

Consumer Focus Board

Paper 13.1

Title: Memorandums of Understanding (MOU) with external organisations

Purpose: For information

Date of meeting: 29 June 2009

Responsible officer: Philip Cullum

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Attachments: Annex 1: Summary of MOUs agreed and in preparation

1 Overview

- 1.1 This report provides the Board with an update on the Memorandums of Understanding (MOUs) Consumer Focus has developed with external organisations.
- 1.2 Some MOUs are required by statute; such as with BIS, OFT/ Consumer Direct, Ofgem, Postcomm, and the Consumer Panels of Postcomm and the FSA. We have also chosen to set out agreements with other key partners such as the new independent body set up to run the Postal Redress Service. A summary is at Annex 1.
- 1.3 All the MOUs define the framework for co-operation – containing similar sections on how and when we work with the other body, share information and ensure consistent treatment of matters affecting us both, and inform others of our work and contribute to their activities. They help us gather information on consumer experience for our evidence base for advocacy and policy work. They specify some meetings at Chair, CEO and officer level and reinforce the ethos of “no surprises” between publicly funded bodies to ensure clarity of roles and effective use of public resources. Some MOUs are specified in legislation but the MOUs do not modify or supersede any laws or regulatory requirements.
- 1.4 The MOUs are primarily corporate documents on behalf of the main Board with a UK or GB scope for issues which are not devolved. However, the structure of Consumer Focus reflects the devolved nature of the United Kingdom and it is recognised that, within the operation of the MOUs, Consumer Focus Scotland, Consumer Focus Wales and Consumer Focus Post Northern Ireland may discuss matters specific to consumers resident in those nations with relevant bodies.
- 1.5 Key MOUs have been agreed, signed by the Chair on behalf of the Board, are now being implemented, and will shortly be published on the updated website. Some redress processes have not been fully tested yet. The intention is that MOUs will be reviewed after one year in a process to be coordinated by the Head of Secretariat, and then a report will be brought to the Board in the new year.

- 1.6 Two MOUs are now being finalised for agreement which have previously been agreed in principle by the Audit & Risk Committee and Board; the Financial Framework with BIS (a standard NDPB document), and the MOU with Ofgem. There are no substantial issues, just finalising the details and annexes. They are expected to be concluded by the end of July, along with the agreement with IDRS Limited, the independent body appointed by Postcomm to run the Postal Redress Service.

2 Action for the Board

- 2.1 To note the MOUs that have been agreed, along with proposals for concluding and publishing the Financial Framework with BIS, and the MOU with Ofgem and the agreement with the Postal Services Redress Scheme.
- 2.2 To note constructive working relationships are underway with our key statutory and regulatory partner bodies.
- 2.3 To note that officers are discussing with several partners our need for more detailed information in order that we can be more effective in campaigns to promote the interests of consumers. These are
- Consumer Direct on how to access and publish more detailed information on specific suppliers in designated markets. We have also indicated that we want to have more detailed information on non-designated markets, and will develop the case for this, and how we would use this information following the development of our next annual plan.
 - Ofgem where our discussions on disconnections of vulnerable consumers (Paper 11.1 on this agenda) has highlighted issues around information provision from energy companies.
 - Royal Mail – who we do not have an MOU with, but have good working relationships but are now pressing to ensure we receive the detailed breakdown on service information; such as by country, that used to be provided to Postwatch.

The Board will be updated if these discussions are not concluded positively.

3 The key issues

The various MOUs and their current status are summarised in Annex 1.

MOUs required by statute

- 3.1 Consumer Focus agreed an MOU in December 2008 with BERR which summarises the key relationship and role of Consumer Focus as an executive NDPB of BERR. A more detailed financial framework agreement with BERR was agreed in principle by the Audit and Risk Committee in June 2008 and is about to be signed.
- 3.2 The CEAR Act sets out Consumer Focus' powers of investigation and investigation of complaints by "vulnerable designated consumers" and in relation to post offices and

disconnection of gas and electricity and also reference of matters to Ofgem and Postcomm. These powers and duties are reflected in the MOUs with:

- Postcomm
- Ofgem
- Post Office Limited

3.3 CEAR requires Consumer Focus to agree MOUs with certain bodies to ensure effective co-operation and clarity for third parties. AS with the BERR Financial Framework, these must be published, copied to the Secretary of State and laid before each House of Parliament:

- the Office of Fair Trading – including Consumer Direct
- the Consumer Panel established by the Financial Services Authority
- the Consumer Panel Established by OFCOM

3.4 With Consumer Direct we have noted the factors to be addressed in requesting and sharing information and specifics such as case handling and transfer agreements, and also recognise the super-complaint status and note the framework for that process. Detailed protocols have been agreed with Consumer Direct on different referral paths for specific groups of consumers who are vulnerable and/or in the designated areas of postal or energy consumers, and also on protocols for working with suppliers. OFT will designate relationship managers in Scotland and Wales in addition to UK / GB/ England.

3.5 With the Panels we have set out how overlapping responsibilities and functions will be managed to the benefit of consumers, procedures for appointments of Board members to the Panel, and vice versa and agreement to share Board and Panel meeting agendas.

3.6 The experience of data sharing with Consumer Direct has led to discussion on certain issue to ensure Consumer Focus has quality evidence to use in policy and campaign work. Designated markets data is provided monthly on energy and post from Consumer Direct. We have proposed that we publish supplier specific statistics and to receive data more frequently. However, to date these requests have been rejected.

3.7 Non designated markets data is limited to public access which is not sufficient for our campaigning needs. In practice this means we can run general reports on different sectors and complaint types from the Consumer Direct system but not against specific companies and without case notes.

3.8 It was agreed as part of the MOU that Consumer Direct would consider providing a greater level of detail on our non designated markets if a detailed business case was presented. They have since clarified that they are not prepared to provide data in order to support scoping of new markets until we have established our priorities in these and can confirm exactly what the data will be used for.

MOUs with other regulators and key partners.

3.9 These set out specific areas of responsibility and regular review meetings are held:

- Energy Ombudsman
- Ofgem
- Post Office Limited
- Postal Services Redress Scheme

- 3.10 We have established effective working relationships with other organisations such as a data sharing agreement with Citizens Advice and involvement in the Money Advice Trust information hub.
- 3.11 We do not have a formal MOU with Passenger Focus but have constructive working relationships and regular liaison.
- 3.12 With the Consumer Council for Water, there is no formal MOU but the Chairs and CEOs meet together regularly, in advance of the government issuing a consultation paper to enact the merger which is allowed for within CEAR. A joint meeting and dinner between the Boards is being planned in the Autumn.

4 Resources

- 4.1 Implementing the MOUs by information sharing and review meetings is managed within core resources by the relevant Programme Lead, in discussion with CF Scotland, CF Wales and CF Post, and any issues are reported to SMT.

5 Next Steps

- 5.1 The final signed versions will now all be put on the internet (with the detailed protocols on the intranet. Where required, they will be laid before Parliament before recess – those with BERR, and the Consumer Panels of Ofcom and the FSA. They will then be copied to the Secretaries of State for Scotland, Wales and Northern Ireland.
- 5.2 Discussions will continued with Consumer Direct to ensure we can achieve maximum impact and benefit to consumers from using information they hold on the consumer experience in both designated and non-designated markets.
- 5.3 To date there has not been systematic monitoring of the implementation of the MOUs. It is now proposed that in November 2009, SMT review their content and operation and consider if any need updating, or if any additional MOUs should be agreed.

Summary of Consumer Focus MOUs and Agreements with other bodies

Annex 1

CF MOU with:	Date Signed	Lead Officer	Update on 29 June 2009
Statutory requirement:			
1. BERR	Dec 2008	Philip Cullum	<ul style="list-style-type: none"> • Constructive meetings underway at Chair, CEO and SMT level, and arranged through 2009/ 2010.
2. BERR - Financial Framework	<i>Not yet signed</i>	Graham Clark	<ul style="list-style-type: none"> • Constructive working regular meetings on finance and Strategy. • Framework ready to be signed and published.
3. Financial Services Consumer Panel of the Financial Services Authority	Dec 08	Steve Brooker	<ul style="list-style-type: none"> • Quarterly meetings take place at levels including CEO/Chair • Board agendas are shared and FSA observer has attended Board. • Panel has provided helpful advice in relation to CF new major initiative on financial services.
4. Communications Consumer Panel of OFCOM	Feb 09	Audrey Gallacher	<ul style="list-style-type: none"> • Constructive working relationship since the MOU was signed. • Regular lead officer meetings diarised to end of year to share information and discuss respective priorities and work plans to avoid duplication. • Note Board member - Roger Darlington – is also on the C. Panel.
5. Consumer Direct - Office of Fair Trading Underpinning protocols are listed separately below – eg. Definitions of vulnerable consumer and data sharing agreements.	Jan 09	Audrey Gallacher	<ul style="list-style-type: none"> • Meetings take place on a quarterly basis to share intelligence and improve processes. • We have escalated our concerns around the data sharing agreement.
6. Postcomm	Dec 08	Robert Hammond	<ul style="list-style-type: none"> • Regular meetings underway. • Most recent discussion is of Post Office consultation on process for changes to Post Code addresses.
7. Ofgem	<i>Almost ready for signing – expected in July 09.</i>	Robert Hammond	<ul style="list-style-type: none"> • Good working relationships at Chair, CEO and operational level. • MOU will formalize the practical arrangements • Regular briefings and sharing of information.

Not statutory requirement:

8. Energy Ombudsman	Jan 09	Audrey Gallacher	<ul style="list-style-type: none">• Joint meetings are established.• EO is sending us regular data.• EO have confirmed they have not collected any data on the large majority of consumers outside the EO terms of reference• We requested the same data for telecoms but this was refused on the basis it was not one of our statutory markets and therefore not covered by the MOU.
9. Post Office Ltd Framework on Code of Practice for 'business as usual' changes.	March 09	Richard Bates	<ul style="list-style-type: none">• Regular meetings held.• Data provision has begun.• Full process has not yet been triggered by any referral on changes, so process is not yet tested.
10. Postal Redress Services – run by IDRS Limited.	<i>In preparation- hope to sign in July 09</i>	Robert Hammond	<ul style="list-style-type: none">• Draft in preparation with this new independent body.• Introductory meeting planed in July prior to signing.

Extra Notes to 5. Protocols agreed with Consumer Direct: (will be available on intranet)

Definitions of a vulnerable consumer and Consumer Direct Referral protocols

(Agreed through the energy and post Customer Journey Working Groups - Point of contact is EHU/ Natasha Murray)

1. Vulnerable Consumer Referral Path
2. Non-domestic energy consumer referral path for vulnerable and disconnection cases
3. Referral of vulnerable and off supply cases by advice by agencies to Consumer Direct and Consumer Focus
4. Vulnerable Postal Consumer Referral Path
5. Consumer Focus referral process
6. Consumer Direct Consumer Focus referral procedure

Consumer Focus protocols with suppliers

7. Protocols for Consumer Focus
8. Consumer Focus Extra Help Unit case handling process

Information Sharing Agreements

9. Information Sharing Agreement between Consumer Focus and the Office of Fair Trading – Information provided by the OFT from the Consumer Direct Database in relation to Energy and Post
10. Agreement with CD Wales for them to handle Welsh Language calls on behalf of the EHU.