



**Northern Ireland Fuel Poverty Coalition
response to the Northern Ireland Utility
Regulator consultation on the
Implementation of Energy Supplier
Codes of Practice**

July 2014



1. Do respondents agree that customers and suppliers will benefit from a consistent approach to interpretation of the licence conditions?

The Fuel Poverty Coalition agrees that a consistent approach to interpretation of licence condition will be a good thing for consumers as well as suppliers. It makes sense that consumers can expect a certain level of service from across utilities.

2. Do respondents believe that the minimum standards guidance for Codes of Practice is the right approach? Please provide supporting information and evidence for your response.

We understand NIAUR's proposal for minimum standard which will not fall short of the codes guidance and we note that this should not fall short of the guidance. A key aspect of the success of this minimum standard will be compliance and therefore NIAUR should undertake to ensure that the correct systems and processes are in place to monitor the standards and review when required.

3. Do respondents agree that where this consultation has an impact on the groups listed above, those impacts are likely to be positive in relation to equality of opportunity for energy consumers?

The prepayment market has grown to a large degree changing the energy landscape for many and with that in mind we believe that specific issues need to be addressed such as:

- What happens if an individual can no longer manage to use the prepayment method due to manual dexterity or mental capacity? Will there be a charge to change the method of payment.
- Will installing a prepayment meter have implications for the householder, for example who is responsible for the meter, who will pay for the upkeep/maintenance of the meter, what happens if the meter is faulty or breaks. We require clarification on both the gas and electricity aspects.

4. Do respondents consider that the proposals need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence.

The proposals may require refinement if the above points produce issues which may negatively disadvantage those persons with disability.

5. Do respondents agree that the effective monitoring of Codes of Practice is essential? Are there any additional areas that should be covered in relation to monitoring, reporting and compliance?



It is vital that there is effective monitoring of codes of practice. If we cannot measure and monitor then we have no idea of their effectiveness both in relation to the compliance of the suppliers and the protection of the customer.

- 6. Respondents are asked their opinion on the proposed banding for Indicators 11 and 12, Customer Debt. Some price controlled suppliers already collect and submit information at this level of detail. Respondents are asked if it is appropriate for non-price controlled suppliers to also provide information at this level of detail. We would ask respondents to provide supporting information and alternative suggestions.**

We feel the banding is appropriate but this should be subject to review.

- 7. Respondents are asked their opinion on what monitoring information should be published. We would ask respondents to provide supporting information on their proposal and be mindful of customer transparency as part of their response.**

Why believe that all the information is published to ensure transparency for the industry and customers in so far as is legal in respect of data protection.

- 8. Respondents are asked to provide information in relation to changes in practice which may be required. In particular we will take into consideration appropriate evidence in relation to costs and benefits. It will be most beneficial if responses regarding changes in practices and associated costs and benefits first state the individual Code and particular requirement in question, secondly set out why the change in practice is required, and thirdly set out any evidence regarding costs and benefits linked to the change in practice.**

As outlined in the consultation, there should be no overly burdensome costs arising from the codes of practice.

- 9. Do respondents think that the publishing requirements outlined cover all relevant areas? Are there any further comments that respondents have with relation to publishing Codes of Practice?**

Suppliers need to actively engage with the voluntary sector and in particular advice giving agencies to promote their codes of practice. A communication strategy could help underpin this.

- 10. Do respondents think that the section of the Code in Annex 1 relating to identifying customers in difficulty covers all relevant areas? Are there any further comments that respondents have with relation to identifying customers in difficulty?**

While NEA agree that the definition of debt is clear we have some concerns around how customers relate to their energy bill, for example a lot of people wait



until the second bill falls on their door step before they prioritise the payment. If therefore the customer is deemed to be in debt from the 15th day then would this have implications for the householder? More work should be carried out to ensure the householder realises that they will be deemed to be in debt as this could have implications for their credit rating.

The codes aspect of identifying customers in difficulty seems quite comprehensive but also highlights to NEA the distinct lack of these protections for those using prepayment issues.

11. Do respondents think that the section of the Code Annex 1 relating to payment arrangements and monitoring covers all relevant areas? Are there any further comments that respondents have with relation to payment arrangement and monitoring?

It would be helpful to understand what reasonable endeavours would constitute for the customer.

We would also suggest that guidance is provided to the suppliers on the type of training which should be provided. NEA provides ()

12. Is there any further information you wish to provide in respect of Fuel Direct or Third Party Deductions?

Fuel Direct is only used by one supplier and it seems that there is tremendous opportunity to use these more extensively across both the gas and electricity suppliers. While prepayment is proving helpful for some it does pose difficulties for some more vulnerable customers. We are dealing with a vulnerable client at present who is constantly disconnecting from his electricity prepayment meter which in turn is knocking off his gas meter. The reason he currently uses the prepayment meter is to repay a debt and any reverting to quarterly bills will cause additional debt. Having worked directly with his 83 year carer it has become apparent that fuel direct seems to be the only way this could be overcome. We believe that there is a need to look more directly at fuel direct as a method of payment for those who are very vulnerable.

13. Respondents are asked for their opinion on the proposals for disconnection and reconnection fees. We would ask for supporting information on any comments made.

It seems iniquitous that disconnection is not permitted in the electricity market but is in the gas and surely there should be harmonisation of the policy to ensure that it is unlawful to disconnect vulnerable customers at all. If the codes of practice outlined in this consultation are adhered to then this issue should be minimal for the suppliers. This aspect also highlights that there should be a role for District Network Operators to have due cognisance to identifying and interacting with vulnerable customers as is the case in GB mandated by Ofgem. We believe more work needs to be done in this respect.



Monitoring of process is vital especially around the 40% cap repayment. We wish to ensure that this is not the default.

14. Do respondents think that the section of the Code in Annex 1 relating to methods and procedures to avoid disconnection covers all relevant areas? Are there any further comments that respondents have with relation to identifying customers in difficulty?

- What does appropriately trained staff look like?
- Reasonable endeavours how can this be demonstrated?
- What does a customer's wellbeing look like?
- A lot of good aspects to this though.

15. Do respondents think that the section of the Code in Annex 1 relating to providing accurate and timely bills covers all relevant areas? Are there any further comments that respondents have with relation to providing accurate and timely bills?

Timely and accurate bills are fundamental and should be bedrock for all suppliers. Customers should be able to understand their bills and that should also apply to the prepayment sector. It is therefore imperative that the suppliers present the information in a clear and transparent fashion. This objective should not favour those with internet access but be available to all at no additional cost.

16. Are there any other areas which the Code on Payment of Bills should cover?

Look at tomorrow.

17. Do respondents agree that a consistent definition of debt across suppliers, for the purpose of the Code of Practice on the Payment of Bills, should be established?

Yes as above.

18. Respondents are asked their opinion on the proposed definition of debt with regards to the Code of Practice on Payment of Bills or suggest an alternative definition which may be used across all suppliers. We would ask respondents to provide supporting information as to why a specific definition would be appropriate and be mindful of monitoring procedures as part of their response.

As above



19. Respondents are asked to provide any additional comments on the attached draft Code minimum content, which they feel will help to improve the Code.

Seems fairly comprehensive

20. How could suppliers monitor self-disconnection and self-rationing in prepayment customers?

Suppliers can monitor supply so therefore should be able to monitor when there is no supply or a drastic reduction in use. This information is crucial and could help us target support to those on prepayment meters. We understand that this monitoring will improve with the introduction of SMART metering.

Shouldn't this be established with DNO's?

21. Do respondents think that the section of the Code in Annex 2 relating to the services provided covers all relevant areas?

Yes. We believe that a password scheme is helpful but would suggest other safeguards are used such as a call in advance and where a carer is identified a call there also.

Suppliers should also look at their role in helping to develop the adaptations market in order to help develop appropriate controls for those with special needs. A range of focus groups with customers should be carried out to facilitate. This would help suppliers to promote safety features as this is a key area that older people raise with us time and time again as a barrier to moving from oil to gas.

22. Do respondents think that the section of the Code in Annex 2 relating to disconnection of customers who are of pensionable age, disabled or chronically sick covers all relevant areas? Are there any further comments that respondents have with relation to disconnection?

We would like to see a situation where no one is ever disconnected. If the codes of practice were followed and specific support provided there should be no one disconnected unless there is severe vulnerability and in such a case the supplier should work with an organisation such as NEA NI to find an alternative intervention. We believe that working and developing policy solutions such as Fuel Direct could be a win win for both suppliers and customers. Fuel Direct at present is only used by one electricity supplier. We believe that it should be made available to electricity and gas customers and developed to in line with customers needs in the changing landscape of energy use in Northern Ireland.



23. Do respondents think that the section of the Code in Annex 2 relating to raising awareness of service provision covers all relevant areas? Are there any further comments that respondents have with relation to awareness raising?

There is a definite need to raise awareness of these service provisions and there should be a proactive strategy to ensure that customers register to get the protection. We also understand that for vulnerable clients this can be difficult so a training and awareness programme should be developed across health and social professionals and the advice sectors. The importance of this register should also be centralised to ensure that a customer switching will be transferred to the new suppliers flagging system. It would also seem practical that there should be harmonisation of the registers data collection to enable good information flow. The District Network Operators should also play a part in this process. For example NIE has a critical care register. How does this register interact with the suppliers register?

24. Are there any other areas which the Code of Practice on provision of services for persons who are of pensionable age or disabled or chronically sick should cover?

Holistic advice, look at the situation in the round. For example a poorly managed prepayment meters affect gas central heating.

25. Do respondents agree that a consistent definition of a complaint for all suppliers, for the purpose of the Code of Practice on Complaints Handling Procedure, should be established?

Consistency is key to ensuring that customers know what they can expect when signing up to a company and while there may be different views on the definition, the key will be agreeing to a framework shared by all suppliers so as to compare like with like. We understand that this could be challenging but once established and embedded will benefit the companies and the customers.

26. Respondents are asked their opinion on the proposed definition of a complaint with regards to the Code of Practice on the Complaints Handling Procedure or suggest an alternative definition which may be used across all suppliers. We would ask respondents to provide supporting information as to why a specific definition would be the most appropriate and be mindful of monitoring procedures as part of their response.

We feel that the definition is clear and simple and will ensure voices of customers are helping shape the supplier services and ultimately driving forward quality and people centred services.



Once again we would reiterate the need for a single framework and understanding across all the suppliers of what constitutes a complaint and how that is recorded and resolved. This needs to be closely monitored and should have an independent oversight to ensure compliance.

27. Do respondents think that the section of the Code in Annex 3 relating to the accessibility of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to accessibility?

This seems to fairly comprehensive but should monitored and kept under review to ascertain if it remains fit for purpose.

28. Do respondents think that the section of the Code in Annex 3 relating to the transparency of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to transparency?

Yes

29. Do respondents think that the section of the Code in Annex 3 relating to the promptness of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to effectiveness?

We believe that in some instances 3 months will be too long for resolution and believe that clear timeframes could be specified around some common complaints.

30. Do respondents think that the section of the Code Annex 3 relating to alternative dispute resolution covers all relevant areas? Are there any further comments that respondents have with relation to alternative dispute resolution?

31. Are there any other areas which the Code of Practice on Complaints Handling Procedure should cover?

From time to time people can get stuck in a complaint and may not feel able to proceed to the next stage without help. There may be a situation where the supplier may ask the customer if they want to make the referral to the Consumer Council, if it felt the customer is vulnerable and/or upset.

32. Do respondents have any comments to make on the proposed industry standard to update prepayment meters for a change in tariff? Do



respondents have any comments to make on how customers can be informed to ensure they understand this process?

Will 40% of the market, and growing, on prepayment meters it is crucial that we establish customer protections. NEA NI sees the advantages of the prepayment meter but have growing concerns about some of the unintended consequences of the prepayment meters. We currently have an older vulnerable client who got into debt and the meter was installed to recoup the debt. He does not top up until the electric runs out and as a consequence his recently installed gas boiler as switches off. His 83 year old carer is unable to work the gas and we have been called out on a number of occasions to assist. Prepayment enables self-disconnection in electricity which is not possible with other payment methods. While we would encourage anyone to run into debt, it seems then that these codes of practice elsewhere in the consultation have less of an impact on prepayment sector who could be seen to be off the books. We therefore feel very strongly around added protections for those who are currently vulnerable and on prepayment meters and who become vulnerable where a prepayment is no longer a viable option.

We believe that sometimes prepayment meters may be used instead of interventions such as Fuel Direct which would make more sense and provide the customer protections outlined in this consultation.

33. Do respondents think that the section of the Code in Annex 4 relating to the information provision covers all relevant areas? Are there any further comments that respondents have with relation to information provision?

In the past there has been concern about how the calibration of the meter works. If a customer has built up a bank on money on their meter and then there is tariff increase, to continue to vend on the meter will mean that the recalibration process will apply the higher tariff to all the banked money on the meter. This is not clear to the customer and more work should be done to inform the customer of these issues.

34. Do respondents think that the section of the Code in Annex 4 relating to the suitability of a prepayment meter covers all relevant areas?

We believe that in ensuring suitability for a prepayment meter other options should be considered including fuel direct. We would also like the NIAUR to monitor this information to ensure compliance.

35. Do respondents think that the section of the Code in Annex 4 relating to payments for prepayment customers covers all relevant areas? Are there any further comments that respondents have with relation to payments?

We would like to have a better understanding of the likely costs of moving from prepayment meters both in the gas and in the electricity and when charges will apply. This would also apply to ownership of the meters and their casing. For example if a meter starts to fall about, who will be responsible for the



maintenance of the casing etc.? We believe that this information should also be encompassed in the suitability of prepayment meters.

36. Are there any other areas which the Code of Practice on Services for Prepayment Meter Customers should cover?