

Consumer Focus Board

Paper 7.1

Title: Disadvantaged consumers – work programme to March 2010
Purpose: For information
Date of meeting: 7 May 2009
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Attachments: 0

1 Overview

- 1.1 The Board has asked for each programme to report to the board.
- 1.2 Consumer Focus is campaigning for a fair deal and its mission is to 'make a difference to people's lives as consumers, particularly the more vulnerable, by championing policy changes that can help make people as powerful as the institutions that serve them'.
- 1.3 Concern for vulnerable consumers is embedded in the whole organisation and not the sole responsibility of the disadvantage team. But this paper outlines the work of the Disadvantage team and the interconnections with other advocacy programmes.

2 Action for the Board

- 2.1 To note the progress being made in delivering our work plan on disadvantage.

3 The key issues

- 3.1 This paper summarises main points from the presentation to be made to the Board.

Defining of disadvantage

- 3.2 The Consumers, Estate Agents and Redress Act 2007 lists:
 - a. Disabled or chronically sick individuals;
 - b. Individuals of pensionable age;
 - c. Individuals with low incomes;
 - d. Individuals residing in rural areas

3.3 But this is not comprehensive or inclusive

The workplan describes *'addressing key issues facing consumers who are disadvantaged for example by income, location, age or health.'*

That is quite a sizeable group of the population of the UK:

- 3.9 m children - one in three - are currently living in poverty in the UK
- 10 m people covered by the legal definition of disability
- 11.3 m people over pension age.

3.4 It could be even broader - other consumers could be at a disadvantage by - redundancy, flooding, loss of essential services etc.

Three initial priorities

3.5 Following the agreed workplan, the Disadvantage team has focused on:

- Fuel Poverty - rising fuel prices and the rising numbers of people experiencing fuel poverty over the winter months
- Debt - how businesses deal with vulnerable consumers particularly those in debt
- Digital Divide - the need for a new universal service obligation.

Taking these in turn:

Fuel Poverty

3.6 Fuel Poverty is the focus of the first campaign of Consumer Focus. We have created a coalition of poverty, environmental and consumer organisations to drive forward a Fuel Poverty Charter and a Fuel Poverty Bill.

3.7 The coalition includes: Association of Charity Officers, Age Concern/ Help the Aged, Association for the Conservation of Energy, British Energy Efficiency Federation, Centre for Sustainable Energy, Child Poverty Action Group, Consumer Focus, Compass, Counsel and Care, Disability Alliance, Federation of Private Residents Associations, Friends of the Earth, GMB, , National Right to Fuel Campaign, NCT, SERA, the Sustainable Energy Partnership, Unison and the Women's Institute

3.8 **The Charter** aims to see a:

- a. Fully costed Fuel Poverty Plan
- b. Inter-ministerial FP Task Force
- c. Property database

- d. All homes improved to energy efficiency level of new homes, using Low Carbon Zones
- e. Minimum energy efficiency standards for all buildings
- f. Improved incomes and crisis winter payments
- g. Welfare rights advice
- h. Mandate minimum standards for social tariffs
- i. Stop unfair pricing of pre payment meters, standard credit and in-area electricity
- j. Low income households to benefit from feed-in tariff

The Fuel Poverty bill

- 3.9 The bill was adopted by David Heath MP who came second in the private members ballot. The Fuel Poverty Bill aims to ‘fuel poverty proof’ homes by making them very energy efficient and introduce mandatory social tariffs for low income and fuel poor families.
- 3.10 The bill was talked out by the government when it was debated on the 20 March and will be debated again on the 12 June. An early day motion support the bill has been signed by 187 MPs and is in the top ten. We have been reaching the public through Facebook and Twitter – and have over 1,000 supporters.
- 3.11 The bill and coalition has put fuel poverty high on a wide range of organisation’s agendas and helped drive fuel poverty up the government and political agenda. The government is now carrying out its on review of fuel poverty
- 3.12 Consumer Focus has shown that it is a campaigning organisation that can work successfully inside and outside government

Future plans

- 3.13 Consumer Focus has briefed coalition members on the upcoming Community Energy Saving Programme and Heat and Energy Saving Strategy consultations. This should mean the government will get responses from a wide range of organisations. We plan to continue building the coalition and the engagement with the public to see fuel poverty high on the agenda in the general election.

Debt

- 3.14 The work programme states we will – ‘identify and promote good practice by businesses across a number of sectors for dealing with vulnerable consumers, with an initial focus on the treatment by companies of customers in debt’. We have commissioned research on how consumers treat debt and are being treated by organisations.

Initial spotlight: consumers:

- trying to reduce bills – mainly energy suppliers
- increasing credit/ overdraft/ increasing indebtedness and facing housing debt

Initial spotlight: organisations:

- basic bank account, social fund – financial inclusion
- high interest rate loans – pay day lending

3.15 What next - home credit, and other loans (store cards, credit cards, shop loans), selling debts on.

Digital divide

3.16 The work programme call on Consumer Focus to ‘identify and promote the needs of consumers who are disadvantaged by their lack of access to the internet’.

- The disadvantage team is publishing a report on the consumer’s perspective to the digital divide. It highlights the failure of joined up government and the need for a universal service obligation
- We will conduct follow-up research to develop an understanding of the issues and concerns are of those experiencing digital exclusion.

Children as consumers

3.17 Following Ed Mayo’s book *Consumer Kids*

- Will follow up the themes in the book with the National Children’s Bureau’s Young People’s Consumer Panel
- Investigating website advertising and marketing codes and where they fall short in protecting children
- Contributing to the international debate on marketing to children.

Consumer Focus cross cutting strategies

3.18 As the work plan progresses, links are being made between the issues outlined above and other programmes. These include:

3.19 Fuel poverty

- Fair Markets -Renewable energy tariffs for low income households and who pays
- Company Performance and Consumer Experience - Data processing, social tariffs price monitoring
- International -Tackling energy poverty at European level

- Scotland and Wales - Policy working group

3.20 Debt

- Fair Markets - Financial services think tank and Feast to famine
- Company Performance and Consumer experience - Debt and disconnection
- Community and Public services - Post Office Card Accounts

3.21 **Digital divide**

- Fair Markets - Leading on the digital strategy
- Company Performance and Consumer experience - Collaborating on mobiles and telecom consultation

3.22 Children as consumers

- Fair Markets - Collaborating on Broadcast Committee of Advertising Practice and Committee of Advertising Practice codes and Children and school food issues
- International - Working on EU marketing to children advertising codes
- Scotland - Children and school food issues

4 Resources

4.1 Within existing resources