



The Consumer Council for Northern Ireland  
**Complaints Report 2005-2006**



*Making the  
consumer voice  
heard and making it  
count*

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# Foreword

Welcome to the Complaints Report from the Consumer Council. One of our main functions is to help individual consumers with complaints or enquiries about natural gas, electricity, coal, planes, trains, buses and ferries. Our service is free and independent and we aim to get the fairest outcome for people who come to us for help. Last year we helped to put nearly £17,000 back in consumers' pockets through refunds, goodwill payments and reimbursements. This has helped us to exceed our target of 90 per cent customer satisfaction with our services.

This work helps solve individual consumer complaints, but it can also highlight underlying issues of concern. By receiving calls and letters from consumers telling us about the problems they are having, we can keep up to date with issues that concern them. This puts us in a strong position to campaign, lobby and work towards improving standards for all consumers in Northern Ireland.

We want to thank the members and staff of the Consumer Council for their work throughout the year in promoting and safeguarding consumers' interests. We also want to thank the staff and management of Northern Ireland Electricity, Phoenix Natural Gas, firmus energy, Translink, and the many other companies and suppliers we deal with. We may differ at times but we recognise and respect their positions and we value their co-operation.



Stephen Costello  
Chairman

Eleanor Gill  
Chief Executive

# Introduction

The Consumer Council's powers to investigate complaints are set down in the General Consumer Council (Northern Ireland) Order 1984 and the Energy (Northern Ireland) Order 2003. However, while we record and monitor how many consumers contact us with a complaint, we also work proactively with the companies involved to prevent complaints arising in the first place.

Here are some examples of how the Consumer Council has worked to bring about change for consumers in the last year:

- Lobbying to secure a £12.4 million contribution from Northern Ireland Energy Holdings (NIEH) to offset rising electricity costs.
- Conducting and publishing "In Control" - our unique research into customer self-disconnection from electricity and gas.
- Working with Northern Ireland Electricity (NIE) to distribute 170,000 leaflets outlining the role of the Consumer Council. All households with an NIE keypad got a leaflet as recommended in our "In Control" report.
- Having the consumer voice heard in the decisions on the opening of electricity and gas markets through representation on four committee groups.
- Working with the Competition Commission (CC) to achieve change in the domestic bulk Liquefied Petroleum Gas (LPG) market so that customers can switch suppliers, get better contracts and have more information on their buying options. Recommendations reported in the CC investigation into the LPG market in Northern Ireland closely followed our own earlier recommendations.
- Raising awareness of our complaints role among advice workers. We deliver frequent presentations at training sessions to provide information on consumer rights and responsibilities and how the Consumer Council will help. Our Complaints leaflet will help this process in 2006-2007.
- Agreement reached with airlines to cut the response time to complaints from the Consumer Council on behalf of Northern Ireland consumers. The majority of airlines that fly to and from Northern Ireland now comply with our complaint handling procedure and timeframes.
- Carrying out groundbreaking research among young people and parents to influence the debate on safer school transport with the Northern Ireland Commissioner for Children and Young People (NICCY).
- Bringing together energy, transport and other service providers to discuss complaint handling systems and how to improve them for customers, particularly the disadvantaged and vulnerable. We hosted a seminar for key representatives of 13 public and private service organisations. Everyone agreed that it was a useful event and asked for it to be repeated. We intend to do so and will use it to keep challenging companies to improve standards for customers.

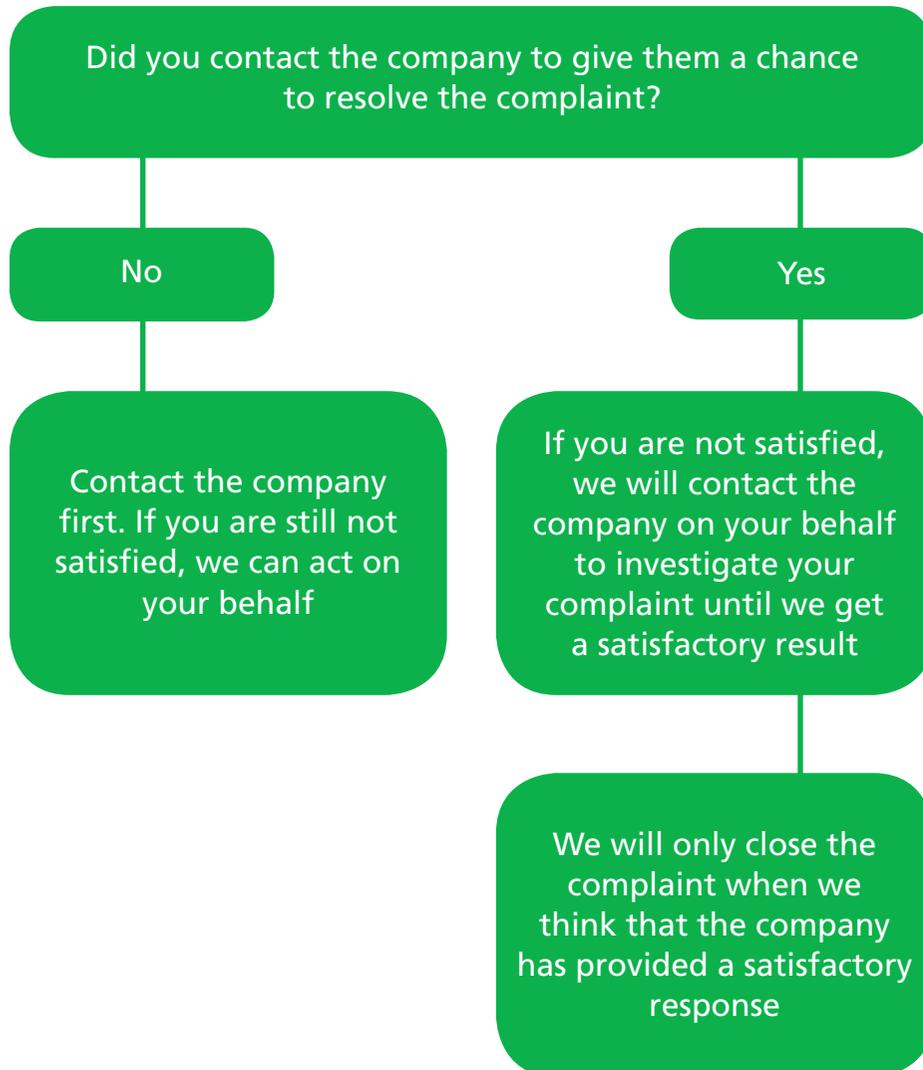


This Complaints Report sets out:

- How the Consumer Council deals with complaints;
- Impacts achieved for the benefit of consumers;
- What consumers tell us about how we handled their energy or transport complaint;
- Analysis and policy issues arising from these complaints;
- Analysis of the complaints received relating to the personal current account market here and an update on the progress of the super-complaint; and
- An analysis of complaints and enquiries and the impact achieved by Consumerline - the online information service and telephone helpline operated by the Consumer Council and the Department of Enterprise Trade and Investment's (DETI) Trading Standards Service.

# How we deal with complaints

## Consumer Council Complaints Procedure



Consumers can make a complaint by telephone, e-mail, letter or in person. All contacts are recorded and acknowledged within two working days.

Before the Consumer Council will investigate a complaint, the consumer must have contacted the company concerned first. This rightly gives the company a chance to deal with the problem. Where consumers are not satisfied with the company's response, we will act on their behalf and investigate until we have all the relevant information and reach a satisfactory outcome. We do this in a number of ways. For example:

- Getting technical or legal advice from independent sources;
- Visiting complainants; and
- Setting up meetings between the Consumer Council, the consumer and the company involved.

## Resolving complaints

In resolving complaints the company is expected to explain and apologise to the complainant if and where appropriate. In most cases this is sufficient but sometimes a change of company policy or a financial remedy to the consumer may be necessary. Complaints provide an opportunity to improve service delivery by highlighting areas that are not working as well as they should. Therefore, where possible, companies should learn from complaints and change how they operate to ensure their customers receive a better standard of service.

## Categorising consumer contacts

All contacts to the Consumer Council are recorded in one of three categories - enquiries, first stage complaints and second stage complaints.

# Impact for consumers

- Enquiries are requests for information and advice.
- First stage complaints are where consumers have not contacted the company about their complaint. In these cases, the consumer is referred to the company to seek resolution.
- Second stage complaints are where consumers have contacted the company but remain dissatisfied. The Consumer Council then takes up their complaint and conducts an independent assessment.

From 1 April 2005 we introduced a new complaints disputes process that allows companies to challenge whether they have had a reasonable opportunity to respond to a complaint.

## Working to Bring About Change For Consumers

To stop the same complaint re-occurring, the Consumer Council works hard with companies to tackle the underlying issues that cause complaints to arise. Here are some examples of how we have helped to bring about change to benefit consumers.

- **First NI Air passenger awarded £700 in Small Claims Court following cancelled flight under new EU regulations.**

Complaint: A passenger complained that he did not receive compensation for a cancelled easyJet flight from Edinburgh to Belfast. The Consumer Council provided support and information on his rights and entitlements in claiming compensation under new EU regulations. We believe this is the first time that a Northern Ireland passenger received compensation under the new EU regulations.

- **Almost £17,000 obtained for consumers in goodwill, refunds and compensation payments.**

Complaint: Consumers complained about the level of redress they were offered as a result of their complaint, including monetary payments. In 2005-2006 the Consumer Council obtained almost £17,000 for consumers. Such gestures are not necessarily the key objective in overall complaint resolution but they are sometimes appropriate in situations where energy consumers are in debt due to a billing error or where air passengers are entitled to a refund.

- **Responding to rail complaints within 15 days**

Complaint: Rail passengers were unhappy with slow responses to their complaints. We insisted that Translink respond within the timescales set in their Passenger Charter. In response, Translink seconded additional staff to the

customer service rail department to ensure passengers received a response within 15 days.

- **New gas meter testing procedure introduced to ensure results processed in a maximum of four weeks.**

Complaint: A gas meter was sent to the manufacturer for testing, following concerns that it was faulty and leading to a higher than normal bill. The results found no problem with the meter but it took nine weeks for the results to come back. We thought this was too long for the customer to have to wait. A new procedure will now ensure that results are processed in four weeks.

- **Implementation of RADAR National Key Scheme for access to disabled toilet facilities at all bus stations.**

Complaint: A passenger experienced difficulties accessing the disabled toilet facilities at a bus

station. A member of staff held the key for the facilities, which proved to be inconvenient when trying to gain access. Translink agreed to implement the RADAR National Key Scheme that provides a generic key to the facilities.

- **Improved billing system for Phoenix's Direct Debit payment customers**

Complaint: A gas customer's Direct Debit payments were mistakenly "frozen" resulting in no payments being taken to pay for the customer's gas. This resulted in a significant debt accumulating. Phoenix made a change to its billing system, which removed the possibility of any Direct Debit payments being frozen in future.

- **Clear information for new customers on connection to electricity supply and breakdown on costs.**

Complaint: Letters from NIE

providing a quote for customers connecting to a new electricity supply did not clearly explain the breakdown of costs. We have worked with NIE to improve the information provided in this letter.

- **Letter of explanation on increased payments provided to 5,000 Phoenix Direct Debit customers.**

Complaint: Phoenix Direct Debit customers complained about a notification letter, which advised that an increase in their payments was a result of an increase in their gas usage. This was incorrect - the increase in payments was due to an annual price increase. Phoenix sent a follow-up letter to these customers with an apology and a correct explanation of the increase in payments.

- **NIE staff retrained on billing system and procedures.**

Complaint: An electricity

customer made a billing complaint to NIE but the matter was not followed up appropriately. NIE took action to retrain staff, introduced quality checks to monitor customer service standards and changed internal processes to ensure complaints are followed through.

- **Streamlined process for Translink travel card passengers.**

Complaint: Passengers complained that if a bus ticket machine did not accept a travel card they were issued with an unpaid fare docket, which had to be paid at a bus station. Now passengers can post the docket instead of having to go to a station and Translink will deduct the price of the fare from the travel card.

- **Updated customer information available from meter readers**

Complaint: A gas customer spoke to a meter reader about an issue with a bill and understood that

it would be referred to the relevant person in Phoenix to follow up. This did not happen. Meter readers now have a comprehensive leaflet for customers with information and contact numbers if they need to discuss an issue about their bill or any other matter.

- **Summary of Phoenix Customer Codes of Practice distributed to 20,000 customers in the first wave of mailouts.**

Complaint: Although Phoenix had published codes of practice with key information for customers, many people did not know of their existence. This leaflet highlighted the level of service customers could expect to receive.

- **Updated policy for unaccompanied children using 3-2-1 discount ticket**

Complaint: Translink's policy to prevent unaccompanied children using the 3-2-1-discount ticket

on buses after 8pm was a concern. We believed the policy was unfair to passengers on the basis of their age. The policy was subsequently removed.

- **Updated information to drivers on conduct**

Complaint: A number of issues about bus driver behaviour were reported, including the lack of adherence to the scheduled timetable and using mobile phones. A number of notices were issued to drivers to advise that disciplinary action would be taken if such practices continued. We will continue to monitor this area of complaint to ensure the situation improves.



# Feedback from complainants

Getting feedback from people who use our services tells us what we do well and where we could do better. We use customer satisfaction forms to ask complainants about the service they received from us as well as the company they complained about.

In 2005-2006 we received 76 completed satisfaction forms, a return rate of 55 per cent compared with 52 per cent in 2004-2005, setting a new record for the highest return rate. This system is closely monitored and when a form has not been returned, we write to encourage complainants to return the form.

We asked people the extent to which they were satisfied or dissatisfied with our performance. Specifically we asked whether they agreed with these statements:

- 1 The Consumer Council dealt with my complaint quickly.
- 2 The Consumer Council kept

me informed of the progress of my complaint.

- 3 The Consumer Council's letters were easy to understand.
- 4 I was satisfied by how the Consumer Council handled my complaint.
- 5 I would recommend the Consumer Council's services to a relative or friend.

The results are set out in Figure 1. The Consumer Council achieved 96 per cent satisfaction from complainants – a one per cent increase on last year and well above our target of 90 per cent. We are particularly pleased that 96 per cent of people surveyed would recommend us to a friend or relative. More than 92 per cent of complainants thought their complaint was dealt with quickly and 99 per cent thought that the Consumer Council's correspondence was easily understood.

## How satisfied are complainants about companies' service in handling second stage complaints?

We also ask for feedback on complainants' views of companies and how the complaint was resolved. Across all complaint areas, 45 per cent of complainants were satisfied with the outcome of their complaint - a significant fall from the 57 per cent recorded the previous year. This is the second consecutive year that satisfaction levels with the companies have dropped.

On an individual company basis, satisfaction levels with Phoenix and Translink showed the greatest decrease. While recognising that some people may have unreasonably high expectations for complaint resolution, comments from dissatisfied complainants showed that simple steps could be taken to improve consumers' satisfaction.

Figure 1: Complainant satisfaction with the Consumer Council 2005-2006

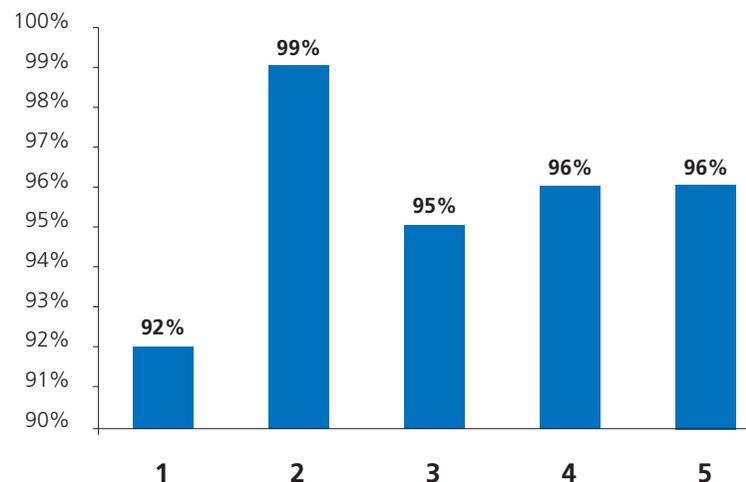


Table 1: Satisfaction with NIE, Phoenix and Translink

	Percentage of consumers satisfied with the company's outcome to their complaint	
	2005-2006	2004-2005
NIE complainants	57%	58%
Phoenix complainants	37%	61%
Translink complainants	32%	50%

Some consumers felt that there was a lack of sincerity in companies' apologies and a reluctance to accept responsibility. A common comment highlighted poor communication and responses that did not address the main issues but instead, read like carefully worded press releases. A recurring comment was on how long it took to reach a resolution. While we acknowledge that this is a limited survey, it does accurately reflect the views of actual complainants.

Nevertheless, we recognise that this is not an issue for the companies alone. We try to ensure that consumers who

come to us for help get satisfactory outcomes wherever possible. The fact that overall satisfaction with those outcomes has dropped significantly highlights the need for us to take steps to try to reverse this worrying trend. While we are pleased at the high levels of satisfaction expressed in relation to our own performance, if we are not securing satisfactory results for consumers then our impact on customer service will be minimal.

In an effort to improve customer satisfaction, we have engaged directly with the individual companies. We worked with Phoenix and Translink

to improve explanation and apology letters. We also suggested to Translink that once we become involved in a complaint, they should write directly to complainants as a gesture of reconciliation. We have also reported the findings of our satisfaction survey to the companies on a quarterly basis.

Our aim is to get the fairest possible outcome for the complainant. However, we cannot enforce a particular outcome such as getting compensation from the company. In 2005 the Consumer Council developed a financial remedy framework for dealing with billing complaints. This framework aims to provide a consistent approach and a fairer deal for consumers. At the time of writing, we have secured approval in principle from NIE and firmus energy on this framework. Although we are awaiting their approval in principle to proceed, Phoenix also indicated that they would wish to respond positively.

While acknowledging that we cannot dictate the outcome of every complaint, we do believe that the evidence points to a real need to address the drop in satisfaction with complaint outcome. We will intensify our work with the companies in order to improve the situation.

# Overview of complaints 2005-2006

## Where do our complaints come from?

It is important that we monitor the origin of our complaints. This allows us to target our educational and promotional activities effectively and ensure that we provide a Northern Ireland wide service.

Of the complaints received,<sup>2</sup> 36 per cent came from the Greater Belfast area and 66\* per cent came from the rest of Northern Ireland. Table 5 shows a breakdown of complaints by region. We analysed the number of complaints we received across Northern Ireland per 10,000 population. The highest proportion and ratio of complaints is from Greater Belfast (acknowledging the fact that natural gas was only available in Greater Belfast at the time of this report) followed by Antrim and Down. There may be a number of reasons why the ratio of complaints from other areas is lower, for example, levels of service

Table 2: Number of complaints by geographical area

Name of County plus Greater Belfast	Number of complaints received	Complaints per 10,000 population
Greater Belfast	60 (36 %)	2.2
Antrim	50 (30%)	1.0
Armagh	8 (5%)	0.6
Down	30 (18%)	0.9
Fermanagh	2 (1%)	0.3
Londonderry	11 (7%)	0.4
Tyrone	8 (5%)	0.6

from the companies may differ in these areas or consumers themselves may not be aware of the Consumer Council's role. In any event, this represents an agenda for action. We have developed our outreach work significantly in the past year and our communications activity has been geared to ensure that we promote our role to consumers across Northern Ireland in 2006-2007 and target specific areas as appropriate.

We also monitor complaints to illustrate the proportion of complaints

from New Targeting Social Need (nTSN) areas<sup>3</sup>. All complaints were analysed by their postcode against a list of nTSN postcodes. In 2005-2006 46 per cent of complaints received were from nTSN areas. This is a major improvement compared to the figure for last year where 31 per cent of complaints received were from nTSN areas. However, even with this welcome improvement, we need to continue to amend and improve where necessary, not least because the basis of measurement is changing. During 2006, DETI will be updating

its maps of disadvantaged areas on the basis of the new Noble 2005 Northern Ireland Deprivation Measure. In line with this, we will revise how we record this information to ensure that we employ best practice by using the most appropriate, accurate and up-to-date methods. Our aim will not simply be to raise our profile but to provide a service that is accessible to all, especially the most vulnerable consumers who arguably need our help most.

<sup>2</sup> 169 postcodes for second stage complaints were recorded. 31 complaints did not have a postcode as they were handled by e-mail.

<sup>3</sup> Under the Government New Targeting Social Need (nTSN) Programme postcodes across Northern Ireland are classified as nTSN or Non-nTSN areas. An nTSN area is an area of socio-economic need or disadvantage.

\* Percentages will not add to 100 due to rounding.

## Promoting the complaints role

In 2005-2006 we carried out more promotional activities to increase awareness of our complaints role, particularly in nTSN areas and among hard to reach groups like older people, low-income families, people living with disabilities and ethnic minority groups. We have recruited a dedicated member of staff to address diversity and social needs issues in relation to consumer education, knowledge and skills.

Over the past year we have targeted a wide range of community groups including the Indian Community Centre, Divis Community Centre, Whiterock Community Centre and East Belfast Community Development Agency. We took part in events and exhibitions including the Ideal Home Exhibition, the Young Women's Conference, Carers and Disabilities Making Connections event, Making Connections events and the Young

at Heart exhibitions. We also held week-long exhibitions at all three local airports. In total we have distributed more than 2,000 promotional leaflets on the role of the Consumer Council and thousands of other promotional items.

As a result of these activities contacts to the Consumer Council rose by 42 per cent. From 1 April 2005 to 31 March 2006 the Consumer Council received 200 second stage complaints. While this shows a slight increase from last year (198), the main difference within this figure is a 118 per cent increase in transport complaints and a 39 per cent decrease in energy complaints.

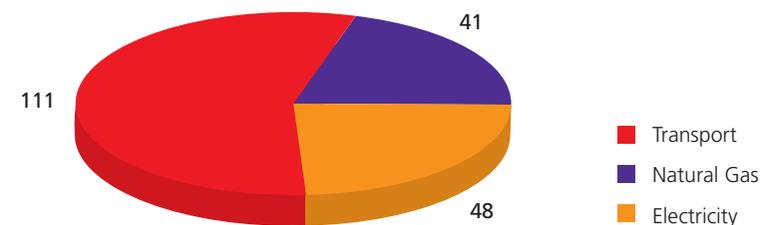
Undoubtedly our focus on providing a presence at exhibitions and airports has produced a surge in transport contacts. In addition, our Plane Facts guide also contributed to this increase (see page 19 for more information). The challenge for the coming year is to apply the learning from our work

on transport promotion (in particular our direct access approach to consumers) to the other utility areas of natural gas and electricity whose complaint numbers have dropped. Ironically, it is our long-term aim to see a real decrease in complaints coming to the Consumer Council but for the right reasons - that is, improved service from the companies rather than a lack of knowledge of where or how to complain. In short, we must ensure that we are doing all that we can to inform consumers – especially those who are unaware of our specific roles - that they can come to us for help.

The Consumer Council received 2,721 contacts in 2005-2006 – an increase of 42 per cent on last year (1,921). Of these, 354 were first stage complaints and 2,167 enquiries. First stage complaints showed a 57 per cent increase from the previous year.

Enquiries to the Consumer Council cover a wide range of subject areas, including information on companies, their operations and responsibilities. These contacts help us to gather views and opinions from the general public - for example, information on passenger experiences when travelling. We can use this information to represent consumers' views when lobbying for a change in policy.

Figure 2: Total number of second stage complaints by sector



# Energy

## Natural Gas

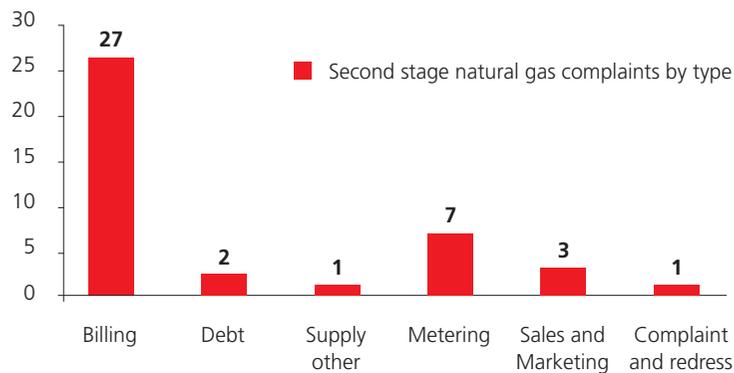
Phoenix is the sole supplier of natural gas to consumers in Greater Belfast, Lisburn, Carrickfergus, Larne and North Down. As of March 2006, Phoenix's customer base was 96,000, rising from 81,000 the previous year.

December 2006 saw the launch of firmus energy - a new natural gas company in Northern Ireland who received a licence to supply natural gas to ten towns outside Greater Belfast. The Consumer Council has had detailed discussions with the

company about customer policies and our own complaints role. Given the company's recent arrival, we have not received complaints from consumers about firmus as at the end of 2005-2006. The following figures therefore refer to Phoenix in Greater Belfast.

In 2005-2006, 297 consumers contacted the Consumer Council about a natural gas issue. Of those who contacted us, 41 people made a complaint. This compares with 62 complaints in 2004-2005.

Figure 3: Natural Gas Issues



## Billing

Table 3: Billing complaints over a two year period (2004-2006)

Year	Total number of natural gas complaints	Number of billing complaints	
		Total	%
2005-2006	41	27	66%
2004-2005	62	39	63%

### Issue

In 2005-2006 billing issues continued to be the single biggest area of consumer complaint, representing around two-thirds of all gas complaints.

### Action

The Consumer Council has stressed to Phoenix the need to continue to improve to ensure that consumers receive timely, accurate and clear bills.

## Direct Debit customers

### Issue

Direct Debit customers have raised some of the issues reported in 2004-2005 about customer annual bills. Problems continue about the frequency of bills, Direct Debit accounts not being set up properly, payments not covering usage and an over-reliance on estimated readings.

### Action

Phoenix agreed to continue to send new Direct Debit customers a letter requesting a meter reading after the first six months of usage. This will establish if customer monthly



payments are covering the gas being used. While this should benefit customers, we fundamentally believe that Direct Debit customers need more frequent bills to allow them to review their accounts. In addition, Phoenix needs to minimise the errors that occur when setting up Direct Debit accounts, such as failure to take payments.

### **Getting the best outcome for billing complaints**

#### *Issue*

Customers' main concern is being in debt to Phoenix following a billing failure. The Consumer Council believes that customers who get into debt through no fault of their own deserve more than an apology and a repayment plan. We believe they should be given a discount off their bill. In 2004-2005 the Consumer Council reported on 14 cases where we believed the initial discount offer made by Phoenix was not an

appropriate gesture. In 2005-2006 we received a further five similar cases on which we were unable to reach agreement with Phoenix. In all cases the Consumer Council argued that Phoenix had failed to provide a satisfactory standard of billing service. While we have seen some improvement in Phoenix's approach in offering financial gestures, we believe further progress is needed.

#### *Action*

The Consumer Council has developed a financial framework for domestic gas and electricity suppliers when handling billing complaints. The framework provides guidelines on how much discount should be offered when a customer is in debt through no fault of their own. NIE is already applying the framework informally and we are hopeful that all three domestic electricity and gas suppliers (NIE, firmus energy and Phoenix) will officially sign up to the new framework.

### **Phoenix minimum charge on gas usage**

#### *Issue*

All gas customers must pay a minimum charge of £106.85, which is equivalent to 2,000 kWh. A number of customers reported that they were unaware that a minimum charge had to be paid regardless of how little gas was used.

#### *Action*

The Consumer Council worked with Phoenix to ensure that customers are made aware of the minimum charge at the initial sales consultation. We have also worked on the tariff information leaflet for customers to ensure this information is easily understood.

## Electricity

### Overview of the electricity market

Historically, most of the electricity in Northern Ireland has been supplied by NIE plc. Developments arising from European Union directives now mean that the electricity market must be fully competitive. The non-domestic electricity market in Northern Ireland is open and the domestic market will be opened up to competition from July 2007.

Most consumers perceive NIE to be one unit. In fact NIE is made up of two separate divisions - NIE Transmission and Distribution (NIE T&D) and NIE Supply. NIE T&D is responsible for overhead and underground cables that make up the network and collection of meter readings where necessary. NIE Supply is an electricity supplier, responsible for billing customers for the electricity used.

In 2005-2006 the Consumer Council received 48 second-stage electricity complaints; 9 against NIE Supply, 27 against NIE Transmission and Distribution (NIE total of 36) and 12 against second tier suppliers.

Figure 4: Two year comparison of electricity complaints

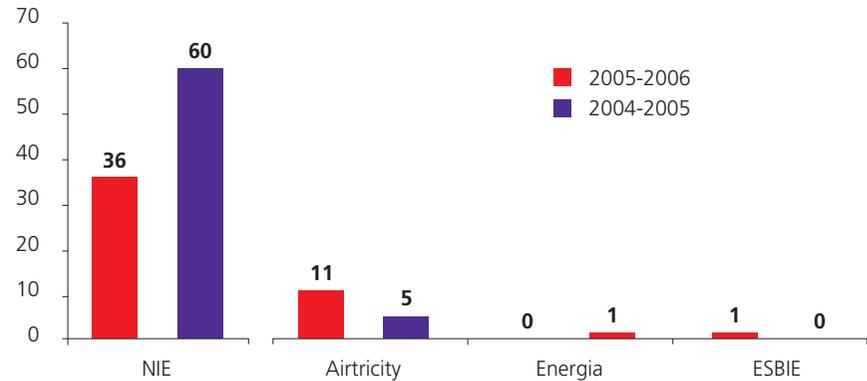
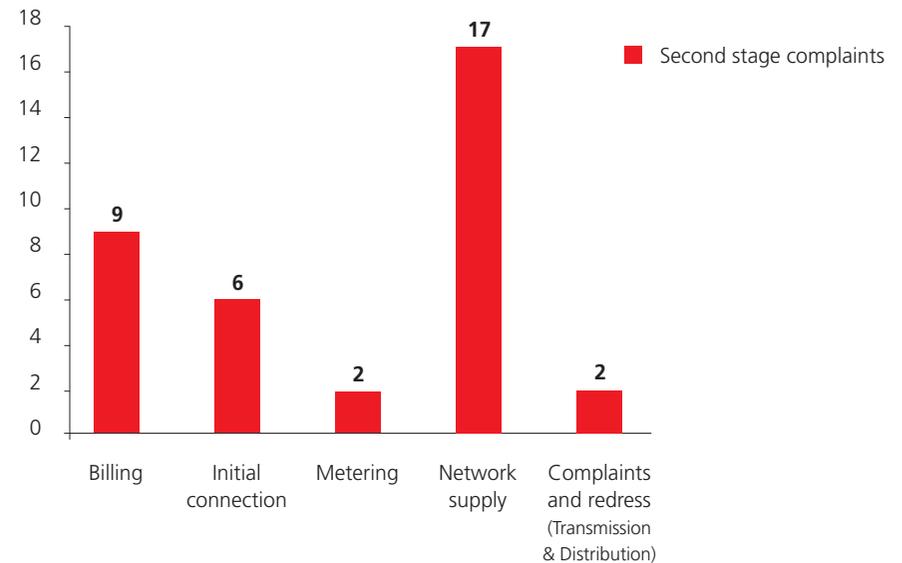


Figure 5: NIE Complaints 2005-2006



## NIE Supply

### *Issue*

In 2005-2006 all nine complaints received against NIE Supply were about a billing matter – a significant reduction on the 26 billing complaints received in 2004-2005. Billing problems reported were about higher than expected bills, disputed debt amounts and estimated bills.

### *Action*

Our analysis of these complaints did not suggest any generic problems with NIE's billing system.

In one example, a complainant was not satisfied with a bill for more than £1,200, as the property had not been billed in over four years. When the complainant pursued the complaint directly with NIE, they failed to follow up the matter appropriately. In recognition of the poor level of customer service received and lack of bills issued, NIE offered a goodwill gesture of £740. NIE also retrained

staff and changed internal processes to ensure complaints are followed through and that quality checks monitor customer service standards.

## NIE T&D

Complaints against NIE T&D covered a wide range of issues from interruptions to supply to the location of NIE's equipment on a property.

### *Issue*

Complaints about poor transparency of costs when NIE issue a quote for a new electricity supply arose in 2005-2006.

### *Action*

We continued to work with NIE T&D to improve the transparency and understanding of connection costs. At the Consumer Council's request, NIE agreed to make changes to its quotation letter. The changes will improve customers' understanding of the process and give them clearer information about costs.

## Business consumers

### *Issue*

Businesses currently have a choice of five electricity suppliers in Northern Ireland. In 2005-2006 the number of complaints we received from businesses doubled since we reported last year. However, the number of customers with these suppliers has also increased. The main cause of complaints continued to be problems when switching to a new electricity supplier. Billing accuracy based on estimated meter readings was the main cause of concern once an account had been switched. In a number of cases, closing readings were not correctly recorded to allow customers to switch. As a result, an application to switch electricity supplier was delayed and on other occasions, bills from the previous supplier continued to be issued.

### *Action*

We have raised these issues with the regulator (Ofreg) who will consider

what action needs to be taken.

However, problems are due in part to the manual systems used for switching account details and should be resolved with the introduction of an automated system in September 2006.

The Consumer Council conducted initial investigations into the non-domestic market to see how the market was operating for consumers. We met suppliers to raise the problems reported to us. We also developed an information leaflet for businesses with key information and advice on switching to a new supplier. This leaflet will be published and distributed during 2006 to all businesses in Northern Ireland. It will also be available on our website.

## Coal

In comparison to electricity, natural gas and transport the Consumer Council receives a small number of calls about coal. This year we received 16 contacts and this in part reflects the continuing decline in the domestic coal market in Northern Ireland.

**Table 4: Summary of coal issues**

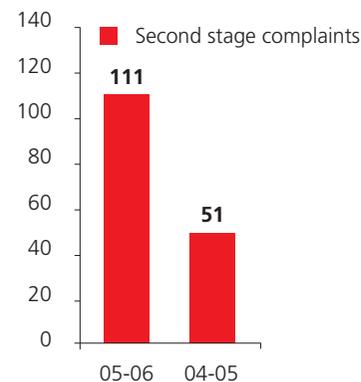
Subject matter	Total 2005-2006	Total 2004-2005
Appliance related	1	1
Marketing & Sales	2	0
Quality & Safety of Supply	4	5
Prices	0	6
Miscellaneous	9	2
<b>Total</b>	<b>16</b>	<b>14</b>

## Transport

The Consumer Council deals with complaints about planes, trains, buses and ferries. We can investigate any complaint about journeys to, from or within Northern Ireland. In 2005-2006 the Consumer Council received 111 second stage complaints - up 118 per cent from the previous year's 51.

The overall number of consumers contacting the Consumer Council on transport matters rose by 102 per cent from 233 in 2004-2005 to 470. During 2005-2006 we have continued to proactively promote our role. Our airport exhibitions allowed us to engage directly with air passengers to discuss our complaint-handling role and to provide information on passengers' rights.

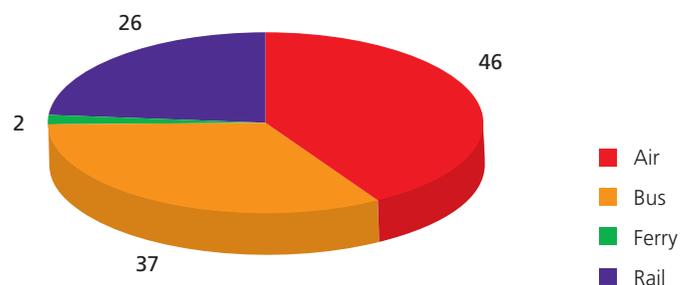
**Figure 6: Two year comparison of transport complaints**



## Transport complaints by type

Most of the complaints received in 2005-2006 were about air transport (46), followed by bus (37) and rail (26). The fact that air transport issues represented the largest proportion of transport complaints is understandable given the increase in the number of airlines and routes operating in Northern Ireland and the number of passengers travelling.

Figure 7: Transport complaints by type



Complaints about ferry travel continue to represent a small proportion of transport complaints. In 2006-2007 we will look at ways to increase awareness about our role among ferry passengers.

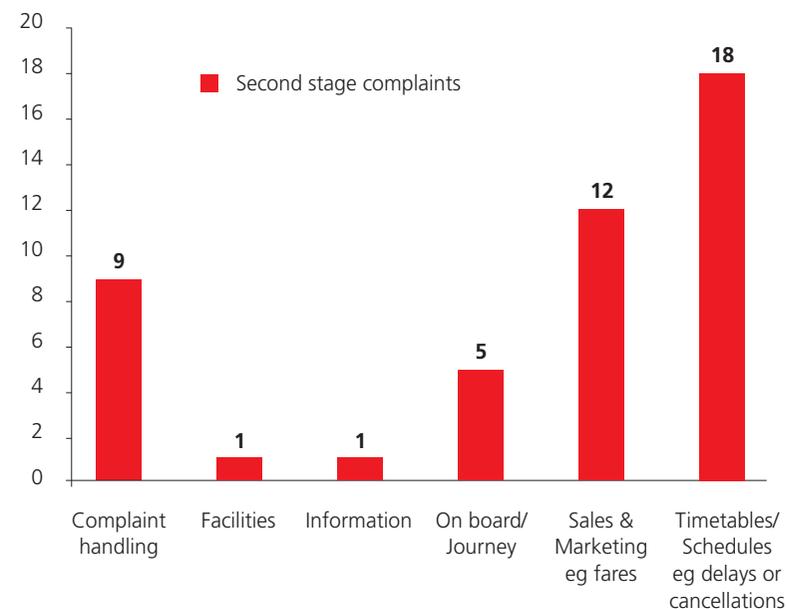
### Transport complaint issues

#### Air

In 2005-2006, the Consumer Council distributed and promoted Plane Facts – the ultimate guide to air travel.

This guide helped bridge the gap in consumer knowledge about rights and responsibilities when flying. It also promoted our role in handling air passenger complaints. Our targeted promotion work at airports has made an impact with a significant increase in the number of consumers contacting us about an air transport issue, compared with the same period last year.

Figure 8: Air transport issues



### Communication with passengers

#### Issue

Air passenger complaints covered everything from problems with the sale and marketing of fares to poor complaint handling. Communication was an issue for some passengers. For example, a complainant raised

an issue about the confirmation e-mail address from an airline. The complainant replied directly to the confirmation address with an enquiry and was not satisfied when the airline failed to respond.

*Action*

We discovered that the airline could not respond to e-mails received in this particular mailbox, although passengers were not made aware of this. Now passengers are given the correct e-mail address if they need to contact the airline.

**Delays and Cancellations**

*Issue*

The main cause of complaint for air passengers related to the delay and cancellation of scheduled flights. Under EU regulations, air passengers are entitled to compensation if a flight has been delayed or cancelled and the reason is within the airline's control. In 2005-2006 disputes between passengers and airlines arose where the reason for the delay or cancellation is believed to be within the airline's control.

*Action*

We helped a complainant make

a claim in the Small Claims Court following a flight cancellation. The airline decided to cancel the flight because of weather conditions, but the complainant watched other flights depart from the same airport and did not accept that the weather conditions prevented his flight from departing. The complainant successfully won the case because the airline could not prove that weather conditions had prevented the flight from departing.

**Bus travel**

*Issue*

The number of passengers who contacted us this year with a bus complaint rose by 54 per cent. The complaints covered a range of issues from problems with ticketing machines to poor punctuality. A passenger reported that a ticket machine incorrectly charged a higher fare.

*Action*

Following an investigation, Translink rectified the IT problem with the ticketing machine and correct fares are now charged.

**Ulsterbus**

*Issue*

Independent monitoring results for Autumn 2005 showed that Translink bus services failed to meet its punctuality target for the third survey in a row. This is consistent with the issues raised by passengers who complained to us - 38 per cent were about delays and poor punctuality.

*Action*

Buses should run on time, all the time. A late bus can make passengers late for work, miss an appointment or a vital connection. We will continue our work with Translink to ensure that every effort is made to meet its scheduled timetable services.

**Metro**

*Issue and Action*

To celebrate Metro's first birthday, we recruited MLAs and volunteers to take part in a 'Metro Challenge', to test the service. Overall, most passengers had a positive journey, but punctuality was a problem. The findings were included in a wider review of the Metro service. We hope the results of this challenge and the review will outline what further measures are needed to improve the reliability, punctuality, accessibility and value for money of the Metro service.

**Rail**

*Issue*

The number of rail passengers contacting us increased by 136 per cent this year compared to 2004-2005. Once again the main issues were about delays, punctuality and reliability (46 per cent). This is consistent with independent



monitoring of rail services in 2005, which found that Translink failed to meet its punctuality targets on its rail services.

#### *Action*

The Consumer Council impressed upon Translink, at a senior level, the vital importance of focusing on the need to meet the punctuality targets.

#### **Belfast to Larne service**

#### *Issue*

During 2005 and 2006, part of the rail service from Belfast to Larne was substituted with a bus service while engineering work on the rail track was completed. When the line re-opened many consumers contacted us to say that they were not satisfied with the reinstated service because of concerns about punctuality, reliability and overall standard of the service.

#### *Action*

Translink agreed to closely monitor

the issues raised and to look at ways to improve the standard of service. We will continue our work in this area.

#### **Ferry**

#### *Issue and Action*

2005-2006 saw a slight increase in the number of contacts about ferry travel. In 2006-2007 we will work towards targeting our promotion activities specifically at ferry passengers.

# Banking

## Banking - the Northern Ireland personal current account market

### How did the Inquiry process begin?

In November 2004 Which? and the Consumer Council, submitted a super-complaint to the Office of Fair Trading (OFT) because there was evidence that the personal current account market (PCA) in Northern Ireland was not working for consumers. The super-complaint asserted that the PCA market was static, the big four banks<sup>1</sup> did not appear to be competing against each other and the charges they applied were strikingly similar. This and the limited market share gained by the other banks here meant that, in our view, consumers were left with little choice and poor products.

### The Office of Fair Trading

After a six-month investigation the OFT concluded that the evidence

given to them by the big four banks required a formal investigation by the Competition Commission (CC). OFT identified the following features of the market as factors that appeared to cause or contribute to this restriction of competition:

- A high level of concentration in the market;
- An extensive branch network appears to be a barrier to entry and expansion;
- Clear evidence of parallel pricing among the big four, and Northern Bank appears to act as price leader;
- The big four do not actively compete on price;
- The big four do not actively compete for switching customers, and
- There is a high level of consumer inertia and the level of customer switching is low.<sup>2</sup>

### The Competition Commission

The CC has broader powers than the OFT to introduce any remedies it considers appropriate if after a full investigation, it finds that the market is not working as it should be.

The Consumer Council has made a number of written submissions to the CC since it began its Inquiry. We have also submitted oral evidence twice and arranged for the CC expert panel to visit Belfast in February 2006 to hear the views of those representing older or disadvantaged people and the political parties. The CC has also heard consumers' views by commissioning telephone questionnaires and focus groups throughout Northern Ireland. The Inquiry is currently working to its published timescale of January 2007 with a report to be completed at the latest by May 2007.

### Response from the big four banks

Since our super-complaint was submitted, some of the banks have changed their practices and products. This has helped consumers to feel more confident about complaining or switching their bank.

In February 2005 Northern Bank introduced a new current account free from authorised overdraft charges, which new and existing customers could apply for. It also stopped all the Direct Debit and standing order charges for all customers. In November 2005 Ulster Bank went further and removed all the charges applied to all current accounts in credit or authorised overdraft. They also removed charges for setting-up, amending and cancelling Direct Debits and standing orders. While more could be done, these are welcome first steps in this market, although in our view, little or no change has occurred in the First Trust or Bank of Ireland personal current account products.

<sup>1</sup> Bank of Ireland, First Trust, Northern Bank and Ulster Bank

<sup>2</sup> *Personal current account banking in Northern Ireland: The OFT's reasons for making a reference to the Competition Commission*, paragraph 21

## Impacts

- These changes to Direct Debits and standing orders alone meant that if the average Northern Bank or Ulster Bank customer sets up one Direct Debit per account per year there would be a collective saving of more than £3 million.
- During the year 25,000 consumers have switched their bank account.
- Nearly 200 consumers contacted the Consumer Council about their banking and other financial complaints.
- The Consumer Council presented oral evidence to the CC in June 2005 and January 2006.
- The Consumer Council organised two evidence hearings in Belfast on behalf of the CC for the community and voluntary sector and political representatives.

- The Consumer Council briefed representatives of the five largest political parties in Northern Ireland about the banking market and the CC Inquiry. The DUP, Sinn Fein, the Ulster Unionists and the SDLP issued press releases supporting the Inquiry and calling on banks to give consumers a better deal.

## Consumer contacts

The Consumer Council does not deal directly with banking or financial services complaints. These are largely dealt with by the Financial Ombudsman service. However, during the period of this report the Consumer Council received 197 consumer contacts about banking and other financial products.

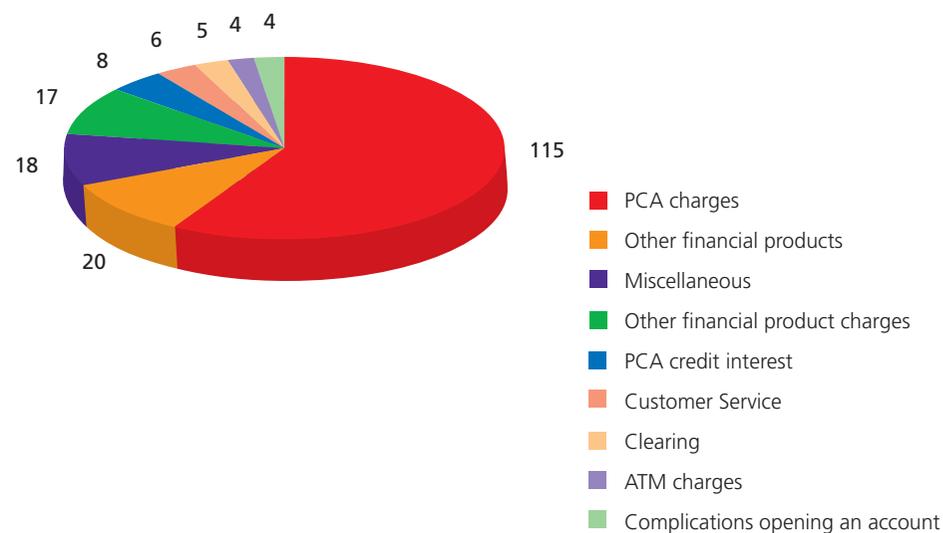
All complainants were advised of our role in the CC Inquiry and informed that we could not take up individual cases but that their experiences

would be recorded and form part of our evidence. Where appropriate, we provided leaflets and information on how to proceed with a formal complaint to the bank and the Financial Ombudsman or how to switch accounts through the leaflet we designed with the help of Which?

Of the 197 consumers who contacted us, 115 were primarily dissatisfied with the charges or fees imposed on their personal current account and

eight were dissatisfied by the amount of interest applied to credit balances. Among the other issues raised 37 were about other financial products, 17 of which were specifically about charges, six complained about the customer service they had received, five about the length of time taken for cash or cheques to clear, four about difficulties opening an account and four about charges applied by cash machines.

Figure 9: Number of banking contacts by type



### **What's next?**

Nearly two in every three customers who contacted us were dissatisfied with the level of penalty charges applied when they became overdrawn without permission. The law says that consumers should not have to pay disproportionately high penalty charges and it is our view that the penalty charges imposed by banks for unauthorised overdrafts are unfair. We will continue to challenge the banks to provide competitive, innovative and fair products to consumers now. But we will also encourage and empower consumers to demand better products and service from their banks. There has been more change in the banking market in the 17 months since the super-complaint was launched than in the past 17 years. We hope to report even more positive change for bank customers over the next year.

# Consumerline website and helpline

## Consumerline website and helpline – working in partnership to help Northern Ireland consumers

Complaints from Northern Ireland consumers are on the increase and complaints about buying furniture and second hand vehicles are top of the list.

It is important that consumers have information in order to make informed choices about goods and services. When things go wrong, consumers want help to get the problem sorted quickly and with minimum hassle. This help is only a click or phone call away with Consumerline – the one-stop-shop for Northern Ireland consumers.

### Working in partnership

The Consumer Council and DETI's Trading Standards Service (TSS) operate Consumerline, a joint

information website and telephone helpline. The service is part of the Northern Ireland consumer strategy to provide an accessible, joined-up way to highlight common concerns and help people to get advice and support with their everyday consumer problems.

Consumerline was the first service of its type in the UK and the forerunner to Consumer Direct, which provides help and advice for consumers in Great Britain.

### Impact of the Service

Consumerline has made a real difference to consumers in Northern Ireland. Calls to the helpline and hits on the website rose by 16 per cent and it has contributed to a reduction in consumer detriment in Northern Ireland of some £1.4 million in the past year.

### Case Studies

- A written warning was sent to an Omagh furniture dealer, who advertised a bedroom suite in a brochure for a particular price. The picture in the brochure included a bed, but the customer was told that the bed was an extra £320.
- A consumer complained about his car, which was less than six months old and needed a new fuel pump. The trader claimed that the fuel pump was not covered by the warranty. Having taken advice from Consumerline, the consumer returned to the trader who then agreed to repair the car for free.
- A suite of furniture was faulty at purchase. The trader wanted to repair it, but the consumer wanted a refund. Following advice from Consumerline, the consumer returned to the trader and obtained a full refund.
- A consumer bought a DVD player, which became faulty after a few months. The trader told the consumer that he (the consumer) had to contact the manufacturer to get it repaired. Following advice from Consumerline, the consumer returned to the trader and got a refund.

### Prosecutions and formal actions

In addition to the £1.4 million saved by Northern Ireland consumers as a result of complaints received by Consumerline, these complaints have led to TSS taking direct action against offending retailers.

Examples from the past year include:

- A jeweller was issued with a formal caution for misdescribing an antique ring;

- A trader at the Ideal Home Exhibition was fined £500 for selling counterfeit watches;
- A formal caution was issued to an estate agent who described a house as being rewired, when it was not; and
- A car trader was prosecuted for selling a “clocked” car.

### What does the service offer?

The website - [www.consumerline.org](http://www.consumerline.org) - provides consumer advice and guidance on a wide range of issues from buying computers to managing money. The telephone helpline deals with consumer issues including complaints about defective goods and services. Consumers can make a complaint by telephone on 0845 600 6262 or by e-mail - [complaints@consumerline.org](mailto:complaints@consumerline.org)

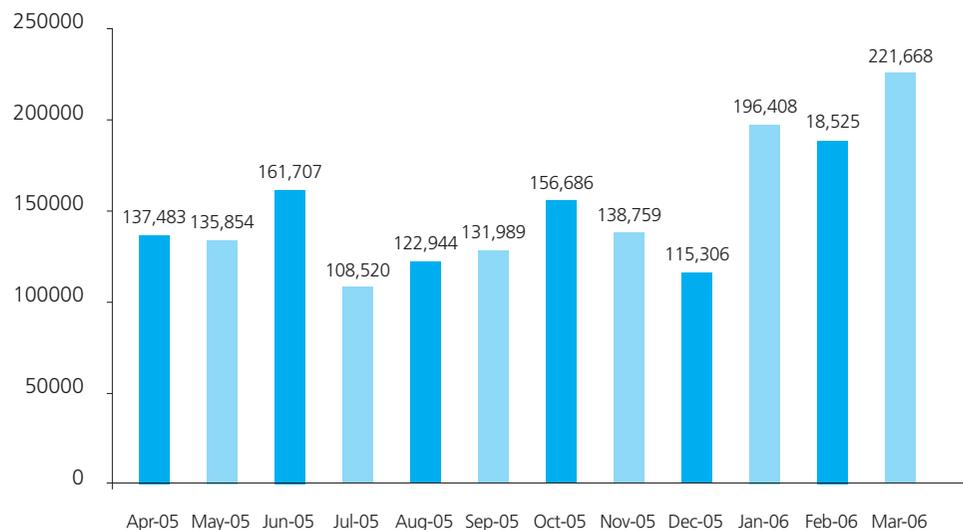
### Consumerline website

The award-winning website continues to attract an average of 151,000 hits per month. Total hits for the year were 1.8 million, a 16.5 per cent increase on the previous year.

### Issues

Many consumers visiting the website are looking for information on their rights. Consumerline provides a range of information leaflets and advice for consumers to download. Sample complaint letters are the most popular with nearly 300 people downloading them every month.

Figure 10: Consumerline Hits 2005-2006



## Telephone helpline

TSS expert advisers operate the telephone helpline. They advise consumers on their legal rights and tell callers what they should do next, which generally allows consumers to resolve the situation. Where appropriate, complaints are passed on to the TSS for follow up action. If

specialist advice or face-to-face help is needed, callers are referred to the agency best suited to deal with their complaint.

## Complaints by numbers

Call volumes to the helpline continue to rise with 21,545 calls handled this year – 16 per cent more than in the previous year. The helpline also received 691 e-mail complaints.

Figure 11: Consumerline most downloaded leaflets 2005-2006

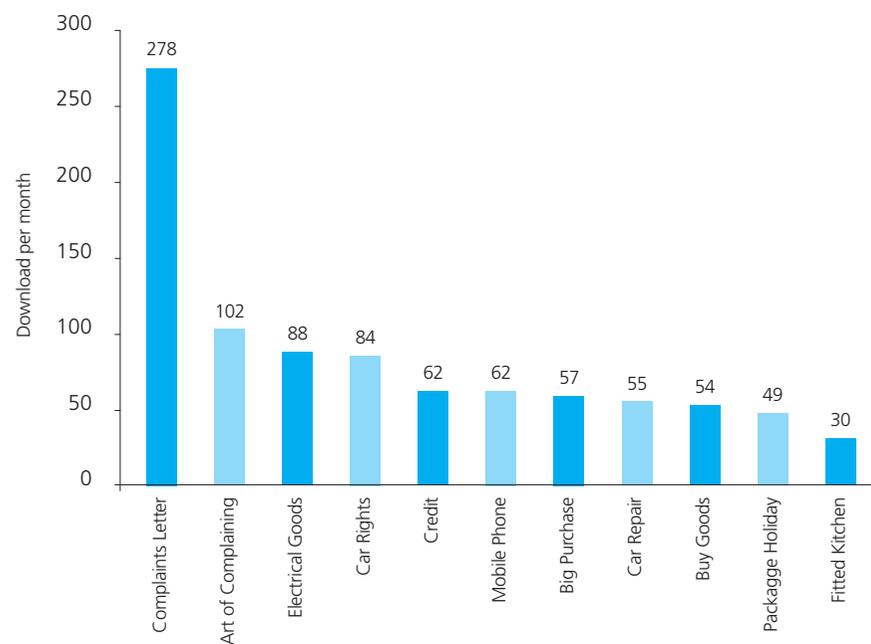


Table 5: District Council summary

Postal Town	District Council population	Complaints	Complaints per 100,000 population	Rank	Rank 04-05	Change
Carrickfergus	37900	289	762	1	1	0
Ards	71400	529	740	2	3	1
North Down	75700	554	731	3	4	1
Newtownabbey	81300	554	681	4	2	-2
Castlereagh	66800	448	670	5	5	0
Larne	30900	190	614	6	7	1
Banbridge	39900	243	609	7	9	2
Ballymena	59200	360	608	8	11	3
Ballymoney	25900	157	606	9	14	5
Down	63800	372	583	10	12	2
Coleraine	55700	324	581	11	13	2
Belfast	284400	1582	556	12	10	-2
Lisburn	111200	608	546	13	6	-7
Magherafelt	39000	205	525	14	17	3
Craigavon	79700	413	518	15	15	0
Antrim	50700	262	516	16	8	-8
Derry	106600	539	505	17	17	0
Armagh	53900	209	387	18	26	8
Limavady	31900	121	379	19	19	0
Omagh	47800	181	378	20	20	0
Cookstown	31700	120	378	20	22	2
Fermanagh	57500	208	361	22	23	1
Strabane	37600	135	359	23	24	1
Moyle	15400	55	357	24	16	-8
Dungannon	48200	171	354	25	25	0
Newry & Mourne	87700	275	313	26	21	-5

### Where do complaints to Consumerline come from?

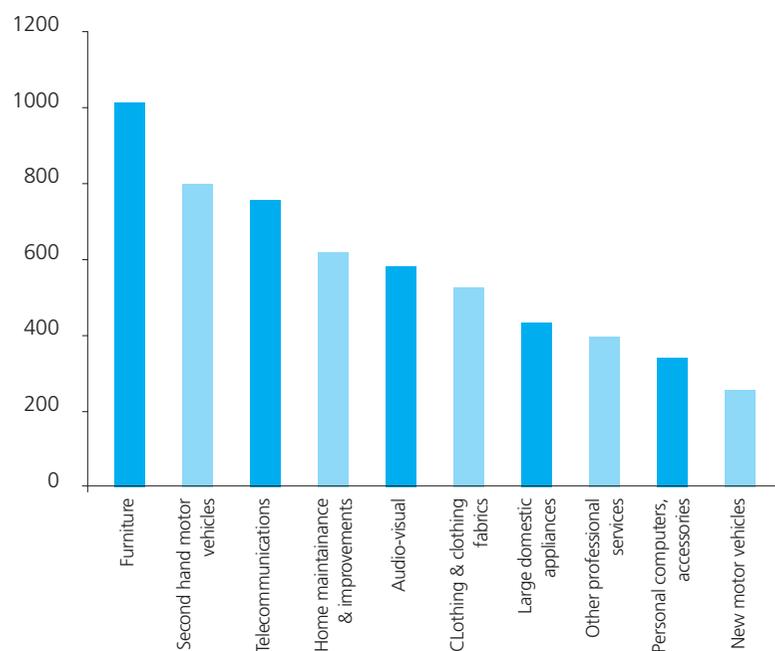
To give an accurate account of where complaints come from, we calculated complaints per District Council population size.

This showed that the most complaints come from Carrickfergus, followed by Ards and North Down (see Table 5). Consumers from Newry and Mourne, Dungannon, Moyle and Strabane were least likely to make a complaint to Consumerline.

## Complaints by type

Complaints about furniture and second-hand cars topped the list of most complained about goods and services. (Fig 12). Consumers were concerned about quality, reliability and the delay in sorting out problems. In the case of furniture, problems with delivery times generated calls.

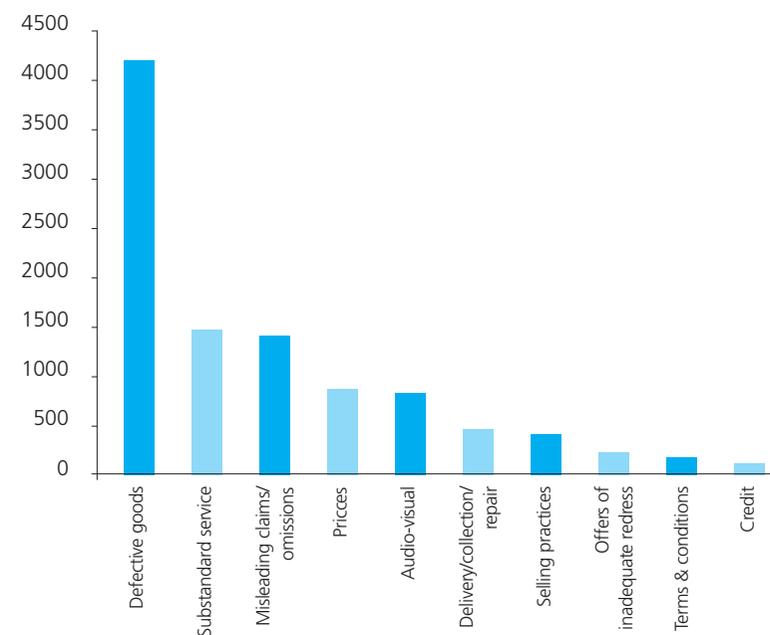
Fig 12: Most complained about goods and services 2005-6



The most common type of complaint is defective goods followed by substandard services and misleading claims or omissions. (Fig 13) By complaining effectively to businesses themselves and Consumerline, consumers can make a difference to their own lives as well as other consumers. By knowing what has gone wrong, businesses can improve

their customer care service and practices, which benefits everyone.

Fig 13: Most common complaint types 2005-6



## Next Steps

The Consumer Council and TSS continue to work in partnership to promote and reinforce the Consumerline brand with staff travelling across Northern Ireland to deliver community outreach presentations. These presentations target vulnerable consumers in areas like Strabane and Newry and Mourne – areas from where we receive fewest complaints. Next year we will work together to target consumers, in particular, those in the Dungannon and Moyle areas where low levels of complaints are received.

Due to a high level of public interest shown by visitors at last year's Ideal Home Exhibition, Consumerline staff will operate a promotional stand for a second year at this year's exhibition in September.

The Consumer Council aims to increase this year's 16 per cent rise in hits to the Consumerline website. We

will continue to develop the website with the most up to date information so consumers have the latest facts at their fingertips.

This is the first year we have reported on the complaints information generated by Consumerline. We will continue to explore how to develop and enhance this information to benefit all consumers in Northern Ireland. We look forward to reporting in next year's Complaints Report on the positive changes brought about by information we receive through the Consumerline website and telephone helpline.

**Telephone 0845 600 6262 or log on to [www.consumerline.org](http://www.consumerline.org)**





***Making the  
consumer voice  
heard and making it  
count***



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