

Citizens Advice Consumer Work Plan 2019/20: Summary of responses



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Summary

This year we received 55 responses to our draft work plan. Overall, responses were positive, and were submitted by a range of stakeholders including regulators, industry, charities, interest groups and unions.

The vast majority of responses expressed overall support for our plans. We also received positive feedback on our four tests for making sure our work is robust and impactful.

Respondents were particularly keen to engage with our work to ensure consumers in vulnerable circumstances are treated fairly and are better able to access the services that are central to their daily lives. Several responses stressed the importance of recognising different types of vulnerability and integrating this in our work, and we will add more detail on this in our final work plan.

We welcomed receiving input from a number of respondents on potential areas of focus for our exploration of whether the Universal Service Obligation is continuing to meet consumer needs. There was also a strong response to our plans to advocate for better value energy networks. Respondents broadly welcomed the work we are already doing and our involvement in consumer challenge panels, and noted they would find publication of our evidence in this area very useful.

Finally, our work to tackle the loyalty penalty was praised by a number of respondents. Several organisations - including Age UK, the Consumer Council for Water, Toynbee Hall and Resolver - gave useful feedback on how we can best take this project forwards.

We welcome all the feedback we have received as an important way of developing our work. We have carefully assessed all the input we have received and made changes to our final work plan in response. This document summarises the feedback we received for each project and our response.

1. Strengthening consumer rights in a changing world

1.1 Tackle the loyalty penalty (Cross-sector)

9 respondents commented on this theme. 6 were positive, 3 were neutral and 0 were negative.

Age UK highlighted that there are multiple barriers - including digital exclusion and fear of disconnection or disruption - to switching that technological advances alone cannot solve. They suggested we pay strong attention to these issues in order to improve the rates and benefits of consumer switching.

The Committee on Fuel Poverty said we should work to understand what impact the recent price caps have had on the key fuel poverty metrics of the number of fuel poverty, the average fuel poverty gap and the aggregate fuel poverty gap. They also thought we should consider what impacts the cap may have had on acquisition deal pricing and price spreads.

Resolver responded positively to our plans to continue our campaigning to tackle the loyalty penalty, which chimes with their work. They also cautioned that it is important to ensure that encouraging 'disloyalty' does not end up leading to a worse service for those customers who do switch, as they are seen as likely to switch again.

Toynbee Hall suggested that placing a strong consumer voice at the heart of regulatory action to tackle the loyalty penalty is important. They emphasised the value of consumers with first-hand experience of the poverty premium and digital exclusion co-producing solutions.

1.2 Help consumers switch energy supplier (Energy)

13 respondents commented on this theme. 11 were positive, 2 were neutral and 0 were negative.

The Rural Services Network suggested we should broaden the focus to better include those who are off the main gas network and dependent on heating oil or LPG.

Age UK welcomed the development of tools such as the star rating and price comparison tool, but also encouraged us to consider how the digitally excluded can be helped and whether there was a need for enduring price protection for some classes of consumers.

One stakeholder who highly valued the star rating tool suggested we should do more to promote it (Roger Darlington).

The Consumer Council for Water noted that it was putting together its own company performance league table and suggested there would be mutual value in our sharing ideas and experience in making such tools work.

Centrica suggested a range of areas where it thought the methodology for the star rating tool should be refined, while welcoming our involvement in Ofgem's Faster & More Reliable Switching programme in order to help keep the programme delivery on track in terms of scope, costs of the programme (ultimately borne by the consumer) and the implementation timeframe. It also encouraged us to monitor the effectiveness and implications of price caps.

Citizens Advice Scotland supported our work in this area, noting that switching rates in Scotland are particularly low. It valued the star rating tool and our efforts to improve it, and was keen to work with us to discuss how to improve messaging around supplier quality of service.

The Consumer Council for Northern Ireland expressed interest in sharing learnings on how best to prompt consumer engagement in the energy market, and in understanding the impacts of the new GB price cap. It also suggested it would welcome the opportunity to share learnings on issues surrounding off gas grid consumers, such as in relation to oil buying clubs.

EDF Energy supported our price comparison tool continuing to provide a whole-of-market view and emphasised the benefit of our star rating tool in promoting quality of service. It suggested we should investigate promoting it through more routes, such as on third party intermediary websites. It agreed with the expansion of the star rating tool and suggested we could go further than we propose and cover all suppliers. It also argued that membership of the Vulnerability Charter should be included in the star rating.

SSE highlighted that some consumers, particularly less digitally engaged or customers in vulnerable circumstances, may require additional support to help them switch. It thought the work undertaken through Citizens Advice's local network, digital offer and telephone helpline and the role of the supplier star

rating tool was important in helping empower consumers to make informed choices.

Ofgem encouraged us to expand the star rating tool to cover as many suppliers as possible, and to consider any other important service aspects for inclusion in the star rating tool, such as speed of response to digital communication and service levels for customers in vulnerable circumstances

Scottish Power thought our star rating tool was useful in building trust but was worried that it could mask the underlying progress that suppliers were making. It also thought it was unclear what improvements we were planning to the tool.

The Committed on Fuel Poverty suggested we research how much smart meters are saving customers, with a particular emphasis on whether and why customers in vulnerable circumstances and households in fuel poverty are achieving greater or lesser savings versus the average. It noted that many private renters are unaware of their rights to switch and suggested we conduct a study in this area to identify any barriers to this and recommend steps to overcome them.

Energy UK stressed the importance of data privacy considerations to the provision of consumption of tariff information to help consumers choose the best deal, and considered it positive that we will work with Ofgem to carefully consider these considerations, including how the correct consents will be obtained, stored and updated regularly. It encouraged us to consider the behaviour of auto-switching sites, which it thought posed higher risks to consumers than traditional price comparison websites. We will modify our monitoring tools to better understand the scale and nature of complaints and issues relating to auto-switching services. We will look to modify the scope of our tripartite work with Ofgem and Ombudsman Services: Energy to consider the impacts of emerging technologies on switching behaviour and experience.

1.3 Keep the smart meter roll-out focused on consumers (Energy)

7 respondents commented on this theme. All 7 were positive.

Citizens Advice Scotland welcomed this as a work area of shared interest, noting particular Scottish rollout challenges caused by rurality and restricted metering. It supported our proposals for more in-depth research into whether consumers are having a positive experience of smart meter roll-out.

EDF Energy supported our active role in the smart metering programme, suggesting we are ideally placed to monitor trends in customer contact and identify systemic issues.

SSE encouraged us to keep up a vocal role in scrutinising programme costs and consumer experience of smart meter rollout. It encouraged us to actively feed into BEIS work to update the Cost Benefit Analysis for the programme in July 2019, and also into its work to provide clarity on the post-2020 delivery landscape, since this will have significant implications for customer experience.

UKPN noted the potential benefits of smart meter rollout and supported our work in this area.

Energy UK thought there should be more collaborative working between ourselves and industry to resolve issues with the smart rollout before those issues were raised to BEIS or Ofgem. It welcomed our focus on cost accountability, suggesting this was particularly needed in relation to the DCC.

Smart Energy GB welcomed the vital work Citizens Advice does in reporting consumer experiences of smart metering and highlighting where things could be delivered better.

npower welcomed our intention to scrutinise the Data and Communication Company's ('DCC') price control, and to push for greater transparency around the costs incurred by the DCC. It also asked us to be more vocal and visible in support for the smart meter roll-out, arguing that this would aid consumer engagement and therefore reduce costs.

1.4 Promote better outcomes for small business customers (Energy)

5 respondents commented on this theme. 3 were positive, 2 were neutral and 0 negative.

The Consumer Council for Water noted it would be developing its own thinking on the engagement and interaction of SMEs with the retail market, and how it can improve awareness, and would welcome the opportunity to share ideas and experience in making such tools work.

Both Ofgem and Citizens Advice Scotland welcomed our plans in this area.

EDF Energy supported Citizens Advice considering the legal protections around Third Party Intermediaries ('TPIs') (both domestic and micro-business), as this is

an increasingly active and important channel for customers who wish to switch supplier. They argued these companies should be regulated and have to adhere to the same regulatory requirements as energy suppliers. At the very least, sufficient governance arrangements should be implemented to ensure that customers are appropriately protected in their switching decisions.

The Federation of Small Businesses set out the need for small businesses to be empowered to understand and choose what services they pay for, where they can find the best deal, where they can save energy, and where and how their energy is generated. It also suggested there was a need to introduce regulation of TPIs.

1.5 Improve industry processes (Energy)

8 respondents commented on this theme. 7 were positive, 1 neutral and 0 negative.

Citizens Advice Scotland welcomed our plans in this area, noting the important role we play in tracking and tackling underperformance. It expressed interest in seeing the results of proposed joint omnibus tracking survey with Ofgem, and highlighted that it would be publishing its own tracker survey data in Spring 2019.

EDF Energy, Centrica, SSE and npower all suggested that our work should include a strong focus on ensuring that the licensing and market entry regime is strengthened, highlighting both the direct and indirect detriment that consumers can suffer from failing or inadequately prepared suppliers and the need for reforms to the process of socialising bad debt.

Scottish Power suggested that our role in communicating best practice was valuable. Noting the materiality of supplier failure as an emerging market issue, it indicated a willingness to work with us to build practical understanding of how the 'supplier of last resort' process works and could be improved.

EDF Energy supported our role in monitoring how customer debt is managed, noting differences in approach within the industry. It suggested a particular role for us in improving the understanding of new market entrants.

Ofgem highlighted that our work in areas like smart meter rollout and the introduction of half hourly settlement was valued.

The Consumer Council for Water noted it would be happy to work with us to share its experience in that sector to help us improve outcomes in the energy sector.

1.6 Examine whether the Universal Service Obligation (USO) continues to meet consumer need (Post)

14 respondents commented on this theme. 8 were supportive, 5 were neutral and 1 was negative.

Of these responses, 6 suggested potential areas of focus for the project. For example, the Rural Services Network and Age UK highlighted the potential detriment for their constituencies associated with any change to the USO. IMRG and the Federation for Small Businesses noted ways in which the USO affects business consumers. The Consumer Council for Northern Ireland suggested that we examine future strategic policy issues identified in a recent European Regulators Group for Postal Services report, including the sustainability and scope of the USO.

Royal Mail questioned whether, given the stated commitment of both Royal Mail and the UK government to the current scope of the USO, now is the right time for significant new research into this issue.

Changes to the scope of the USO in other countries have been driven in large part by sustained declines in letter volumes over the last two decades. In Royal Mail's January 2019 trading update, it announced an 8% decline in addressed letter volumes - higher than its expected 6% decline for 2018/19. This is also a live debate at international level: the European Regulators Group for Postal Services (ERGP) is also undertaking work this year to feed into a review of the postal regulatory framework. While we recognise that there is a low risk of change to the USO in the UK in the short-term, as the postal consumer advocate we consider it essential that we have the evidence to represent the consumer voice in this debate.

1.7 Strengthen consumer voice in markets where people have less choice (Cross-sector & Post)

We received 16 responses to this theme. All were broadly supportive of the proposed direction of our work.

Post Office Limited, DHL, the House of Commons Library, the NFRN and Roger

Darlington supported our intention to conduct a comprehensive review of the parcels market and related delivery options.

Other respondents suggested specific areas of research for this project. For example, the CCNI, Citizens Advice Scotland and Resolver identified excess delivery surcharges as a cause of consumer detriment for consumers in Northern Ireland, parts of Scotland and other remote areas of the UK. IMRG, RSN and the CWU Postmasters Branch noted the lack of consumer choice when collecting or returning online orders as a result of the often exclusive relationships between retailers and parcel operators and between the Post Office and Royal Mail, particularly in rural areas.

The feedback we received reinforced our belief that the most effective way to address the range of potential issues in the parcel delivery market is to take a whole real world customer journey approach. We will use existing internal and external data to ascertain whether particular points of the journey are causing consumers detriment and working with industry to develop solutions. If, as part of this customer journey mapping process, we uncover any gaps in our existing knowledge, we will commission additional small-scale research.

1.8 Estimate the scale of consumer detriment (Cross-sector)

2 respondents commented on this theme. 1 response was positive and 1 response was neutral.

The Committee on Fuel Poverty recommended that we break down any estimation of consumer detriment to show the private rented sector as a distinct category, noting that there are particular problems with fuel poverty affecting this tenancy type.

Citizens Advice Scotland commented that, as a member of the Consumer Protection Partnership, they look forward to collaborating on this activity, and look forward to using the results in their own work.

2. Better value infrastructure

2.1 Advocate for better value networks (Energy)

12 respondents commented on this theme. 5 were positive, 7 neutral and 0 negative.

The Consumer Council for Water suggested we could usefully share insights on how to make the price control processes work more effectively for consumers.

Citizens Advice Scotland supported our role in scrutinising the energy networks price control settlements and the instrumental evidential nature of recent work such as our Missing Billions report in providing supporting evidence. It saw both organisations providing a strong consumer voice in the development of the RIIO-2 settlement and looked forward to working with us on this. It supported our input into regulatory plans for codes and charging reforms, and suggested a particularly crucial role for us in the latter to ensure that fuel poor households do not end up paying proportionately higher network costs.

National Grid ESO welcomed our involvement in consumer challenge panels to help inform its understanding of consumer priorities.

National Grid noted that it was already working closely with us in many of the areas outlined in the plan, notably in relation to the RIIO-2 framework and how transmission networks can ensure we continue to understand and meet the needs of consumers, including people in vulnerable circumstances and the fuel poor. They therefore support the inclusion of these areas within the work plan. In particular, they agreed that consumers need to be at the heart of discussions about decarbonising heat and supporting the green energy transition, to ensure bills stay sustainably low, continue to offer the reliability that people rely on and provide the right support for the vulnerable societal segments.

The Consumer Council for Northern Ireland highlighted that it had developed a framework to inform the development and monitoring utility price controls, that it thought could usefully inform our own price control work.

Ofgem expressed support for our work in this area, particularly highlighting the value we bring to challenge panels.

Electricity North West argued that we should not pursue a low cost of capital in the price control reviews as this would undermine investment. It welcomed our involvement in the consumer challenge process, while recognising that the scale of engagement involved in setting the RIIO-2 price controls would be difficult to resource. It noted our aim to establish an independent evidence base for what

consumers want from networks and sought information on how it could get involved in that process and how that evidence could be shared so it could be acted upon.

UKPN argued that it would be counter-intuitive and short sighted for us to measure our success solely in lowering consumer bills, arguing that performance in delivery, and the long lasting nature of asset investment, were also relevant in judging value for money.

Scottish Power argued that our focus on network regulation should be around achieving value for money, not the lowest cost.

The Committee on Fuel Poverty requested that our work in this area include considering the impacts on off gas grid, rural and low income households in particular and how to have a positive impact under new business models and RII0-2.

Scottish and Southern Electricity Networks thought our work plan should include and consider how government and Ofgem can develop a framework that drives economically efficient behaviours, that properly account for consumer benefit. It is key that funding mechanisms are clearly defined and able to facilitate appropriate investment where strong signals exist with regards to its need.

npower expressed strong support for our proposals to scrutinise network costs, noting that our efforts in that area to date have been impressive.

2.2 Ensure that networks are delivering on their promises (Energy)

5 respondents commented on this theme. 3 were positive, 2 neutral and 0 negative.

National Energy Action requested more information on any research or work we might commission on how the RII0-2 price control process could be used to better support people in vulnerable circumstances.

Citizens Advice Scotland supported our proposed work on guaranteed standards, stating that there was a need for evidence in this area to ensure that network companies are held to account. It noted that variable performance in relation to social obligations is something that it had found in its own work. It also supported our work in relation to independent networks in order to build an understanding of how that area of the sector is working for consumers.

Ofgem also supported our proposed work on guaranteed standards and to monitor networks delivery against their social obligations under RII0-1.

Electricity North West said that it would welcome the opportunity to work closely with us to develop a shared understanding of appropriate social obligations for networks and how these should be incentivised.

UKPN welcomed our intention to consider the performance of independent networks, saying that it was important there was a level playing field between regional and independent networks and identifying several specific areas it thought we should consider in our analysis.

2.3 Ensure future energy networks meet consumers' needs (Energy)

5 respondents commented on this theme. 3 were positive, 2 neutral and 0 negative.

Citizens Advice Scotland stressed the need for more independent evidence on what energy consumers want from their networks and highlighted that it will share its own survey work on Scottish consumers priorities with us.

National Grid ESO highlighted its role in this area, and that it looked forward to working with us.

National Grid noted a wide array of challenges in decarbonising our energy system in a cost effective way that consumers would support, and welcomed our focus in this area.

Ofgem suggested that our examination of the advantages and disadvantages of competition in monopoly network sectors is welcome. In particular, it suggested we should provide a considered view on the trade-offs between the benefits of competition and the challenges of a more disparate ownership and regulatory environment.

Scottish and Southern Electricity Networks thought that our work plan should take a broad view of how the UK ensures customer needs both now and in the future, are best served by a regulatory framework that supports and incentivises flexibility - including in relation to consumers in vulnerable circumstances.

2.4 Improve consumer protections for electric vehicle drivers (Energy)

7 respondents commented on this theme. 3 were positive, 4 neutral and 0 negative.

BEUC expressed interest in our work in this area, and suggested its output could be very helpful in framing its work on a "consumer-friendly transition to e-mobility" as the European Commission plans to re-open the 2014 directive on

alternative fuels infrastructure. Centrica supported our research and monitoring plans.

Citizens Advice Scotland supported our plans in this area, and noted that any further research on how consumers will interact with EV charging structures is strongly welcomed and will be highly useful.

National Grid ESO welcomed our involvement in the government's EV Energy Taskforce.

UKPN made a range of practical suggestions for where we could target our research on EVs. It also thought that we should regionally disaggregate survey analysis. It thought our focus on regulating the charger provider sector was appropriate.

Scottish and Southern Electricity Networks thought we should consider how the costs of transitioning to EVs are shared. It also thought that we should consider whether anticipatory investment should be allowed to smooth the transition, and that we should explore how consumer data and information should be shared to maximise the future benefits of flexibility.

2.5 Ensure better value from monopoly services (Cross-sector & Energy)

5 respondents commented on this theme. 1 was positive, 4 neutral and 0 negative.

The Consumer Council for Water suggested it could share information with us on the cost of capital and the effectiveness of the price control regime in that sector in sharing benefits between networks and consumers. It also expressed interest in exploring our views on whether alternative models of delivery for monopoly services would lead to better consumer outcomes and whether there is scope to widen the use of competition.

Citizens Advice Scotland highlighted that the approach to water regulation in Scotland was distinctively unique to that seen elsewhere in Great Britain in monopoly network regulation, and indicated that it would be happy to share its learnings from that approach.

National Grid ESO welcomed our plans in this area.

Several electricity distribution network argued that we should be encouraging regulators to set "appropriate" costs of capital, not low ones (eg UKPN) or to frame our assessment of network costs around value for money (eg Western Power Distribution).

2.6 Ensure access to essential physical infrastructure (Cross-sector & Post)

We received 15 responses commenting on our work to ensure access to essential physical infrastructure, all of which were positive.

Many of these respondents noted the important role local post offices have in providing banking and financial services. These respondents included: Post Office Limited, Rural Services Network, Consumer Council for Northern Ireland, Citizens Advice Scotland and Age UK. Consumer Council for Northern Ireland and the National Federation of SubPostmasters commented that these services be provided in a way that is financially sustainable for local branches.

Another common theme in the responses was concern about post office closures. Age UK and Consumer Council for Northern Ireland noted this issue, while DEFRA suggested specific research into the number of temporary closures of community branches.

Responses from Post Office Limited, Rural Services Network, the Federation for Small Businesses and the Communication Workers Union supported our ongoing role in monitoring the Post Office network following the completion of the Network Transformation Programme.

The Communication Workers Union specifically suggested we seek to measure the quality of service and opening hours of Post Offices in the following the Network Transformation Programme, reporting that neither is satisfactory.

We welcome all of the valuable feedback and insight we received on this project, and will incorporate them as we develop the project. We will also engage with interested stakeholders throughout the project to provide further opportunities for feedback and discussion.

3. A fair deal for vulnerable consumers¹

3.1 An energy market that meets the needs of vulnerable consumers (Energy)

14 respondents commented on this theme. 5 were positive, 9 neutral and 0 negative.

Roger Darlington suggested it is better not to think of consumers – individually or collectively – as vulnerable but rather to think of consumers with vulnerabilities which might be long-standing or temporary, physical, mental, economic or locational. This point is well made, and we have reframed our work plan to talk about consumers in vulnerable circumstances, rather than using the term vulnerable consumers. We will seek to ensure that all suppliers are operationalising their commitment to respond to transient vulnerability.

The Consumer Council for Water thought our plan should give more consideration to the transient or temporarily vulnerable consumer. They do not think the Priority Service Register (PSR) is the right tool for managing transient vulnerability, though they welcomed our plans to further develop a PSR tool. That support was echoed by SSE. Ofgem also encouraged us to more quickly progress a cross-sector PSR tool.

Centrica was supportive of the continued focus on the quality of support to people with mental health problems, but thought it would be helpful to understand what we are proposing as the minimum standard of support that suppliers should offer.

Citizens Advice Scotland saw this area as one of joint concern and supported our focus on protecting and supporting consumers in vulnerable situations, and on establishing a more joined up cross sector approach to vulnerability registers.

National Grid ESO welcomed our plans in this area.

Both EDF Energy and SSE argued that customers in vulnerable situations should continue to be a strong focus for us, and wanted to hear more about the information we will publish which assesses energy suppliers' treatment of vulnerable customers. EDF Energy argued this should cover the practices of all

¹ In the draft work plan, we used the terms 'vulnerable people' and 'vulnerable consumers' throughout. As a result of feedback and discussions during the consultation process, in the final work plan we have changed this to 'people in vulnerable circumstances' and 'consumers in vulnerable circumstances'.

suppliers in the market, and not simply the Big 6. It encouraged us to continue engaging with Energy UK regarding the current Vulnerability Charter (and Vulnerability Commission) work that its members are progressing.

Ofgem welcomed our work in trying to improve standards in an essential services market and our intention to publish information on how energy suppliers support consumers in vulnerable situations. It welcomed the useful research and evidence we bring to the table on vulnerability and looked forward to working with us as it refreshes its vulnerability strategy.

Scottish Power noted and supported our plans on vulnerability. It argued that we should additionally consider how the costs of supporting schemes like ECO are recovered, and that smaller suppliers needed to pay their share.

The Committee on Fuel Poverty asked for our support to ensure that within Ofgem's definition of 'vulnerable customers', the sub-set of fuel poor households can be identified so that assistance can be targeted towards them accordingly.

Energy UK said it would welcome the opportunity to work collaboratively with us to ensure that the Commission for Customers' in Vulnerable Circumstances recommendations for the government or Ofgem are actioned. It also supported any work which would enable easier sign up to all relevant cross-sector PSRs.

npower noted that some smaller suppliers are either not aware of, or are choosing not to comply with, their regulatory obligations in relation to vulnerable customers and asked us to push for greater scrutiny by Ofgem, during the licensing process, of new entrants' intention and ability to comply with all obligations. It also noted, and supported, our intention to build a simple tool allowing consumers in vulnerable circumstances to sign up to PSRs.

3.2 Warmer homes: improve household energy efficiency (Energy)

7 respondents commented on this theme. 5 were positive, 2 neutral and 0 negative.

Citizens Advice Scotland expressed support for our work in this area, and a desire to share information on lessons learnt.

The Rural Services Network thought we should pay more attention to rural energy efficiency issues noting that the fuel poverty gap is much higher in rural areas. It was also suggested we should pay more attention to park homes. We can confirm that we will continue to be mindful of the specific issues that consumers off the gas grid face, be that in relation to fuel poverty, household energy efficiency and access to support, or issues they face due to the fuel they use to heat their homes.

The Association for Decentralised Energy suggested that current energy efficiency policies were inadequate to tackle fuel poverty problems and expressed a desire to work jointly with us to evidence and deliver better policies in this area.

National Grid ESO welcomed our plans in this area.

SSE set out a broad range of areas where improvements to energy efficiency policy should be considered. In addition to our planned work in this area, it encouraged us to be more active in calling for government to take action against the significant increase seen in fraudulent cavity wall claims. We will continue to monitor consumer experiences of installing energy efficiency measures in their homes, and whether there is a need for more protections, or enforcement activity, when things go wrong.

The Committee on Fuel Poverty set out a range of policy recommendations for how energy efficiency policy targeted at fuel poor households could be improved. It recommended that we review progress on the fuel poverty strategy, making recommendations to correct its course if necessary. It also noted the significant numbers of fuel poor households are off the gas grid, and thought we should identify and recommend policies to ensure that they are not left behind. We think there is significant value in the Committee's suggestion that we should conduct a progress review on the government's fuel poverty strategy and will seek to discuss its form and timing further with it.

Energy UK thought our work on ECO should consider the impact of supplier exemptions, and whether this had a regressive effect on who bears the costs of paying for energy efficiency. This has been a longstanding area of concern for us, and we pushed hard, and successfully, for reductions in the exemption threshold during 2018/19. We will continue to call for a fairer allocation of costs and responsibilities going forward.

3.3 Ensure support systems work effectively for vulnerable groups (Cross-sector)

6 respondents commented on this theme. 3 were positive, 2 neutral and 1 was negative.

Citizens Advice Scotland supported our focus on the need for minimum standards of support that providers should offer to vulnerable customers, and a desire to understand how our work on a sign up tool for Priority Service Registers is progressing.

The Committee on Fuel Poverty requested that we perform studies into how to improve the targeting efficiency of support provided to low income and fuel

poor households to pay their energy bills, so that support is provided to those most in need at an appropriate level.

Energy UK thought that to achieve better outcomes it is important that the public understand what consent allows companies to do and, therefore, have confidence in providing consent which will enable them to recognise the benefits of the PSR.

Ofgem said they understand our reasons for promoting minimum standards of support that providers should offer, but they see challenges in implementing these. They recommended that we consider publishing a good practice guide instead. Ofgem believes that having minimum standards may encourage some market participants to limit their efforts to only reaching the minimum standard and may lead to performance being driven down.

iSupply thought that the proposed PSR tool would be a positive step and would increase engagement.

npower said that it valued the research we have conducted into the quality of support provided to people with mental health problems in essential markets and welcomed the fact that this is to be ongoing. It noted that it is difficult for suppliers to know which of their customers is “vulnerable” and highlighted its work to try and close that gap. It noted that customers in vulnerable circumstances should receive appropriate support, regardless of who their supplier is (and, more to the point, what size it is) and asked us to scrutinise whether service provision is consistent across suppliers. It also said that price caps would make investment in non-mandated customer support programmes difficult, and that this underlined the need for all suppliers to be supporting such schemes.

3.4 Make markets accessible for vulnerable consumers (Cross-sector)

3 respondents commented on this theme. 1 response was positive, 1 was neutral and 1 was negative.

Citizens Advice Scotland said they would be interested in discussing whether income-related vulnerability is a consideration in this work. Their previous research has demonstrated that those on a low income can be vulnerable in terms of financial detriment.

Post Office Limited commented that while Post Offices are specifically mentioned in this section of the work-plan, it is unclear to them what we are proposing beyond the existing work to ensure disabled people have equal access to postal services. Post Office Limited also note that the majority of

services they provide are also available through the open market, and their competitors should also be included in any market access work.

UK Power Networks highlighted that their services and range of communication channels help them to ensure they are inclusive of diverse customer needs. They noted that they have worked with other network licensees in gas and water to build a comprehensive PSR database.

3.5 Ensure disabled people have equal access to postal services (Post)

We received 9 responses to this project - 6 positive, and 3 suggesting additional areas we could explore within this topic.

We welcome positive feedback from Age UK, DHL and Post Office Limited - and look forward to working collaboratively with Post Office Limited over the coming year to ensure the accessibility of Post Offices across the country.

We also welcome comments from Unite and CWU suggesting additional areas for exploration which we will cover during our business as usual work with Post Office Limited. We will continue to monitor the impact of closures of local sorting offices and the franchising of Crown branches through our ongoing business-as-usual work assessing post office closures on a case by case basis with Post Office Limited, and will continue to work closely with them to ensure that where physical changes are required to individual post office branches to ensure accessibility, that these are financially viable.

In addition, we welcome feedback from IMRG regarding Royal Mail's 'Delivery to Neighbour' service. We will raise these concerns with Royal Mail during our business-as-usual engagement with them.

3.6 Using the post to access essential services (Post)

We received 15 responses to this project. All respondents welcomed, supported or expressed an interest in this work.

A number of respondents provided specific feedback on potential areas for our research. Post Office Limited, Crisis and Citizens Advice Scotland suggested further work to ensure that homeless people can access essential services using Post Offices.

Royal Mail, the Keep Me Posted Campaign and the Rural Services Network outlined their concern about exclusion from 'digital by default' essential services, and identified paper-based communications received through Post Offices as a means of addressing this.

We welcome all of the helpful feedback we received, and will take it on board as we take our work in this area forward. None of the comments fundamentally change the overall direction of the project, but we have decided to make some small changes to the wording of the document. We have also decided to reclassify this project as a cross-sector project to better reflect the range of markets we will need to engage with in order to address the detriment in this area.

The first is to clarify the wording of the sentence on accessing post in a safe and secure way. The second is on our continued advocacy on homeless people's access to post. We recognise the comments from stakeholders that they would like to be involved in discussions on this topic and hence we have added 'other interested stakeholders' to the final paragraph.

4. Protecting consumers in rapidly evolving markets

4.1 Ensure future energy markets meet consumers' needs (Energy)

9 respondents commented on this theme. 6 were positive, 3 neutral and 0 negative.

Centrica emphasised our important role in scrutinising the costs of major change plans, specifically referencing smart metering. It also suggested we should pay close scrutiny to the socialised costs of failing suppliers, and to Ofgem's review of the supplier licensing regime. It further suggested that we should review the risks posed to consumers by auto-switching services, which it believed were higher than traditional price comparison websites.

Citizens Advice Scotland expressed support for our proposals.

The Association for Decentralised Energy welcomed the opportunity to work closely with Citizens Advice in the coming year to help ensure future regulation is fit for purpose and that customers on heat networks have positive experiences. It also suggested a range of work areas on the development of other future network arrangements where it would like to engage with us.

National Grid ESO welcomed our plans in this area. Noting its own role in this area, it suggested there are areas where we could usefully collaborate.

SSE expressed concerns that regulatory moves to reform the 'supplier hub' model could require substantial investment, and may remove some of the benefits and protections of that current system. It encouraged us to not to overlook these issues in our work.

Ofgem welcomed our proposals to input significantly into the various energy reviews initiated by Greg Clark's November 2018 speech, and in particular the retail market review. It saw synergies between our work in a range of areas and the policy questions that the review will need to consider.

UKPN highlighted that it had commissioned work to consider how the evolving energy market may impact on the vulnerable with a lack of digital skills and financial capability having the potential to disadvantage some consumers, and would shortly share this with us and others.

Scottish Power welcomed our plans to deliver a piece of work on legal protections in future markets (specifically on TPIs and consumer protection in

flexible markets). It also thought that commissioning a full distributional analysis of future business models in the evolving energy markets would be a useful contribution towards assessing a case for any future vulnerability price cap and consumer protection framework for a post-supplier hub world.

Energy UK suggested we should undertake work to highlight the growing cost to customers of the supplier of last resort process and consequential mutualisation, engaging with Ofgem and industry to improve the process for the benefit of all customers and market participants. It also urged us to ensure through its advocacy work it emphasises to Ofgem that stricter market entry requirements and ongoing requirements should be a priority, particularly in light of the growing frequency of supplier failure events in recent months.

4.2 Shape the regulation of heat networks (Energy)

3 respondents commented on this theme. All 3 were neutral.

Citizens Advice Scotland suggested that further work on the effect of tenancy types on heat network consumers' experiences would be welcome.

The Committee on Fuel Poverty asked that our work in this area include analysis on how heat networks could be used to tackle fuel poverty.

The Heat Trust set out the range of its work and looked forward to working with us on issues affecting heat network customers.

4.3 Investigate firms' use of consumer data (Cross-sector & Post)

8 respondents commented on this theme. 2 were positive, 5 neutral and 1 negative.

BEUC thought we should broaden this work to consider the type of data each actor of the energy value chain would be interested to access and for what purpose they would use it. Centrica encouraged us to consider what consumer data the regulator should be legitimately able to request from suppliers.

National Grid ESO noted that anonymised data from smart meters and EV charge points will be critical in the operation and planning of the energy system in an efficient way that maximises value to the consumer by allowing for better operational and investment decisions. It agreed that it is essential that data is protected and is used for the right purposes.

UKPN made some observations about how it holds and uses consumer data.

Energy UK thought more could be done to encourage consumers to utilise the data that is available to them. It thought we should be championing the use of data, not just on an individual consumer basis, but pushing for industry systems

and processes to be allowed access to an appropriate level of consumer data so that all consumers can benefit from systems-wide improvements.

Citizens Advice Scotland agreed that the process for opting out of marketing mail is unnecessarily complicated for consumers. They support measures to streamline the process. Age UK were also pleased that we were committed to ensuring that consumers are empowered with regards to controlling the use of their data.

Royal Mail stated that the current scheme is effective and note that advertising mail is a critical revenue stream that helps sustain the USO. In this light, they question the need for our proposed work in this area.

We agree that advertisers appear to be taking GDPR seriously, but we still see compelling evidence that opt-out schemes are disjointed, and often ineffective for many consumers. In light of GDPR, we believe this is the right time to explore how best to simplify the processes and empower consumers to control how their data is used for marketing purposes.

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