



# *Action for Warm Homes*

Northern Ireland

**National Energy Action NI**

**Response to**

**‘The Consumer Council’s draft Forward  
Work Programme for the final year of  
our Corporate Strategy 2016-2021’**

**January 2020**



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## About NEA

NEA is the national fuel poverty charity working to secure affordable warmth for disadvantaged energy consumers. NEA's strategic aims include influencing and increasing strategic action against fuel poverty; developing and progressing solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households and enhancing knowledge and understanding of energy efficiency and fuel poverty.

NEA seeks to meet these aims through a wide range of activities including policy analysis and development to inform our campaigning work, rational and constructive dialogue with decision-makers including regulatory and consumer protection bodies, relevant Government Departments, the energy industry, local and national government and we develop practical initiatives to test and demonstrate the type of energy efficiency programmes required to deliver affordable warmth.

NEA is primarily concerned with energy policy whilst maintaining a watching brief on social justice policies including income inequalities and levels of poverty in Northern Ireland.

Protecting vulnerable customers is our key aim so we work both reactively and proactively to ensure policy makers and regulators recognise the needs of the vulnerable in its widest sense. With tighter household budgets it is more important than ever that consumers are getting the best deal. Paying for domestic energy makes up a substantial portion of total household expenditure, so it is of specific concern to us but is often relegated in the ever-busy policy environment.

## Background

Based on the 2016 House Condition Survey, Northern Ireland has a rate of fuel poverty at 22%. It is also estimated that there are approximately 43,800 households in extreme fuel poverty, which means they need to spend over 15% of their total income to heat their homes. Additionally, one in five households in Northern Ireland are living in poverty.

The cold kills, and between August 2017 — July 2018 there were 1,500 excess winter deaths in Northern Ireland. According to the World Health Organisation (WHO), a third of these deaths are directly attributable to living in cold damp homes.

Additionally, and unique to Northern Ireland, 68% of all households are reliant on home heating oil, a non-regulated fuel. This leaves many households in a precarious position and we believe that this industry needs some form of oversight to ensure that 'we are protecting vulnerable consumers, we are improving trust in the market and we are promoting better competition'. At present, we are concerned and have anecdotal evidence that all of the above have been compromised to some extent across Northern Ireland.



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Furthermore, we expect that due to Brexit, the falling pound and likely increase in wholesale costs which while affecting all fuels, will impact oil prices in the immediate term and put severe hardship on individuals and families.

## Response

We welcome the opportunity to respond to The Consumer Council's Draft Forward Work Programme (FWP) 2020–2021.

The Consumer Council (CC) in Northern Ireland meets a key need and provides vital information, advice and advocacy for all consumers in Northern Ireland, with a focus on vulnerable consumers. This work has great importance for many organisations throughout Northern Ireland both strategically and operationally.

NEA works closely with the CC across many aspects of work, but especially in relation to energy matters which encompasses regulation, switching and policy development, also with the view to empowering consumers and communities.

Our strategic partnership is now underpinned with a Memorandum of Understanding, which highlights the value which we place on our working relationship, demonstrated clearly through our joint work on the NEA's Energy Justice Campaign (EJC) and the Fuel Poverty Coalition (FPC). CC NI's commitment to training is also clearly evidenced by the fact that all staff undertake training on the NEA/City and Guilds Level 3 Award in Energy Awareness 6281-01.

We look forward to working with you in the coming year on these issues and the many other areas of mutual association.

We have made some comments around the objectives in the draft Forward Work Programme and believe that the projects identified in the document are the right ones and have no queries regarding same. We have made some suggestions, which we hope are helpful on priority projects, which we feel may enhance the Forward Work Programme 2020–21.

- The UK is leaving the European Union (EU) on the 31st January. The Withdrawal Agreement sets out the terms for an orderly exit, but it remains a mammoth policy area for Northern Ireland. As highlighted in the UK Government Impact Assessment published in October 2019, expected higher business costs could result in higher prices for NI consumers purchasing goods from GB and Ireland. We welcome the CC's extensive work with UK Government to raise the many out-workings and consequences of Brexit in Northern Ireland and how consumers will be faced with price increases in food and energy amongst other essential consumables. This is a grave concern for NEA also and we will work in partnership where possible to design and develop appropriate responses to try to mitigate these impacts.



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- We welcome the research currently being prepared on vulnerable and low-income consumers. The data and evidence from the case studies will be vital to key policy makers and the recently restored NI Executive. This will be integral in shaping and consulting with both the Energy Strategy and forthcoming Fuel Poverty Strategy. We are also keen to obtain more detailed information and data around vulnerable consumers' use of pre-payment meters and self-disconnection and this may be something that the CC can integrate into their research.
- The Consumer Vulnerability Working Group (CVWG) has been established and is embedding its role within the Utility Regulator (UR) and the Industry with the aim to improving policies and practices within utilities. This is very strongly chaired by CC and we commend their role in steering the group and for keeping the momentum of the Consumer Protection Programme (CPP) and growing the sphere of activity within the group.
- The FWP in objective 1:8, aims to increase awareness and engagement of domestic energy customers, this work is particularly important to those less likely to engage and the CC empowerment team outreach across Northern Ireland is enormously beneficial. The power of face to face advice from a trusted intermediary is proven to be more beneficial and effective in encouraging behavioural change.
- It is also welcome to see a switch and save campaign for non-domestics which should go some way in improving switching and more efficient behaviour and reduction of costs.
- The range of resources available via printed copies and online are extremely useful and valuable to consumers and the addition of an online home heating oil price checker will greatly assist those reliant on oil to shop around and get a better deal.
- The Energy Strategy consultation process is significant and will take up a large proportion of the next financial year; we look forward to working closely with CC over this year and utilising our shared insights into the needs of energy consumers towards a fair and just transition.
- As outlined above, we continue to acknowledge the work that the CC carries out with all aspects of government. In particular, the work with Westminster around highlighting the different markets and the different needs of Northern Ireland. This is an important element to ensuring that the needs of Northern Ireland are heard and responded to.
- We commend the CC on their accreditation with Financial Conduct Authority (FCA) as a credit broker. The work around the financial services will vastly help those living on low incomes and indebtedness and help us gain insight into the role loans can play to help us manage household needs.



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- The other significant high-level energy issues, the EU clean Energy Package and Brexit will benefit from the expertise, evidence and policy recommendations from the CC at all the stakeholder groups.

Other project areas which we believe would benefit consumers in Northern Ireland include:

- Continued collaboration and involvement around the new Fuel Poverty Strategy, which had been actioned by the Department for Communities (DfC);
- As mentioned above, due to the extremely high levels of domestic prepayment meters (ppm) in Northern Ireland (45% in electricity market, 65% in Gas Greater Belfast and 85% in Gas Ten Towns), we believe there is a need for research into the ranges of aspects of coping with a ppm. We need an understanding of self-disconnection, rationing, consumer behaviour, accessibility, ease of use, PayPoint issues and many other aspects. The CC provides a valuable resource via consumer insight and we look forward scoping out what this work could potentially look at and who is best placed to carry it out.

Once again, we thank you for the opportunity to respond to you with these comments. We look forward to maintaining and sustaining our working relationship with The Consumer Council now and into the future.

**Response submitted by:**

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## Appendix: Fuel Poverty Overview

- Fuel Poverty is the nexus of 3 factors; low income, high energy price and energy inefficiency.
- Fuel Poverty has multiple consequences including mental and physical health impacts.
- 1,500<sup>1</sup> excess winter deaths occurred across Northern Ireland in 2017–2018 with 30% attributable to living in cold homes<sup>2</sup>.
- Improving the energy efficiency of the house is the most effective way of reducing fuel poverty, alongside maximising income and reducing the cost of energy to the householder.

The latest Northern Ireland Housing Executive House Condition Survey was released in May 2018 and provides an overview of the housing stock in Northern Ireland, as well as the latest fuel poverty statistics.

### Key findings:

- There are approximately 780,000 domestic dwellings in Northern Ireland.
- Owner Occupier is the largest tenure at 63% with the Private Rented sector and Social Housing sector at 17% and 16% respectively.
- **Fuel Poverty decreased to 22%, 160,000 households.**
- **The mean SAP rating improved from 59.63 in 2011 to 64.84.**
- 99% of dwellings had central heating.
- Oil remains the largest type of heating source at 68% of households.
- More than half (52%) of households living in old properties (Pre–1919) were living in fuel poverty.
- 55% of households living in fuel poverty had an annual income of less than £10,399.

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<sup>1</sup> <https://www.nisra.gov.uk/publications/excess-winter-mortality-201718>

<sup>2</sup> [http://www.euro.who.int/\\_data/assets/pdf\\_file/0003/142077/e95004.pdf](http://www.euro.who.int/_data/assets/pdf_file/0003/142077/e95004.pdf)