



**Consumer
Focus**
Campaigning for a fair deal

Consumer Focus response to Defra's consultation on the Adaptation Reporting Power in the Climate Change Act 2008

September 2009

About Consumer Focus

Consumer Focus is the independent champion for consumers across England, Wales, Scotland and (for postal consumers) in Northern Ireland. We operate across the whole of the economy, persuading businesses and public services to put consumers at the heart of what they do.

Consumer Focus was formed on 1 October 2008 through the merger of three organisations – energywatch, Postwatch and the National Consumer Council (including the Scottish and Welsh Consumer Councils). We are a statutory organisation that works within a devolved setting, with work priorities varying across different parts of the country, but all working to common strategic goals.

Through campaigning, advocacy and research, we champion consumers' interests in private and public sectors by working to secure fairer markets, greater value for money and improved customer service. We have a particular focus on the interests of consumers in markets that are 'designated' by Government as requiring additional consumer advocacy.

Consumer Focus also has a commitment to work on behalf of vulnerable and disadvantaged consumers, and a duty to work on issues of sustainable development.

Adapting to a changing climate

Consumer Focus welcomes the opportunity to comment on the Government's proposals to support the management of the risks posed by climate change. Later this year we will publish our research on consumer adaptation to a changing climate, and have used our findings to inform this response.

Overall we welcome this introduction of adaptation reporting powers, particularly in relation to the provision of essential services such as health, transport, energy and water. A coherent approach to climate change mitigation and adaptation needs to be more evident across Government policy, particularly in relation to housing. With consumer needs and behaviours in mind, the Department for Environment, Food and Rural Affairs (Defra) should take steps with other Departments to embed adaptation to climate change alongside efforts to encourage people to contribute to climate change mitigation.

Housing

We are concerned that the consultation does not reflect the importance of individuals' homes to wider society. Defra understands that the impact of climate events can be devastating for individual householders, but states in the consultation (4.73) that 'they are unlikely to have nationally significant repercussions'. Consumer Focus disagrees. We have seen in the past year the effect of activity in the property market on the nation's economy and consumer confidence. A failure to reflect the needs of the individual may also, in time, undermine the public's perception of the Government's wider approach to climate change adaptation.

Therefore, Defra should seek reports that reflect the reality of the state of the existing housing stock. The intention to update the Code for Sustainable Homes only affects new homes, and a minimum standard is not set for private developers in England until 2016. Consumer Focus supports the development of a Code for Sustainable Existing Homes, incorporating measures to reflect the impact of climate changes on property and providing a fuller picture to prospective homebuyers than is currently provided by home information packs (including energy performance certificates).

Information on a home's climate resilience should not only be measured and shared when property changes hands. The proposed smart meter and heat and energy saving programmes provide an opportunity to undertake audits to assess the energy efficiency and climate resilience of the housing stock. This should be complemented by a social marketing campaign to help consumers reduce their energy bills (and related carbon emissions) and adapt to a changing climate. Such audits would provide data to support full risk assessments on this vital element of the country's response to climate change.

In terms of reporting authorities, we would like the Financial Services Authority (reporting on insurers and mortgage providers) and the housing sector (potentially reported on in England by the Homes and Communities Agency) included in the list of the required reports:

- The insurance sector has a key role in reporting the financial costs of more extreme weather, and is an essential service for consumers who are vulnerable to or have suffered from extreme climate events.
- Mortgage providers should consider the risks posed by climate change to the value of homes, not only to flag up those risks to buyers but also to manage the risks to their business and therefore the economy.

- Climate impacts must be taken into account in the delivery of housing and regeneration, and in the development of sustainable communities. Furthermore, building services are vital in helping individuals and communities recover from extreme climate events. However in the aftermath of such events, these services become more expensive and less accessible due to high demand in the geographic area concerned.

Energy

Consumer Focus supports the application of ‘Think Small First’ to the application of the power to the energy sector, and the focus on generators and distributors. This is proportional to the low likelihood but high consequences of such events, as the Pitt review says:

[During the summer floods of 2007] it was the ‘near-misses’ at Walham substation (serving 500,000 people in Gloucestershire and south Wales) and a number of electricity substations around Sheffield (servicing 750,000 people) that brought home the vulnerabilities of infrastructure assets. The failure of supply on that scale in either region would have caused chaos and, almost certainly, loss of life.

However, these companies are not necessarily visible to the consumer, who can feel very vulnerable and isolated. We would like these reports to include specific references to communication plans in the case of emergencies, plans which are likely to involve the energy supplier.

Communications

Electronic communication with consumers in times of extreme climate events should be considered alongside the carrying out of standard functions. While action by the Environment Agency provides warnings to consumers, communications remain important during and after the event. For example, in terms of climate events, there is the need for:

- better sign-posting from the media (print, television, radio) and a local helpline
- development of an emergency response by the phone sector in order to:
 - provide mobile charging units, battery swap facilities and internet access in periods of large-scale power cuts
 - share mobile networks to allow greater access to those in need

Consumer Focus also asks Defra to recognise the implications of climate change for postal services. Royal Mail services are tied to the availability of transport (road, air, and to a lesser extent rail and water), and the maintenance of their quality of service is dependent on punctual connections. While the use of consumer-to-consumer mail may be on the decline it remains an essential service to some, but more concerning is the impact on business-to-business or consumer-to-business communication where service disruptions can have serious legal or financial implications. Royal Mail staff are often on the front line during emergencies and we would like to register the importance of this continuation of service during tough times, provided the safety of staff is not at risk.

Food

We also want the upcoming Food Strategy for the Future to provide a more coherent reporting mechanism for that sector. A voluntary invitation to report (as proposed in this consultation) does not reflect the necessity of food supplies and the level of risk they face from both gradual climatic changes and severe climate events. Whether a report is co-ordinated by industry, by the Food Standards Agency or the Government Office for Science (which is exploring the policy framework for the food system and climate change) the resultant information needs to be open to public scrutiny as with reports under the adaptation reporting power.

Summary

In summary, Consumer Focus agrees with the criteria for identifying eligible authorities, and the preferred option, but would include the following authorities and providers in line with the above concerns:

- Financial Services Authority
- Homes and Communities Agency

Authorities should incorporate in their reports a communications strategy which keeps consumers updated during extreme climate events. This should sit alongside measures to maintain supply.

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If you have any questions or would like further information about our response please contact Liz Lainé, Senior Policy Advocate, by telephone on 01636 816969 or via email: liz.laine@consumerfocus.org.uk

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