



A consultation on proposals to amend domestic energy supply licence conditions - requiring provision of key energy data in a machine readable format

Response from Citizen's Advice

April 2014

About Citizens Advice

1.1 The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

1.2 The service aims:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

1.3 The Citizens Advice service is a network of nearly 400 independent advice centres that provide free, impartial advice from more than 3,500 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups. In 2012/13 the Citizens Advice service in England and Wales advised 2.3 million people on 6.6 million problems.

1.4 Since April 2012 we have also operated the Citizens Advice Consumer Service, formerly run as Consumer Direct by the OFT. This telephone helpline covers Great Britain and provides free, confidential and impartial advice on all consumer issues.

1.5 In the last four quarters Citizens Advice Bureaux have dealt with 84,000 enquiries about fuel debt, while hits to the energy section of our website doubled in October and November, the period during which suppliers announced their price increases last year. Calls to the Citizens Advice Consumer Helpline seeking advice about energy doubled in the same period.

1.6 In April 2014, Consumer Futures completed its transition into Citizens Advice. Consumer Futures was the statutory consumer body for Energy in Great Britain.

Response to the consultation questions

1. **What data items are required to fully realise the benefits of information available electronically?**

The items listed in the consultation are appropriate but do not take account of vulnerability issues. Given that a stated target group the proposals are intended to assist are less engaged (and less “connected”) consumers who are attending third sector advice agencies and events there is a greater likelihood that there will be potential vulnerability amongst the target group. It is important therefore that receipt / eligibility for Warm Home Discount (WHD) and Priority Services Register (PSR) status form part of the standard set of data items. This would mean that sensitive personal data would be included, but we think the potential benefits could outweigh the additional data protection measures that would be needed.

We consider that as well as facilitating switching, the third sector events are also an ideal way to give advice about entitlement to other support or identify potential vulnerability. This raises issues regarding training and accreditation for events – discussed at the end. Provided adequate accreditation and data protection is in place, we believe it may be useful to allow the data items in relation to vulnerability to be edited so that if a switch is completed where a consumer is eligible for PSR or WHD they are added as part of the switch.

2. **To be most effective for customers where should QR codes be placed on bills and statements of account?**

Whilst there is clear impact by having the machine readable data / image on the first page the RMR has considerable requirements regarding information to be displayed on the front page of bills. We believe that an additional requirement for new data to go on the front page of the bill may detract from the strength of these messages and/or risk confusing consumers.

We would be more comfortable with a new requirement on suppliers to put the QR code in a prominent place on the bill but not strictly define whether it should go on page 1, page 2, etc.

3. **Do you agree with the proposed text for the ‘call to action’; if not please propose amendments together with your rationale for them?**

We agree that a call to action is necessary but feel that as worded this may not appeal to less engaged consumers. To do so it might need to explain more what the data is and how it is used. Unless the call to action draws attention to how less (technically) engaged consumers can use the data they are not likely to see it as relevant.

We suggest using similar language to that used in Ofgem’s new Go Energy Shopping initiative. The language used is accessible and consumer friendly and it would help reinforce the wider messaging around encouraging engagement.

4. **Are there communications other than bills or statements of account on which it would be useful to include key customer data in a machine readable format?**

Since there is as yet no evidence that QR codes will actually increase consumer engagement, especially amongst the target audience for this proposal we think that it is appropriate to confine the obligation to bills and statements. Once there is evidence that consumers and particularly vulnerable consumers are making use of QR codes consideration could be given to applying this to other communications; which communications may be informed at the time

by any evidence of RMR impact to identify which if any communications would be most effective.

5. What are the costs/ benefits of requiring machine readable information on communications other than bills and statements of account?

Not applicable.

6. To make the information clear to consumers, is it necessary that each data item be accompanied by a descriptor, such as those provided at paragraph 24 above and, if so; do stakeholders have any comments on these descriptors?

We are unclear as to the value of descriptors - if it is portable then the data should populate whatever program / application it is transmitted to. It is important that these applications or third party intermediaries have clear descriptors themselves, and comply with the Confidence Code. It is important any descriptors are in plain English. The range of data is such that it is a mixture of technical (MPAN etc) which are not informative to customers even with a descriptor and clearly understood data not needing further description - such as usage levels.

That said it is important that the descriptors for data item are consistent between suppliers, applications and TPIs, and that advisors have access to the agreed descriptors in order to inform consumers effectively.

7. Should the licence modifications limit the range of machine readable formats, for example to those that have data embedded in them and, if so, should we prescribe the minimum image size (2x2cm) of such images?

We do not have an opinion in favour of any particular format or technology. We believe that to prescribe a single format could limit the benefits in the long term with the risk of adopting a format which quickly becomes obsolete. We are also aware that developing many formats at once would inevitably increase costs – both for suppliers and potentially for third sector agencies delivering support. We notice that you ask in question 15 for estimates of costs of developing applications. We believe that the responses received may indicate an appropriate approach to choice of formats. On whether a certain size should be prescribed this depends on the rationale for this – if technical our answer remains the same, if it is to act as a visual “prompt” for consumers then it should be an appropriate size to do so - but must not compromise readability of the bill generally.

8. Are there any specific data protection issues relating to trusted third sector advocates utilising machine readable images to inform cross market comparison applications?

We believe that there are data protection issues generally, as well as specifically, in relation to third sector advocates. Previous research into third party intermediaries (as opposed to third sector) identified privacy concerns.¹ In particular, consumers declared concerns about giving their personal details such as telephone number and email address, as they fear these might be shared with third parties and may result in nuisance calls and other unsolicited marketing.² The research also found that privacy concerns were cited as a barrier to consumer take up of

¹ *Price comparison websites: consumer perceptions and experience* research commissioned by Consumer Futures with RS Consulting (<http://www.consumerfutures.org.uk/files/2013/07/Price-Comparison-Websites-Consumer-perceptions-and-experiences.pdf>),

² Ibid

a new generation of comparison services such as data analysers, or using PCWs for switching and purchasing.³

Given that the target audience will be less engaged consumers who may have concerns regarding technology (hence using third sector advocates) this will be a real issue. As the proposed data set included personal data it is important that any applications and third party applications / sites have privacy statements and seek appropriate permissions and explain data handling and security systems.

If consumers are seeking advice support from others it is important that they trust not only the agency they visit but any further use of data by TPIs (marketing or offer of additional services unless requested) and that data harvesting is not possible. We have also made proposals in question 1 that data regarding WHD and PSR be included. This would be sensitive personal data and so appropriate safeguards are more important. It is also important that a system of training and accreditation is put in place to ensure that staff and volunteers delivering sessions have a good understanding of data protection, but also wider energy advice.

As we set out below, Citizens Advice also have some reservations about the practicality of the proposals for staff and volunteers of third sector agencies in using smart devices as part of events. This will need either staff or volunteers using their own equipment or the purchase of dedicated devices. Agencies with a record of delivering events have concerns about using staff/volunteers' own personal devices for events - as both a potential privacy issue themselves as well as using their own device to process other people's personal data. If (which we think is unlikely) dedicated devices are purchased then protocols concerning their use and data handling will need to be considered – such as deleting or safe storage of data. In either case many events have worked on the basis of having follow up sessions, and in many cases consumers want time to reflect on options and so an ability to store data for a follow up session will be needed. We discuss this issue in the Additional Comments at the end.

9. If so, what safeguards, if any, can be put in place to ensure data, once used, is not retained in an application?

We do not have the technical expertise to answer this question fully but we are also aware that there is a trade-off between data security and consumer engagement. Where a potential switch has been identified but the consumer wants time to consider (or to get further advice about wider entitlements)

We repeat our recommendation in the report on price comparison websites⁴ that Ofgem (and other regulators) work jointly with ICO ensure PCWs' and in this instance Application developers/ operators compliance with relevant data protection regulations, as well as ensuring that PCWs /Applications provide clear and prominently displayed privacy policies on their websites which give consumers the opportunity to opt-out of third party data sharing. We consider that Applications should only be able to transfer data to TPIs that comply with Confidence Code and have appropriate data protection / sharing policies.

10. Are there any further issues to consider with regard to the proposed implementation timetable?

We understand that a core target group that this measure is intended to support is less or dis-engaged consumers who will not use the data directly themselves but take it to third sector organisations and events to seek further advice. Whilst such events have been held for some

³ Ibid
⁴ Ibid

time this has largely been on the basis of advice and subsequent follow ups. With this proposal, events will be held with advisors equipped with smart phones or tablets. This would either require agreement for staff and volunteers to use personal equipment and appropriate protocols developed to protect staff and volunteers as well as consumers, or purchase of equipment by organisations, which would be dependent on fundraising.

Another issue potentially affecting the timetable is the delivery of training and accreditation of advisers. As mentioned above, many events are based on an initial event with follow up sessions. If switches are planned to take place at the initial events then all potential advisers would need to have sufficient training to give the additional advice needed – entitlement to PSR/ WHD, energy efficiency measures etc.; the increased numbers of people needing to be trained would need to be taken into account. We discuss this issue in the Additional Comments at the end.

11. We invite suppliers' assessment and analysis of the likely monetised set up and on-going costs, including labour costs, of implementing these proposals.

We are not in a position to answer this question. We would be concerned however if the cost of implementing these new requirements was such that it actually increased bills. We also feel that the costs of supporting third sector agencies need to be reflected. If they are not then this measure will primarily benefit technologically engaged, potentially at the expense of disengaged consumers.

12. If you are a supplier, what steps will you have to take to comply with the proposed licence modifications? Are there any additional actions you will have to take other than acquiring software to produce the machine readable image, redesigning the bill and changing the bill generation and printing processes, and extra printing over the years?

Not applicable.

13. Are the costs of implementation likely to be disproportionate for smaller suppliers? Please provide supporting evidence.

It is possible that the costs will be disproportionate. Based on some informal discussions with CAB staff who have delivered EBD / BESW etc. events, the target group of consumers DECC has identified for this measure are less likely to switch to (and even less so be a customer of) smaller suppliers. These consumers are more likely to have a high level of trust in known brands - Co-operative Energy being a possible exception due to broader brand recognition. So the suppliers could face increased implementation costs for limited potential gains.

That said the fact that smaller suppliers are not required to operate same social obligations (and in some cases we have concerns about protection of vulnerable customers) it is important that smaller suppliers have the same data requirements so that consumers can obtain assistance in switching again.

14. If you are an energy supplier, what is your assessment of the non-monetised cost of implementing the proposals over the lifetime of the programme?

Not applicable

15. We further invite third party intermediaries to provide their assessment of the likely costs of developing applications that will facilitate frictionless upload of the data to inform cross market comparisons and provide comments on their potential, including benefits to consumers?

Whilst not directly directed to us we would like to make some comments here. We believe that development costs of Applications should include costs associated with ensuring data security of destination application/system to which consumer data is transmitted. We also think that the additional costs of third sector agencies in developing outreach sessions using devices and applications should be considered.

Additional Comments

Whilst we think the intention behind the proposal is positive, the context in which it is intended to be delivered poses some practical issues that the consultation does not appear to have fully considered.

Many third sector events and advice sessions work on the basis of hosting a general session, with follow up sessions at which people switch tariff or supplier (or otherwise) or enrol in collective switching schemes. To fully make use of the machine readable data all advisors present at events would need to have smartphones or tablets. Many staff or volunteers would be unhappy in using their own personal property in this way and would also be concerned about data protection issues both for themselves (their phone being “tracked”) and also in relation to those they are advising – personal data passing through a personal device. The data protocols will need to be very robust. This will mean however that the opportunity to store information and activate a switch after the consumer has had a chance to reflect (which many want) will be lost. The use of personal devices may also make monitoring more difficult - volunteers and staff would need to either use their device to conduct monitoring or use a separate monitoring system and transfer data.

The alternative would be for organisational devices to be made available. Realistically few if any local delivery bodies will possess such organisational devices already. This leaves the option of these being supplied by DECC (or through a central scheme) or secured by fundraising. In the case of the latter it is very unlikely to be a high fundraising priority for local advice agencies. There will also still need to protocols about use, transmission and storage of personal data. Indications from DECC as to availability of funding for purchase of devices for use at outreach events would be welcome.

An option which we see as a possibility (rather than a recommendation) is that events partner with a Confidence Code accredited switching site who would provide devices. It is essential that the partner is Confidence Code accredited and we also recognise that there are potential commercial and conflict of interest issues with this.

To be effective there will also need to be considerable investment in training and accreditation. As mentioned above many sessions run on the basis of initial information and a follow up sessions or referral to local collective switching schemes, rather than all staff and volunteers being accredited advisors. Given that the purpose of the scheme is to facilitate switching at events and that the target group are less engaged / confident consumers, who may also be potentially vulnerable, then comprehensive supporting advice is needed. Time and resources will need to be invested in staff and volunteers delivering events to ensure that all are confident in delivering appropriate advice as well as facilitating switching.

