

## CONSUMER FOCUS AND CONSUMER FOCUS POST POLICY ADVOCACY

**Deputy Chief Executive: Philip Cullum**

**Interim Director of Policy: Sarah Brooks**

**Interim Director of Reputation and Impact: Adam Scorer**

---

### **1 Accomplishments since last Board meeting**

#### **1.1 Energy**

- 1.1.1 We had a particularly strong media presence on energy issues in this period, using this as an opportunity to advance our call for a Competition Commission investigation, and we maintained a high level of stakeholder engagement. Jonathan Stearn gave oral evidence to the Energy and Climate Change Committee as part of its inquiry into fuel poverty. We met DECC officials to develop the energy 'summit' proposed by Energy Minister David Kidney, and we met Treasury officials to feed into their energy market assessment, which will see an initial paper on the state of the market released on Budget day. Audrey Gallacher presented to the DECC Directors' energy strategy group, Philip Cullum and Richard Hall spoke at the Gas Forum executive committee, and Zoe McLeod was the sole consumer voice at both the European Commission's high level event on ICT and energy efficiency and Ofgem smart metering workshops.

#### **1.2 Vulnerable disconnections**

- 1.2.1 We have seen further positive impacts from last year's vulnerable disconnections review. Following best practice recommendations in the report, all suppliers suspended disconnections over the cold snap and five of the big six have stopped all disconnections during the winter moratorium – this protection extends to all consumers, not just vulnerable people.

#### **1.3 Balancing and Settlement Code Panel**

- 1.3.1 We have two places on the Balancing and Settlement Code (BSC) Panel, which oversees electricity trading arrangements. The two Consumer Focus appointees (Abigail Hall and Andrew Horsler, formerly an energywatch Board member) had a significant impact on a vote on a proposal to introduce a zonal transmission losses scheme. Currently, transmission loss charges are smeared across all electricity users in GB; the proposal would change this arrangement so that electricity consumers are charged on the basis of where they live, resulting in increases in some areas and decreases in others. We were able to ensure that this proposal was not approved. This now sits with Ofgem for final decision.
- 1.3.2 The BSC panel meeting on 11 March was Andrew Horsler's last meeting as he has decided to retire. Andrew has attended the panel as a Consumer Focus appointee since October 2008; he has been an outstanding advocate for electricity consumers.

#### **1.4 Doorstep selling**

- 1.4.1 Work has continued on doorstep selling with the ERA changing its position on 'no cold calling' zones and signage by agreeing amendments to the Energysure Code. This represents a significant move, given that all suppliers informed us that they did not recognise such zones and half ignored consumers' own signage. We also held a roundtable with Trading Standards Institute and the home authority trading standards officers for the big 6 suppliers to look at ways of addressing issues in energy doorstep

selling. Further work is planned, including a summit involving suppliers and Ofgem and developing a doorstep preference scheme.

## 1.5 **Undue discrimination**

- 1.5.1 We have received a response form Ofgem on our referral on undue price discrimination and prompt pay discounts. While it has not detailed specific action it is taking, the inference is that it is being tackled. The recent round of price reductions also appears to have gone some way to addressing differentials, with SSE equalising pre-payment prices and npower tackling dual fuel standard credit with the provision of a dual fuel discount.

## 1.6 **Fuel poverty**

- 1.6.1 The Government launched its Home Energy Management Strategy on 3 March. This included a proposal to set a minimum energy efficiency standard of Energy Performance Certificate (EPC) Band C or SAP70 for all social housing by 2020. This represents a significant step towards meeting a long standing call from both Consumer Focus and the End Fuel Poverty Coalition for minimum energy efficiency standards. We argued this was essential for “fuel poverty proofing’ homes. Only last year, the Government argued that our call was unrealistic. We will now encourage the Government to introduce a similar standard for private sector housing.
- 1.6.2 We have updated the Fuel Poverty Charter and 15 organisations are now signatories. The launch will take place on 17 March, with a keynote speech by energy minister David Kidney.

## 1.7 **Billing**

- 1.7.1 We have worked with the Energy Retail Association and Ofgem on finalising the Billing Code and new guidelines and consumer information materials on the back billing rules. The new Code will be launched on 1 April.

## 1.8 **Regulation**

- 1.8.1 The Energy Bill had its report stage in the House of Commons (24 February). Lib Dem Shadow Energy Secretary Simon Hughes tabled an amendment, which we support, to raise the threshold that energy suppliers need before they can block licence conditions. This brought a commitment from the Government to address the issue outside of legislation. A similar commitment was received to revisit the 65 day timeframe that suppliers have to tell customers of price changes, which we also support.

## 1.9 **Post**

### 1.9.1 **Postal strategy**

- 1.9.1.1 As part of the Consumer Focus project to develop a strategic plan for postal services, we held the first of a series of roundtable stakeholder events. Key speakers Richard Hooper and Elmar Toime led the discussions on declining mail volumes and the future of the USO.

### 1.9.2 **NILGA Meeting - Northern Ireland Local Government Agency**

1.9.2.1 Chris Thirkettle gave a presentation at the Northern Ireland Local Government Association's Executive Meeting, which was attended by representatives from all 26 Local Councils. The presentation focussed on the current state of the Northern Ireland post office network and the importance of placing local government services through the post office.

### 1.9.3 **Post Office banking**

1.9.3.1 Consumer Focus has submitted a substantial response to the BIS consultation on Post Office banking. The response is an exemplar of the powerful voice we can speak with when working across teams and drawing on our cross-sector and cross-boundary expertise. The response was a joint output from the Consumer Focus Post Office Policy Group and, as such, drew on the research and expertise of the Community & Public Services team, Consumer Focus Post, Consumer Focus Scotland and Consumer Focus Wales. Invaluable contributions and feedback were provided by colleagues in the Disadvantage team, the Financial Services team, CPACE and Lindsey Kearton in CFW. The response also drew on the specialist skills and expertise of colleagues in the Regulated Industries and International teams.

1.9.3.2 Lib Dem Shadow Business Secretary John Thurso MP provided a positive response to our work on strengthening the financial services offered by the post office in a meeting on 3 March.

### 1.10 **Financial services**

1.10.1 Two submissions were provided to the Treasury Select Committee – one on the abolition of cheques and the other on mortgage arrears and access to mortgage finance. As a result Consumer Focus has been asked to give oral evidence to the Committee on the abolition of cheques on 16 March.

### 1.11 **Communications / digital**

1.11.1 Our *Mobiles Best Deal* leaflet – which provides advice to consumers on saving money and getting the best mobile package – was launched on 11 March. This is a joint project with Ofcom and the Consumer Panel. It will be accompanied by a letter to parliamentarians, with a local press release for their use. We expect this to deliver significant benefits for consumers.

1.11.2 Minister for Digital Britain, Stephen Timms, spoke at the launch of our research into overcoming the barriers to internet access, entitled: *Broadband Minded?* The parliamentary event was hosted by John Robertson MP and was attended by MPs and Peers from across the political spectrum, research participants and representatives of stakeholder organisations. The report sets out a blueprint for making universal access to broadband a reality.

1.11.3 We met Intellectual Property Minister David Lammy to discuss issues relating to the copyright strategy and Jill Johnstone took part in an Intellectual Property roundtable led by Conservative shadow minister Adam Afriyie.

1.11.4 We have commissioned a pilot scheme which will enable consumers to call selected government helplines from their mobile phone for free. The trial involves the Police's honour violence helpline, the Learning and Skills Council's careers advice service and SmellGas, a number for reporting suspected gas leaks. The special freephone pilot scheme will begin on 1 April and run for at least 10 weeks. Consumers will benefit from the immediate cost savings. This is part of a wider project evaluating options to

ensure that mobile phone users can access essential government helplines at an affordable price comparable with landlines.

## **2 Challenges running up to next Board meeting**

### **2.1 Npower**

- 2.1.1 Negotiations with npower on the overcharging issue have continued since the last Board meeting. We have presented our pricing analysis and the company has come back with some revisions. We are due to meet again on 17 March where we hope to reach agreement. Meanwhile our lawyers have confirmed that any case would be underwritten by their insurers.

### **2.2 Gas Industry Code Modification Proposal**

- 2.2.1 At the Uniform Network Code (which oversees the gas industry governance) panel meeting on 18 March 2010, Consumer Focus will raise our first industry code modification proposal. Currently Consumer Focus has the right to send two representatives to UNC panel meetings but does not have the right to vote, in contrast to our status on the major electricity code panels. This proposal would change the Code to give us two votes. Currently the panel membership is formed of 5 shipper (gas suppliers) and 5 transporter (gas network operators) This change would be in keeping with best practice and with Ofgem's general approach; however we expect opposition from some transporters who might perceive this as a threat.

### **2.3 Fuel poverty**

- 2.3.1 The first results from the 'fuel poverty monitoring tool' will come out at the end of March. This will provide robust and up to date data on the level of fuel poverty in England and the UK. This is likely to be sensitive because it will provide concrete evidence that the Government is further away from meeting its legal duty to eliminate fuel poverty among vulnerable households by 2010 than when it launched its Fuel Poverty Strategy in 2001. It will also demonstrate the sheer scale of the task required to hit the legal duty to eliminate all fuel poverty by 2016.
- 2.3.2 On 15 and 16 March, the deliberative research event will be held, bringing together low income consumers and financial service providers. The event aims to provide an opportunity for service providers to hear first-hand the issues low-income consumers face. There will be approximately 50 consumers and 20 providers, from a broad range including high street banks, building societies, home credit providers, payday lenders and insurance companies.

### **2.4 Financial inclusion**

- 2.4.1 On 25 March, we have been invited to be on the panel at an event launching the Financial Inclusion Taskforce's research into the unbanked, which will also be an opportunity to present our own research findings. We intend to have the executive summary of our report published for distribution at the event. The final version of the report will be ready by the end of March 2010.

### **2.5 Budget and General Election**

- 2.5.1 The Budget date has been confirmed as 24 March, making it likely that the general election will be on 6 May. Once the election has been called we will reduce our external profile in line with Cabinet Office guidance.