of consumer representation or advice provision undertaken by the review or the consultation.

Future Consumer representation Arrangements in Northern Ireland

7. Do you consider that a single consumer representation body is required for Northern Ireland?

Yes No Don't know

Comments:

The alternative options proposed in the consultation are not accompanied by any evidence to justify changing the current model for consumer representation which has demonstrated effective consumer representation.

8. What do you consider to be the most appropriate model for future arrangements for consumer representation in NI:

- a continuation of the current Consumer Council model of an Executive Arms Length Body to represent the consumer.
- the establishment of an independent consumer representative body outside government.
- the transfer of the consumer representation role, including the regulated industries role, to an existing non-government advice body.
- An alternative operating model (please specify).

Comments:

Based on the information available in the Simpson review report and the consultation document, together with the points made in the Consumer Council's detailed response, the only viable option for consideration is **Option 1: Continuation of Arm's Length Body Status.**

Impact Assessments

9. Do you have any comments on the Impact Assessments detailed on Page 17 of consultation document?

Yes No Don't know

If yes, please provide details

The Consumer Council engages in specific projects targeted towards consumers with a disability, older and younger consumers, rural consumers and vulnerable consumers.

For example, the Consumer Council is the recognised complaint handling body for passengers with reduced mobility in relation to their rights when travelling by air or by sea. We produce passenger information guides, conduct awareness raising campaigns and delivery training presentations to key support groups and directly to passengers with a reduced mobility. No other organisation does this work.

Given that there is no detail on how the proposed alternative options would carry out the functions of the Consumer Council it is not possible for the Department to conclude that each option would have no significant implications for section 75 groups or rural communities.

Any other comments

10. Please detail below any other comments you may have?

A full consideration of the consultation is outlined in the Consumer Council's detailed response.

Questionnaire Complete – Thank you

Thank you for taking the time to complete the questionnaire.

Please email your response to consumeraffairs@detini.gov.uk

Or send by post to: Consumer Affairs Branch

DETI

176 Newtownbreda Road, Belfast

BT8 6QS

Appendix 3 - Consumer Council's initial response to DETI

FUTURE ARRANGEMENTS FOR CONSUMER REPRESENTATION IN NORTHERN IRELAND

This paper summarises a range of issues the Consumer Council has identified within the DETI consultation which impacts on the balance and accuracy of the document. The issues are themed around three broad areas in terms of:

- **Inaccurate Information**
- **Omissions**
- **Unbalanced Comments**

1. Inaccurate Information

Inaccuracies re the Consumer Council Role	<p>The consultation document refers (para 2.8) to the Consumer Council role to represent passengers under the 'Access to Air Travel Regulations'. The document also states that "<i>it appears the scope of this will shortly be extended to include disabled persons and persons with reduced mobility when travelling by water</i>". This role has already been introduced through the Maritime Regulation (EU) No 1177/2010 undertaken by the Consumer Council from December 2012.</p> <p>There is a further inaccuracy relating to the transfer of postal services where the document refers to the progression of this only when a suitable legislative vehicle has been found. Again, if there had have been engagement, either during the Simpson Report or development of the consultation document, this could have been corrected to show:</p> <ul style="list-style-type: none">• A suitable legislative vehicle is already identified and progressing (The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's (OFT) Functions in relation to Estate Agents etc) Order 2014)• A Business Case has been agreed with the Department for Business, Innovation & Skills• Integration of staff and work programme is being progressed ahead of April 2014 schedule
Complaint Handling	<p>The Consumer Council would strongly refute the claim that Consumer Council Support is "<i>slow on occasion to clear (complaints)</i>". Neither the Simpson Report nor consultation document has sought to clarify this statement, or make any reference to the Consumer Council's Complaint Handling policy.</p>

	<p>The Consumer Council requests any consumer that we have assisted with a complaint to complete and return a Customer Satisfaction Form. This form is issued to all complainants regardless if we were able to obtain a satisfactory outcome and we have a high return rate of over 50%. The satisfaction form asks five key questions about "Effectiveness of the Consumer Council".</p> <p>These five questions form an overall customer satisfaction index, which showed overall satisfaction with all aspects of the Consumer Support service (including <i>'how quickly the Consumer Council deals with your complaint'</i>) of 97.39% and 97.72% in 2011/2012 and 2012/2013 respectively. These results are published annually.</p> <p>The Consumer Council's Complaints Handling Policy was amended in July 2011 following roundtable discussions with stakeholders. The policy was signed up to by: NI Water, Phoenix Gas, Phoenix Supply (now Airtricity Gas), Firmus Energy, NIE, Power NI, Airtricity, Electric Ireland, Budget Energy and Translink.</p> <p>The policy provides agreed timescales for initial complaint investigation and subsequent follow up. These range from 10-15 days for primary investigation in the areas of utilities and transport respectively. Upon receipt of a response the Consumer Council has a 10 day follow up threshold for liaising with consumers and a five day follow up threshold for continued liaison and follow up investigation with service providers. NI Water is afforded 10 days for follow up as they are unable to commit to the five day threshold.</p> <p>These timescales are stringently adhered to by Consumer Support. Complaints are not kept open indefinitely and in instances where a consumer does not provide the necessary information we proceed to close the complaint, potentially to a consumer's dissatisfaction. Consumer Support operates a complaints handling database that manages the timescales outlined in our complaints handling policy which prevents timescales from slipping. Consumer Support holds regular Complaint Review Meetings (CRM) with all stakeholders who have signed up to the complaints handling process. This CRM forum allows an open and transparent discussion of complaints and sharing of information. Consumer Support has previously raised concerns about complaint handling timescales with service providers, and one service provider in particular. However the Consumer Council has never been directly accused of being slow to clear complaints.</p> <p>The Consumer Council would have expected that our complaint handling policy, approach and performance levels would have been examined or at the very least referenced to bring balance as this would clearly show the Consumer Council is not slow to clear complaints and has robust systems in place.</p>
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2. Omissions

Reference to GB Landscape	The consultation document does not consider all aspects of consumer representation which is unsurprising given the Simpson Report on which it is based lacked adequate engagement with the Consumer Council to either inform the report or consultation document. The consultation document focuses on frontline advice and complaints and shows a disregard for the strength of the NI
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	<p>consumer model and the benefit it brings in terms of integrating the research, advocacy and education functions. This model enables the cross-fertilisation of ideas and intelligence to identify and address consumer trends and issues that cut across different consumer markets. It also ensures we develop appropriate resources and tools to address these issues as part of our education function. At the very least an assessment of the effectiveness and application of the GB model (as well as emerging Scottish proposals) to the NI context should have been undertaken.</p> <p>The Simpson Report simply refers to the GB landscape changes. The changes to the GB landscape have been described but both the Simpson Report and the consultation document fail to put forward any assessment of their impact, cost-effectiveness or transferability to NI. The consultation document does not acknowledge that the Simpson Report did not seek the views of the Consumer Council's staff, board members or consumer views. The Consultation document refers to the views of stakeholders. No analysis is provided on the type of relationship each stakeholder had with the Consumer Council to provide context.</p> <p>In relation to the GB landscape, the Simpson Report only briefly mentions the "Reverse Contestability" clause that has been introduced as part of the legislative process, as part of the evidence submitted by Consumer Focus. It does not expand on this or its implications. The consultation document makes no reference to the clause whatsoever.</p>
The Consumer Council's Role and Powers	<p>The statutory role the Consumer Council has for Consumer Education is not explored or considered in any detail, and the link between consumer proficiency and consumer confidence as it relates to economic growth is completely missed (that 60% of GDP arises from consumer spending is not even recognised³¹). There is no reference to the specific statutory duty the Consumer Council has to represent vulnerable consumers which is completely overlooked or ignored. There is also no reference to the work undertaken by the Consumer Council to improve Consumer Proficiency, which has been ongoing since 2003, with the most recent report launched by the Minister in September 2012.</p> <p>There is no acknowledgement that the Consumer Council is a designated 'Supercomplaints' Body under the Enterprise Act 2002 – which means the Consumer Council can refer any consumer affairs goods and services to the Office of Fair Trading where we feel it may be causing consumer detriment. We are the only organisation in NI to hold this power (the Consumer Council has also applied for similar role to the Financial Conduct Authority).</p> <p>Despite the significant challenges facing consumers regarding financial issues, there is no reference to the Consumer Council contribution to work on Financial Capability (including leading the NI Financial Capability Partnership), and other key money affairs issues such as banking, affordable credit and insurance.</p> <p>The paragraph (2.10) in relation to representing consumers in relation to food suggests the Consumer Council has decided or "chosen" to consider food prices and customer experience. It is more than a choice, it is a statutory role to consider food issues for consumers. The concordat between Food Standards Agency (FSA) and the Consumer Council is to ensure good value and use of</p>

³¹ Global consumer spending losing momentum, PWC, June 2013.

	public money as well as joint working where appropriate.
The Consumer Council's Influence and Working	<p>The Consultation document makes no reference to the various levels at which the Consumer Council seeks to influence change for consumers. The fact that the Consumer Council also represents consumers on reserved matters at a UK level on areas such as Financial Regulation, Aviation and Maritime issues, and soon Postal Services, is absent. The fact the Consumer Council has also represented consumers on EU issues such as Alternative Dispute Resolution / Online Dispute Resolution and EU Slots Allocation is not reflected, and there is no reference to the North / South Consumer Body the Consumer Council established to ensure Cross-Border consumer issues were effectively considered. No mention is made of our membership of the European Commission's European Consumer Consultative Group, which is the Commission's main forum to consult national and European consumer organisations.</p> <p>The Consultation document states that the Consumer Council has "set itself a number of targets to be achieved". It would be worth noting that all plans are produced through a process which includes consumer engagement and public consultation. These plans are also approved by DETI and a number of the Consumer Council's targets are also incorporated in and contribute to DETI's Corporate and Operating Plans.</p>
Complaints and Policy link	<p>Section 3.7 to 3.10 deals with the Consumer Council's role in relation to handling complaints and enquiries. The paragraphs set out the areas on which the Consumer Council handles complaints and enquiries on behalf of consumers, trends relating to contacts and the redress achieved.</p> <p>There is no acknowledgement of the link between consumer complaints and the work of policy teams. Indeed the consultation document makes reference to the Consumer Council's complaints role being compromised by the advocacy and advice role with no detail or evidence to substantiate this view. This demonstrates a poor appreciation for consumer representation and the synergy between handling complaints which supports intelligence and identification of consumer issues on which to advocate for change and improvements for all.</p>
The Consumer Council's Independence	<p>There is reference to tensions regarding the independence and funding of the Consumer Council, with a comment that the Consumer Council "<i>jealously guards</i>" its independence. The independent role to represent consumers and make their voice heard and make it count is clearly accepted, as is the financial and accounting requirement placed on the Consumer Council as an NDPB.</p> <p>Having raised the issue of independence, it is extremely surprising the consultation makes no reference to the document agreed between the Consumer Council and DETI titled "<i>How we exercise our independence responsibly</i>". This agreed paper is now also included as part of the Management Statement and Financial Memorandum signed by DETI and the Consumer Council on 21 August 2013.</p>

Stakeholder views	<p>The Consultation report states stakeholders were engaged with as part of the Simpson Report. Given the (statutory) challenge function the Consumer Council has in order to represent consumers across a range of markets including water, energy and transport and consumers who have specific complaints, it is surprising there is no acknowledgement of the impact this could have in terms of their views. There is no acknowledgement of any potential bias from stakeholders who will have been faced with specific complaints and concerns from the Consumer Council on behalf of consumers about their service or product.</p>
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3. Unbalanced Comments

Consumer Intelligence and Research	<p>The consultation does not provide a balanced view regarding the research and intelligence base the Consumer Council works from on behalf of consumers. The document reports that stakeholders felt the Consumer Council needed to ensure its views were underpinned by a strong, defensible evidence base. Again, in the interests of ensuring a fair and open consultation, both the Simpson Report and DETI consultation document should have examined the actual research undertaken by the Consumer Council. This would have shown that in 2012/13 alone the Consumer Council undertook over twenty pieces of quantitative research and over 100 Consumer Panels in all parts of Northern Ireland (see 'Research conducted in operational year 2012/13' – attached for detail).</p>
Performance and Payment Issues	<p>If the consultation document is to refer to a historical payment issue which has been addressed, we would expect to see a commentary from DETI in relation to our performance over the years in terms of delivering against our operational plan (on budget) and dealing with significant unexpected consumer issues (volcanic ash, freeze/thaw, power supply disruptions).</p>
Consumer and Political Context	<p>The consultation states the political and consumer landscape has changed considerably since the General Consumer Council (NI) Order, 1984, which is clearly the case. However no reference is made to the fact that the Consumer Council has adapted to changing consumer issues since the original legislation in 1984.</p> <p>This includes extension of our role and powers, for example Energy Order 2003, Water Order 2006, Persons with Reduced Mobility (PRM) legislation, Transport Act 2011, Maritime Act 2013, and the forthcoming legislation to transfer responsibility for postal services to the Consumer Council. It is clear the Consumer Council has adapted since being legislated for in 1984 but again this is not reflected in references to the changing political and consumer landscape.</p> <p>The Consumer Council has adapted to an ever changing consumer environment, for example the introduction of competition in the energy market and the need to assist consumers to be able to understand and make use of the associated benefits, or the growing trend for online shopping and the need to educate consumers on how to shop safely online. In addition, the Consumer Council's work is current; where we identify areas of consumer detriment we react, for example cost of living, insurance, flooding.</p>

Stakeholder Role (NI Authority for Utility Regulation (NIAUR))	<p>The consultation document also refers to the role of the NIAUR who has a duty to protect consumers' interests. It is surprising the role of the Consumer Council and NIAUR are not contrasted within the consultation document. The Consumer Council's primary statutory duty is to represent consumers whereas NIAUR can be constrained by legislative duties. For example in relation to natural gas, the Energy Order NI 2003 states that the principal objective of the Department and the NIAUR in carrying out their respective gas functions is to promote the development and maintenance of an efficient, economic and coordinated gas industry in NI, not the protection of consumer interests.</p> <p>The Consumer Council has a statutory role to advocate on behalf of consumers and influence policy. NIAUR has no role to influence or advocate on policy issues on behalf of consumers (i.e. NIAUR implements policy, it does not influence policy). Neither does the consultation document reflect that all consumer complaints under NIAUR policy should be referred to the Consumer Council in the first instance, even if they are determinable and that the scope of complaint issues that are determinable matters is narrow.</p>
Technical Competence	<p>The lack of understanding of a consumer body's role is reflected again in Paragraph 3.5. The view that the Consumer Council needed more technical competence is put forward without any supporting information or evidence. There is no recognition that it is the independent "consumer lens", or of the perspective the Consumer Council brings to shape and challenge services and policy which should be the key focus.</p> <p>There is no reference to the Consumer Council role in Price Control processes, to licence reviews, tariff reviews, consultation responses often requiring in-depth reading of complex legislation to understand the impact for consumers, and detailed review and development of companies' policies which all require technical competence and insight. The Simpson Report did not seek to benchmark or consider the level of technical skills or expertise within the Consumer Council to other consumer bodies such as Consumer Focus (now Consumer Futures) to reach an informed view of this issue.</p>
Option Appraisal	<p>The consultation sets out the view of the Simpson Report that the Consumer Council is no longer essential, and may not be the most cost effective mechanism for consumer representation. In relation to the options suggested cost effectiveness is a recurring theme, however there are no benchmarks to show efficiency, or lack thereof for each option and no evidence of any impact assessment has been provided. Furthermore, the alternative options presented are not costed, nor is any reference made to the costs, time and disruption of making such a change and the need for both Assembly and Westminster legislation to bring this about.</p> <p>The options proposed through the consultation document based on the Simpson Report show a fundamentally flawed understanding of consumer representation. Complaints appear to be the only focus with no regard for consumer education, consumer intelligence, advocacy and policy influence.</p>

Research conducted in operational year 2012/13

Work Programme/ Section Lead	Research area/topic	Methodology	Key issues emerging (top 3/5 points)	Consumer impact / how the information was used
Cost of Food	Impact of rising food costs on NI consumers	Household survey and 5 special interest focus groups 3 focus groups Omagh, Belfast and Coleraine Food Shopping Diaries, Online survey and meetings with food industry representatives and retailers 6 consumer panels re Horsemeat issue Belfast (x2), Strabane, Dungannon and Newcastle	9 in 10 (87%) of NI consumers worried about cost of food. 82% made changes to how they shop, cook and eat. 61% think supermarkets could do more to charge a fair price Worries about ability to eat balanced/healthy diet – foods high in fat, salt and sugar perceived as being cheaper. Lack of trust in information provided by retailers. Consumers are influenced by price and perhaps can't afford more expensive meat.	Specific NI data and context on rising food costs and impact on consumer now available as a result of this work. Engagement with food industry representatives to work towards greater transparency and fairness around pricing information, unit pricing and balance of promotions. Further work identified with stakeholders e.g. FSA.
Consumer Proficiency - Payment methods	Knowledge and views of payment methods	Household Survey and 6 consumer panels.	Gap in consumer knowledge re the protection provided with the Direct Debit Guarantee.	Findings used to add information to our 'Safer Ways to Pay' leaflet to help inform consumers. Distributed to a key list of stakeholders.

		Armagh, Ballymoney, Cookstown, Fivemiletown, Derry, Belfast	The main reason consumers (16%) use credit cards is that they want the protection provided on purchases. Majority of people use their bank to exchange money but don't know how to find out what the exchange rate is if they use their card Abroad.	'Ways to Pay' report published and distributed to politicians, regulators, financial organisations and private companies.
Consumer Proficiency 2012	Consumer knowledge, skills and confidence	Household survey 3 focus groups, Lisburn, Newry, Strabane	Just over half of consumers 'felt' well informed about their rights but when tested a significant proportion of consumers demonstrated poor awareness of key consumer rights. 69% of consumers said they'd speak up about faulty goods or services. Online shopping has increased by 21% since 2007 with 1 in 3 now shopping online at least once a month. In terms of pre-purchase activity, consumers were increasingly shopping around on price but failing to take steps to protect themselves from poor service or poor quality purchases.	Benchmarked against previous 4-yearly research to measure proficiency. Informs consumer education work programme and information campaign/outreach themes. Also informs project planning across Consumer Council.
Water	Long Term Water Strategy	Representative survey of 1015 domestic consumers Survey of 302 businesses 4 focus groups Youth Action work	Consumers are supportive of the development of a long-term water strategy (LTWS) for Northern Ireland; Overall satisfaction with NI Water's services is high – 84% of householders and 78% of businesses.	Detailed results provided to Department for Regional Development (DRD) to inform the priorities to be included in the 24 year strategy document. Summary report on CCNI website: http://www.consumercouncil.org.uk/publications/?id=1015

			<p>Priorities:</p> <p>Ensuring tap water is of a good quality.</p> <p>Limiting interruptions to supply.</p> <p>Planning to help those affected by flooding.</p>	
Energy	Consumer priorities for the electricity network	Household Survey	Identification of consumer priorities in relation to energy with focus on price, security of supply and renewables.	Used in response to NIAUR's consultation on the NIE RP5 Price Control and later Press Release
Energy	Public Awareness of energy efficiency and available grants	Omnibus survey across NI	<p>52% of consumers surveyed stated that they had taken no measures to improve the energy efficiency of their own homes in the past 12 months.</p> <p>40% of consumers surveyed stated that they were unaware that energy efficiency advice was available to them with 38% stating that they were unaware that they could get help to improve their home to be more energy efficient.</p> <p>74% of consumers surveyed stated that they have never considered alternative energy sources such as solar panels.</p>	Report at final draft stage
Money Affairs	Financial Capability Strategy	6 Consumer Panels Belfast x2, Tandragee, Newcastle, Derry, Omagh	<p>Consumers are not managing well for unplanned expenses.</p> <p>Many consumers are not very good at keeping track of their spending or finances and at any given time did not know what their account balance was.</p>	Used to inform the development of the DETI Financial Capability Strategy

			Consumers felt they often did not have the information or the confidence to choose a suitable financial product.	
Money Affairs	Ulster Bank payments crisis	Online survey	<p>Consumers were not able to access their own cash.</p> <p>No framework to help people with disabilities.</p> <p>Lack of leadership within bank to handle and communicate about the crisis.</p>	Published 'Ways to Pay' which was distributed widely to stakeholders and is the only existing public report of its kind. Briefings took place at ETI/FP committees
Money Affairs	Personal current accounts	<p>6 Consumer Panels and omnibus survey</p> <p>Ballymena, Belfast x2, Strabane, Dungannon Newcastle</p>	<p>80% of consumers report using branches in the last year.</p> <p>Issues around access to cash, language and transparency, switching and online banking.</p>	A new Personal Current Account (PCA) manifesto has been created that we plan to launch during money week 2013.
Money Affairs	Insurance research (flooding and travel Insurance)	<p>4 Consumer Panels and omnibus survey</p> <p>Belfast, Castlewellan, Derry, Armagh</p>	<p>Consumers often not covered by travel insurance when flying from Dublin.</p> <p>Consumers not aware of what is and what is not covered by policy.</p> <p>Higher proportion of younger consumers do not purchase travel insurance.</p>	Report launched (May 2013) Met with Association of British Insurers (ABI) to raise key works and have established working relationship to address ongoing issues especially in relation to travel insurance cover for consumers departing from ROI airports.
Money Affairs	Research on post accident services	Omnibus Survey	People expect their insurers to provide them with post accident	This evidence has been submitted to the Competition Commission to inform their investigation in to the cost of

	and banking opening hours		<p>services.</p> <p>Over half of consumers are unaware what their rights are in the event of an accident.</p> <p>Consumers reported the frequency and their reasons for using bank branches.</p>	<p>car insurance.</p> <p>MLA's on the all party group for car insurance have also been briefed.</p> <p>Written and oral Evidence was provided to ETI/FP Committee and the NI Affairs Committee at Westminster.</p>
Energy	Experience of natural gas customers in NI	Survey and two consumers panels	Overall natural gas customers are very happy with their experience with natural gas. However, although the number of complaints is low there is a problem with the way that natural gas companies handle complaints.	CCNI published a report which was sent to key stakeholders, e.g. MLAs, energy companies, DETI, NIAUR, community and voluntary sector.
Transport	Barriers to Complaining Report	Survey and a special interest group panel	Research found majority of passengers happy with services, but for those who experience poor service, many do not feel it would be worth complaining. Many who did get a response to a complaint were not happy with the response.	Report sent to all transport providers in NI. Translink (TK) agreement to promote CCNI complaint handling role on board their buses. Complaints have subsequently increased. Also conducted first complaint review with TK and new TK complaint handling policy now in place.
Transport	Enabling Effective Consumer Engagement in Public Transport Planning	Stakeholder Engagement and 6 consumer panels	The majority of those involved in the research expressed a willingness to actively contribute to the planning of transport services in their areas and a desire for greater engagement from transport planners and operators.	Findings were shared with DRD ahead of its engagement with consumers on key public transport issues such as local public transport plans.
Transport	ATAT Passenger Rights Survey	Online survey	Only 16 percent of respondents said they were aware of their rights.	Report agreed with Civil Aviation Authority (CAA) and Department for Transport (DfT) and CAA has agreed to raise the issue of prompting passengers to request special assistance on websites to the ABTA pre notification working group.

Transport	Petrol and Diesel Prices Survey	Online survey (and weekly monitoring)	Over 90% are paying more now than they did two years ago despite the majority of respondents saying they drive less and drive more economically.	Report used in our evidence to the OFT call for information on the UK petrol and diesel sector. Recognition received from local MP's for our role in calling for investigation across whole supply chain.
Flooding (Water)	Consumer views on resistance, resilience and insurance	Representative survey of 1000+ households and 4 focus groups	<p>Flood protection</p> <p>Almost half of consumers would not know who to contact if their home was flooded.</p> <p>64% agree that the owner/occupier has shared responsibility for flood protection.</p> <p>74% would be willing to make adjustments to their property to prevent flood damage.</p> <p>Insurance</p> <p>72% have home contents insurance.</p> <p>The two main reasons for not having contents insurance were believing it is not necessary and it being too costly.</p>	<p>Information given to Department of Agriculture and Rural Development (DARD) and DRD to inform decisions regarding future flood risk management.</p> <p>Used with DARD, Department for Environment, Food and Rural Affairs (DEFRA) and ABI to inform insurance proposals re ending of ABI & NI Executive Statement of Principles.</p> <p>Used in advocacy work in response to Performance and Efficiency Delivery Unit (PEDU) flooding report.</p> <p>Used to inform DARD development of policy for individual level flood property protection.</p> <p>Summary report on CCNI website: http://www.consumercouncil.org.uk/publications/?id=1010</p>
Business Consumer Proficiency 2012	Business awareness of consumer law, distance selling regulations and redress mechanisms	Telephone survey with 100 NI businesses	The Consumer Proficiency report found that 94% of consumers with a complaint about goods or services took their complaint to the business and 435 viewed traders as being a source of expert consumer advice.	Report being drafted

			<p>Three quarters of businesses set customer care standards for staff to adhere to and 70% offer staff training in consumer law and customer care. However, when tested, businesses scored less well than consumers and demonstrated significant gaps in their knowledge of consumer law.</p> <p>When asked where they find out about consumer law, the largest percentage (29%) reported doing an internet search.</p>	
Transport	Health Transport Research	Focus groups, public discussion meeting, structured stakeholder interviews and use of a Citizens Jury.	<p>Need for joint working between the health and transport sectors.</p> <p>Need for improved information provision regarding transport options.</p>	Report launched in May 2013 with Regional Development and Health Ministers and Consumer Council Chief Executive and Patient and Client Council (PCC). Joint lobbying strategy being developed with PCC.
Transport Public Transport Reform Project	Community and Door to Door Transport	Focus Groups and stakeholder interviews	<p>Community and Door-2-Door Transport provides the only viable travel option for many older and disabled people and those living in rural areas.</p> <p>Issues with availability of the services impacts on individuals ability to travel.</p> <p>Current vehicles used on Door-2-Door do not meet all passengers' needs.</p>	Draft report provided to DRD in December 2012 and published in July 2013. Will be used as tool when holding discussions with Disability Action (DA) in relation to pilot the DA Transport Service.
Transport Public Transport Reform Project	Consumer Views of Modal Shift and Passenger Information – Public Transport	Combination of bespoke research questions to a sample of 1000 people and 4 focus groups	<p>Address customer perceptions of value for money.</p> <p>Conduct travel needs analysis</p> <p>Review how punctuality is measured and reported.</p>	Report given to DRD March 2013 and published Summer 2013. Report will be used for further engagement with DRD and Translink.

			Conduct in depth review of passenger information.	
Transport Developing Customer Focused Key Performance Indicators	Need to develop customer focused KPIs as part of incoming contracting regime	Report compiled from evidence in other research and outlining Consumer Council view of necessary actions	Need to develop customer focused KPIs that are linked to achieving government policy to increase shift from the private car and onto public transport.	Draft Report given to DRD in March 2013. Final report e-mailed to key stakeholders June 2013. Will be used to seek action on developing customer focused KPI's ahead of contract for Translink in April 2014.
Water, Energy and Money Affairs	Regulation and Consumers	Desktop research review and external research	Research will be used to identify how consumer interests and needs can best be addressed with regulated markets.	Report to be produced.
Switching Energy Supplier	Consumers views and experiences of switching energy supplier	Omnibus and 6 consumer panels	96% of electricity customers and 86% of natural gas customers know they can switch. 28% of electricity customers and 20% of natural gas customers have switched their supplier. 97% of those who had switched thought switching was easy. 67% of those who have never switched have never even considered it.	Power to Switch Report launched.
Water (Consumer Council led on customer research commissioned by NI Water in	NI Water's PC15 business plan	Household survey (1,031); Business survey (512); 17 in-depth interviews; 12 focus groups; four re-convened focus groups and	Most consumers seem satisfied with the service provided most of the time. No one service area stood out as requiring dramatic improvement. Local 'hot-spots' exist and consumers	Results already used to inform development of NI Water's PC15 business plan. Summary report to be produced by Consumer Council November/December 2013.

conjunction with NI Water, NIAUR and DRD)		eight second phase in-depth interviews	<p>expect these to be addressed.</p> <p>Consumers were more willing to contribute to improvements with direct benefit to them.</p> <p>Consumers want strategic decision making</p>	
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Table to summarise the geographical areas of engagement

County	Area	Focus Group
Antrim	Belfast x 26 Ballymena x 7 Rathlin x 1 Ballycastle x 1 Ballymoney x 1	Transport & Water/ Energy & Money Affairs/ (Household Efficiency) Energy. Money Affairs/Education Transport & Water Transport & Water Water Energy and Money Affairs (Household Efficiency)
Fermanagh	Enniskillen x 4 Wider Fermanagh area x 2 Rosslea x 1	Transport & Water Transport Water
Tyrone	Omagh x 6 Cookstown x 2 Dungannon x 2	Transport & Water. Money Affairs. Transport/ Energy & Money Affairs (Household Efficiency)

	Fivemiletown	Water, Money Affairs/Education Energy & Money Affairs
Derry/Londonderry	Derry/Londonderry x 14 Limavady x 2 Coleraine x 2 Maghera x 1 Strabane x1	Transport & Water/ Energy & Money Affairs/ (Household Efficiency) Energy. Money Affairs Transport Transport Water Money Affairs/Education
Armagh	Armagh x 5 Newry x 3 Lurgan/Craigavon x 4 Camlough x 1 Tandragee x 1	Transport & Water/ Energy & Money Affairs (Household Efficiency) Transport & Water Transport & Water Water Money Affairs
Down	Bangor x 4 Newtownards x 2 Portaferry / Strangford x 1 Castlewellan x 1 Newcastle x 4 Downpatrick x 1 Rathfriland x 1	Transport & Water Transport Transport Transport Water, Money Affairs/Education Water Water

2.