

## Empowering and Protecting Consumers: UK Government consultation on the future of the consumer landscape – Wales Briefing

August 2011

### Introduction

In October 2010, the UK Government announced its intention to:

- abolish Consumer Focus (and therefore Consumer Focus Wales<sup>1</sup>), and to transfer functions relating to consumer advice, education, and advocacy to the Citizens Advice Service (Citizens Advice for England and Wales, and Citizens Advice Scotland).
- abolish the Office of Fair Trading (OFT), moving some of its competition functions to a new unitary body (the new Competition and Markets Authority) and contracting with local government bodies for delivery of a range of enforcement of trading standards activities currently delivered at a national level.

The consultation paper *Empowering and Protecting Consumers*, issued in June 2011 by the Department of Business, Innovation and Skills, provides detail on how these changes are intended to be implemented: <http://www.bis.gov.uk/Consultations/empowering-and-protecting-consumers?cat=open>. The consultation period ends on 27 September.

This briefing, primarily on the consumer advocacy elements of the consultation paper, focuses on the Welsh context. More general points are set out in the Consumer Focus Interim Response to the consultation which can be found at the following link: <http://www.consumerfocus.org.uk/files/2009/06/Consumer-Focus-interim-response-to-the-consultation-on-empowering-and-protecting-consumers.pdf>

The consultation document states that although consumer policy is reserved, it is nonetheless recognised that specific arrangements for implementation of the proposals may need to be made for Wales and Scotland and that the formal views of the Governments in those nations are awaited.

### Why this matters for Wales

Consumer advocacy, advice, empowerment, education and protection have never been more important than they are now. Essential services for people in Wales are undergoing big changes, with fast rising energy and food prices, the privatisation of Royal Mail, less money for services in the public sector, while Welsh household income is being squeezed, unemployment is rising, the population is ageing and fuel poverty is continuing to increase.

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<sup>1</sup> Consumer Focus Wales is a 'territorial committee' of Consumer Focus section 2 (1) Consumers, Estate Agents and Redress Act 2007 and statutory functions are devolved to the Board of Consumer Focus Wales

Consumer Focus Wales supports the need for changes to the institutional landscape for consumer advocacy and enforcement. We believe this consultation provides an opportunity for a fresh look at the specific needs of citizens in Wales and the Welsh context in which consumer advocacy and protection services can operate most effectively. It is important now, given the fundamental transformation in many private markets, the billions of pounds which will be invested in essential services over the next decade and paid for by consumers through their bills, and the increasing pressure on public services to consider how best to enhance support for consumers in Wales and reshape consumer advocacy in ways which can best meet those challenges.

## **Our Vision for the Consumer Landscape in Wales**

A strong and distinct Welsh advocacy model which listens to, represents and stands up for citizens in Wales. A model to inform, educate and empower citizens and make an impact on their behalf in the public and private sectors.

## **Future Consumer Advocacy in Wales**

A Welsh model for the delivery of consumer advocacy should be able to meet the needs of consumers in these difficult times and be able to represent consumers on issues that will affect us all in the future. It should learn from and consolidate the strengths of the current providers of consumer advocacy. All of the powers and functions of Consumer Focus, including the information gathering powers, must be retained for the benefit of consumers in any new arrangements. This should include work on general and sectoral consumer advocacy – consumers do not segregate their lives into silos, neither should their champion.

The six tests for successful consumer advocacy in Wales are:

- 1. It is essential that the new arrangements should require a Wales-based and focused body, with Governance arrangements that ensure decisions are made in Wales about what work is undertaken.**

Part of the strength of our work at Consumer Focus Wales is that we have been able to undertake work of importance and relevance to Wales. For example, our work on food safety as a response to Professor Pennington's inquiry into the outbreak of E-coli O157 in South Wales which has resulted in a new food hygiene law being proposed by the Welsh Government making the display of food hygiene ratings mandatory. This will help consumers protect themselves and their families from infection; our work on the Welsh language which resulted in changes to the law regarding the duties of public bodies in relation to the Welsh language or our current work on the rights of people living in Park Homes.

Our understanding of these issues and the solutions for citizens of Wales was due to our understanding and knowledge of the particular consumer and legislative landscape in Wales and our statutory powers.

The Board of Consumer Focus Wales has the functions and powers of Consumer Focus devolved to it in law by the Consumer Estate Agents and Redress Act 2007. The Board decides the work which will be undertaken in Wales following direct consultation with citizens across Wales and with a wide range of stakeholders. It is unlikely that this work would have been a priority for any UK-wide organisation. Only an organisation with sufficient resources in Wales could undertake the kind of influencing work necessary to result in changes in the law in Wales.

Current proposals as described in this consultation document do not provide complete certainty about future Governance structures and resources for Wales and, as such, we cannot say whether or not they will best serve the interests of Welsh citizens.

Funding from levies in the energy companies and Royal Mail (which currently accounts for three quarters of our funding) will dictate some of the subject areas in which work is undertaken. Decisions about what work needs to be done in Wales must be taken in a Welsh context, i.e. based on the needs of citizens in Wales with particular effort to reach out to the most vulnerable and disadvantaged to understand their needs.

**2. Key to the success of new arrangements to make an impact on behalf of people in Wales will be sustainable funding, including the transfer of funding from BIS, both from the levies on the energy and postal sectors (to which consumers in Wales contribute) and, potentially, general funding as any organisation will continue to work on non-devolved subjects from a Welsh perspective.**

It is clear that the principle of devolving funding to organisations working in the Nations is a principle that the UK Government has already accepted by its stated preference for funding the separate Citizens Advice Scotland organisation to undertake consumer advocacy work in Scotland and the funding arrangements for the General Consumer Council for Northern Ireland. We believe that, along with Scotland and Northern Ireland, Wales should also have the option of a nation-specific solution, rather than an England and Wales version.

**3. It is essential to retain both a level of expertise and strong statutory powers in Wales, and that arrangements have at their heart the representative, research, information and investigation functions that Consumer Focus already holds.**

The level of impact that Consumer Focus Wales has been able to achieve has been due to a mix of both statutory powers and personnel:

- The Investigations team, which is a GB function, has used both our statutory information gathering powers, or the threat of them, to achieve big wins for consumers in terms of securing millions of pounds in refunds from companies who overcharge or mislead consumers. Our investigation into the injuries inflicted on children by a folding mechanism on pushchairs has led to safety equipment being issued by high street retailers and a worldwide product redesign by a major manufacturer

- As a result of our work highlighting price differentials for consumers in Wales compared to other parts of the UK, Scottish Power is now reviewing their charging practices
- One of the key recommendations in the report on the experiences of consumers living off the gas network was our call on the Office of Fair Trading to introduce a code of practice for the suppliers of oil, LPG and coal. In March 2011 the Office of Fair Trading announced that it is to undertake a market study on energy supplies to people who are off the main gas grids
- We called for Ofgem to review their policy on fuel poor gas connections, the scheme which allows for low-income consumers without a mains gas supply to be connected without paying thousands of pounds in charges. This review is now underway
- Our expertise in energy has been recognised by the Welsh Government who regularly receive briefings from us prior to their meetings with the 'Big 6' energy companies. We also play an active role in these meetings as the voice of consumers.
- We have formed both the Fuel Poverty Coalition for Wales and the Cross-Party Group on Fuel Poverty in the National Assembly for Wales to ensure effective scrutiny of the Welsh Government's fuel poverty programme
- Our independent status enabled us to act as 'honest broker' when pushing forward the implementation of the recommendations of the Pennington Inquiry into the outbreak of E-coli O157 and has led to a greater priority and awareness of food safety in Wales and a review of food law both here in Wales and at UK level
- We called for further guidance on the separation of equipment in food preparation, one of the main causes of E-coli O157. This has now been issued for consultation and we empowered 900 consumers to respond directly, the largest ever response to a food Standards Agency consultation
- Our ability to gather intelligence about detriment from individuals and stakeholders has led to our work seeking to enhance the rights of people living in Park Homes. We have a unique role in being able to gather robust evidence and work collaboratively with others to address the significant detriment faced by these consumers.
- Our monitoring work in the field of financial inclusion resulted in us being named as partner in the Welsh Government's Financial Inclusion Strategy, advising on the implementation of the strategy
- We will be distributing posters to schools, giving out 'top tips' from young people to their peers on how to avoid living in a cold home in time for this winter.
- Our monitoring of the quality of service provided by Royal Mail, has led to Royal Mail seeking to communicate better with consumers and stakeholders in Wales where there are problems and consumers being better informed about how to make the most of the service they receive from Royal Mail
- Our work to ensure that sub postmasters engage with their local community in seeking to make their business more sustainable via the Welsh Government Post Office Diversification Fund, has meant that plans are more likely to succeed as they are based on what the community says it wants and will use

In order to be effective, future arrangements in Wales will also need to have the capacity to do similarly complex/broad-ranging work, and have a comparable reputation for independent thought and action. This will rely not only on an effective and responsive

Wales-based governance mechanism but also having the right tools for the job in terms of staff, expertise in Wales and statutory powers.

**4. Sources of information shouldn't be limited to any one advice agency or be reactive to existing problems. They must also include forward looking work and all-population research that provides a strong evidence base on the issues facing Welsh consumers.**

Bespoke work that we were previously commissioned to undertake for the Welsh Government demonstrated that people choose their advice provider based on experience and trust, rather than on remit, and that they then use this advice provider as a conduit for advice on any subject. As such, there may be large pockets of data and knowledge residing within a plethora of advice agencies.

This expression of consumer choice means that no one advice agency will ever be able to provide a full picture of consumer detriment in any given area, even if they are the designated advice agency for that issue.

Whatever arrangements are in place in the future will need to recognise this and utilise the knowledge and data existing in other agencies via partnership working.

In the engagement work that we undertook directly with consumers they told us they did not give a full picture of their experience to either a service provider or someone who was seen to have a relationship with a service provider, for fear of reprisal. This underlines the need for future arrangements to be seen as independent and the weakness in making assumptions about where to find knowledge or evidence in respect of a particular issue.

It should also be recognised that not everyone who suffers detriment or disadvantage will seek advice or help. As such future arrangements should include the facility, capability and resource to seek the views and experiences of the wider population, not just those who self-nominate by approaching an advice agency.

For example, from research conducted by Consumer Focus Wales, we know that:

- 53% of people aged 50 and over say low interest rates have affected their income as they're not getting a good return on their savings
- Only 46% of 50-64 year olds don't have any borrowings compared to 74% of people aged 65 and over
- Over one in five of young people leaving care (22%) did not have a pathway plan in place in spite of the fact it's a statutory duty
- 420,000 people in Wales (18% of the adult population) have fallen behind with meeting bills or credit repayments in the past year. This rises to 29% of younger people (18-34 year olds), around a quarter of people with long-term illnesses or disabilities (23%) and over a quarter of those on lower incomes (26%).
- 200,000 people in Wales do not have a bank account
- Only 1% of over 65 year olds access the internet via a mobile phone compared to 26% of 16-24 year olds

- 48% of people in Wales do not feel confident enough in their knowledge of GM foods to give an informed opinion
- 90% of Welsh consumers want easy access to food hygiene information, so that they can make safe choices for themselves and their families
- 206,000 homes (16%) in Wales are off the gas network
- Half of pre-payment meter households in Wales 'self-ration' their energy
- 47% adults currently have at least one credit agreement with an outstanding balance in place (such as an overdraft, credit card, a personal loan, or a mail order loan)
- 21% use credit to pay for everyday expenses; another 13% use credit to pay household bills; 7% borrow to tide them over till payday

Being able to build up a picture of the levels of detriment suffered by people in Wales in relation to a specific subject will not only inform the work undertaken under future arrangements but, in itself, also enables stakeholders and politicians in Wales to formulate evidence based public policy.

In our opinion, 'bottom up' should not just mean intelligence as a result of an occurring or existing problem. Conversations with people, stakeholders and the wider civic society should also be directed at identifying issues that are likely to, or may arise.

This sort of horizon-scanning is essential if future arrangements are to provide best value for money, as it is preventing problems arising as well as solving problems at source and via early intervention that delivers the best solutions for the least cost.

For example, at the time of Digital Switchover in Wales, it was through our conversations with Trading Standards colleagues that we were alerted to their fears about bogus digital aerial installers. We then spoke to Consumer Direct Wales who confirmed that they had received a slight increase in calls asking for advice in this area. This then led us to mystery-shop all registered aerial installers in Wales, after which we found that the majority of them were giving out incorrect advice that would have resulted in unnecessary cost to consumers.

By undertaking media and advertising work, by providing bespoke information to advice-givers, by writing direct to the installers with the results of our research and by working with Trading Standards we managed to save consumers not only money but also stress; managed to provide support to advice-givers enabling them to provide a better service and prevented a situation arising which would have required extra resource from enforcement colleagues.

**5. Work should be dictated by the needs of citizens in Wales, particularly the most vulnerable or disadvantaged. This work should not be restricted to sectors or industries. Citizens don't organise their lives into silos, neither should their champion.**

The first line of the consultation document states that:

*"The Government's prime objective for consumer policy is to empower consumers to make wise decisions when purchasing goods and services."*

This means that the driving force for the work done under future arrangements, or the lens through which the world will be viewed, is the citizen.

The consultation document also points out that the array of current consumer bodies is puzzling for consumers. A consumer champion confined in the areas within which it is allowed to work is equally confusing, disappointing and puzzling. Currently, we are able to work in areas across the economy, public or private sectors. It is often the case that we choose not to undertake work because there is someone better placed than us but this is a conscious and positive decision rather than a limitation. Or we choose to bring together a wide range of bodies to increase the strength and impact of consumer advocacy such as with the fuel poverty coalition in Wales.

In order for future arrangements to fulfil the UK Government's objective, they have to be able to consider the citizen in relation to all goods and services. In Wales this means in particular looking at public services. It also means looking at localised markets, for example fuel oil for off-grid consumers.

To be able to undertake this work, the arrangements for Wales will need to receive a specific budget for general consumer advocacy alongside a proportion of the levies, and for consumers in Wales to lead the formulation of the work planning.

It should be recognised that work in the Nations may be specific to an identified need of consumers in those nations but that this need may also exist across borders. It may well be the case that work undertaken in Scotland or Wales is then replicated in England. For example, our work on food hygiene law enforcement and regulation which has been picked up by the FSA at a UK level, and our work on the Welsh Government's Post Office Diversification Fund has received interest from Post Office Ltd in relation to the wider network and other devolved Governments.

The frontline for the issues faced by citizens in Wales, particularly the most vulnerable or disadvantaged, is Wales. This is where they live their lives and where solutions will have to be delivered. We have always believed that in some respects delineation between reserved and devolved is a red herring when it comes to solving the problems encountered by people. For example, the setting of benefit levels is reserved, but the ability to undertake benefits health checks and encourage take-up, is not.

It is our strong belief that future arrangements should understand and prioritise the problems of the people of Wales and then look to see how they can be solved, rather than looking for what problems they can solve within a given subject area.

## **6. In future, those charged with representing the interests of consumers and citizens in Wales should be answerable to the National Assembly for Wales**

Future arrangements will be designed to act in the interests of the people of Wales. As such they should be answerable to those elected to represent the people of Wales – the National Assembly for Wales. This will ensure the right level of democratic accountability, transparency and scrutiny that would be required of a publically-funded consumer or citizen

champion with statutory powers. This can be achieved by requiring whichever organisation is charged with undertaking future arrangements to provide an Annual Report which is laid before the National Assembly for Wales.

At the moment it is unclear how future arrangements will be accountable in Wales.

## **National Trading Standards Service for Wales**

The Welsh Government intends to introduce a National Trading Standards Service for Wales. The Minister responsible has earmarked this as a priority project and the Welsh Local Government Association has indicated that a timetable of 2013 is not unreasonable.

At the moment we do not know what the scope of the National Trading Standards Service will be in terms of its wider responsibilities for consumer protection as well as enforcement. Final plans for the Service will obviously need to dovetail with the future arrangements proposed in this consultation and with any other plans that the Welsh Government may have for citizen advocacy in other areas.

Currently we work closely with the 22 trading standards departments in Wales to protect and empower consumers. For instance our shopper's rights campaign, to be launched in September, in partnership with Welsh Heads of Trading Standards will provide wallet-sized cards based on the successful Northern Ireland model. We have also worked closely with trading standards in Wales and across the UK in investigating, sharing intelligence and seeking solutions in the private car park industry, safer pushchairs for children, Park Homes, contract terms for consumers in the buy to view market and shoppers discount. We have developed in Wales a products recall website so that consumers and stakeholders are alerted to dangerous products and we successfully led a consumer empowerment and education campaign during digital switchover.

We have recently undertaken direct research with consumers in Wales about what they want from regulated services including trading standards. Their voice is loud and clear; they generally feel safe but want better enforcement, more unannounced checks and the naming and shaming of businesses where appropriate.

An advocacy arm could be a good fit with the National Trading Standards Service in terms of giving the consumer an effective voice through education, empowerment, representation and policy formation and in securing protection from exploitation. This may be an opportunity for a National Trading Standards service in Wales to be complemented by a Wales consumer body with strong statutory powers answerable to the National Assembly for Wales either as a separate body or as part of the service.

In June 2010, colleagues at Consumer Focus Scotland published [a report on Trading Standards](#). It highlighted three key criteria which are necessary to underpin any trading standards service, in order to deliver an effective, efficient and adaptable service:

1. Outcome focused – the performance of trading standards services should be focused on the outcome of their work for consumers.

2. Consistent for consumers and business – consumers and businesses across Scotland (or Wales in our case) should be able to expect a consistent trading standards service regardless of their location.
3. Sustainable and continuously improving – trading standards services must be delivered in a way that encourages a sustainable service and develop performance measurement to encourage continuous improvement.

These will be crucial tests for any new proposals that emerge in Wales.

Proposals in the Consumer Landscape Consultation document would see responsibility for co-ordination of consumer education programmes move from the OFT to Citizens Advice, with responsibility for delivering them retained by local Trading Standards Departments.

Consumer education programmes aimed at consumers in Wales should be designed and decided upon in Wales as a consequence of need identified via multiple intelligence sources in Wales.

Trading standards colleagues have not always been able to utilise or take part in GB-wide consumer education programmes, as the materials have not always been available bilingually. Consumer education programmes must not stop at the border of Wales, and providers have to recognise their responsibilities in the Welsh language so that programmes can be as effective as possible.

In terms of the value of activity, this is totally dependent on the desired outcome and the intended audience. Some consumers will prefer a self-serve option where they are able to digest information at their own pace and in their own way and are comfortable doing so; other consumers will need more support and often consumers will want a mix of both.

Education activities should be timely and built upon an understanding of the intended audiences' preferences and behaviours. Management and coordination should address this but there should also be open and transparent evaluation.

Given that the suggestion is that local authorities should remain responsible for direct delivery of education to consumers at a local level and that the OFT's coordination role would pass to Citizens Advice, we question how these plans integrate with the Welsh Government's plans to introduce a National Trading Standards Service for Wales?

This proposal by the Welsh Government for a National Trading Standards Service is not considered in the consultation document. Neither is it clear how the governance relationship would work in terms of Citizens Advice coordinating and directing the use of local authority resources.

The Welsh Government has also stated its intention to examine the governance and delivery of all public services in Wales. Again, as these plans are still in their infancy it is impossible to know what effect these may have on Trading Standards, consumer protection and citizen advocacy/representation.

## The Work of Consumer Focus Wales and Citizens Advice

The consultation document also states in section 1.18, page 17 that:

*“Sometimes these (consumer bodies) duplicate each other in their efforts to inform, educate and advise consumers of their right.”*

However the document offers no real evidence of this duplication.

In their paper ‘A Distinctive Consumer Advocacy body for Wales: Proposals for Consumer Advocacy in Wales from Citizens Advice’, dated June 2011, colleagues at Citizens Advice list their work areas as using evidence from client experience to work on tackling poverty (including fuel poverty), financial services, financial inclusion, illegal money-lending, scams, benefits, return to work programmes, homelessness and housing, and the health impacts of poverty.

The Consumer Focus Wales work plan for 2011/2012 includes work on off-grid consumers, switching, fuel poverty, post office accessibility for those with sensory deprivation, government services delivered via the post office, parcel delivery issues for consumers, the rights of Park Home residents, housing association complaints procedures, food safety, Welsh Language issues and shoppers rights.

These work programmes are clearly distinct with only minimal overlap. In fact, where both organisations do overlap, for example as named partners in the delivery of the Welsh Government’s Financial Inclusion Strategy, the roles are distinct – Citizens Advice for their role as advice provider and their client evidence and Consumer Focus Wales for its wider research on the total population of Wales and the financial health of the nation.

The distinction of the work undertaken by Citizens Advice in Wales and Consumer Focus Wales is important, as it is clear that in order for Citizens Advice to take on the role of Consumer Focus Wales, it would need to vastly increase the scope of the work that it currently undertakes.

The consultation paper states that the current consumer landscape is difficult for consumers to understand due to the array of bodies. Again, there is no evidence to substantiate this assertion. As stated above our research revealed that people choose to return to a single trusted advice provider for all advice, regardless of the scope of that advice service. They form a relationship of trust with an advice provider of choice and don’t necessarily switch their preference for service dependent on subject.

Furthermore, research by the OFT in 2008 into complaints and advice choices for consumers found that:

*“Where respondents have taken action, they most often chose to make a complaint to the company which provided the goods or service rather than to other organisations. Most respondents though (76 per cent) did not seek information, help or advice from any other agency.”*

*Among those that did seek help or advice, 28 per cent reported contacting Trading Standards services or the consumer advice service Consumer Direct, 8 per cent Citizens Advice and 10 percent either an ombudsman or financial services industry body.”<sup>2</sup>*

From these findings it would appear that the current choices for advice are multiple but not confusing for consumers.

Consumer Focus Wales has always supported a streamlining of services as we believe there are efficiencies to be gained and synergies to be utilised in brigading bodies together. We understand that we are in a period of budgetary constraint and believe that there are monies to be saved by thinking creatively about the way in which advocacy services are organised and delivered. This may mean mergers of organisations, co-location, joint working, project secondments or sharing support services.

However, in terms of advice we question whether actually the need is to co-ordinate intelligence between providers rather than limit the choices on offer to consumers. We would like to see more work undertaken to understand what consumers want and how they would like to use services so that what is offered best meets need, and what is used offers the best value for money.

The full response by Consumer Focus will look at the issue of advice, and consider the issue of profile versus familiarity in more detail.

### **What Is a Consumer?**

The consultation document states: *“The Government’s prime objective for consumer policy is to empower consumers to make wise decisions when purchasing goods and services”* (section 1, page 5). The focus of the document is intentionally on markets and purchasing decisions and behaviour. However, the definition of ‘consumer’ set out in Part 1 of the Consumer, Estate Agents and Redress Act 2007, which created Consumer Focus and guides our work, includes *“the activities of any government department, local or public authority or other public body.”* As such, Consumer Focus Wales regularly undertakes work looking at the services that consumers receive from all levels of Government.

The failure to recognise the gap between what the consultation describes as consumer policy and the totality of the areas that Consumer Focus Wales works in leads us to worry that there are entire areas of consumer concern or detriment that may disappear under the proposed future arrangements.

This would be contrary to the declared manifesto pledge of the Welsh Government which states

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<sup>2</sup> [http://www.offt.gov.uk/shared\\_offt/reports/consumer\\_protection/oft992.pdf](http://www.offt.gov.uk/shared_offt/reports/consumer_protection/oft992.pdf)

*“We also believe that the citizen should be closely engaged with service providers, especially front-line staff, in the design, delivery and scrutiny of public services in Wales. To further develop a citizen focus in our public services and utilities. We will:*

*Seek to establish a national trading standards service and to preserve the function of Consumer Focus ensuring that the people of Wales have an independent voice in the delivery of public services and protection from consumer exploitation.”*

**Welsh Labour Manifesto 2011**

## **Consumer Focus Extra Help Unit**

The Extra Help Unit protects some of the most vulnerable consumers in society and is part of the Consumer Direct service via a referral protocol. The proposal is for this service to be transferred to Citizens Advice and Citizens Advice Scotland by March 2012. Therefore this needs to be integrated into the plans for Citizens Advice to take over the Consumer Direct service with absolutely no break in the service provided.

The Extra Help Unit is a completely bilingual service. This has to continue. We have yet to see any plans regarding how Citizens Advice proposes to supply a fully bilingual service, but not only does this have to be provided but it must enable Welsh speakers direct access to a phonenumber staffed by trained Welsh language operators.

Providing a service via an intermediary translation service, such as Language Line, is not an acceptable alternative, a principle supported by the Welsh Language Board. The OFT did try to provide a Welsh language Consumer Direct service via an intermediary service previously, but changed this policy following complaints from users and advice from the Welsh Language Board.

## **A Regulated Industry Unit**

The UK Government wants to increase the impact of advocacy in the sectors subject to economic regulation while cutting costs by integrating the functions of a number of currently separate bodies into a regulated industries unit. Consumer Focus will be publishing a detailed forward look to identify the common issues facing economic regulators in relevant markets over the next five years or so where bringing consumer representation together would enable more effective advocacy to be provided.

The Consultation Document states that:

*For Scotland and Wales, the Government’s aim is to ensure that it creates a structure which provides consistency of advocacy provision for consumers while recognising the national, regional and local differences which may exist and also respecting the devolution settlements in each case. Energy, postal services and communications are all sectors which must be viewed in a UK context. But each also has significant Scottish, Welsh and Northern Irish dimensions which need to be properly assessed and taken into account in pursuing consumer advocacy. Even where policy issues are*

*reserved, the Government recognises and respects the need for a distinctive consumer voice from the devolved nations.*

We believe that work on these 'significant dimensions' should be undertaken by organisations within those Nations and also funded by levies. We would point to our work on off-grid energy consumers, the higher price of energy for consumers in Wales, the Welsh Government's Fuel Poverty Strategy and Post Office Diversification Fund and our intended work on government services delivered through the Post Office as examples of where a body working in, and responsive to, the landscape in Wales can have an impact for consumers.

## **Conclusion**

The need for citizen advocacy, representation education and protection is clear and has been recognised by Governments in Cardiff and Westminster. The way in which these will be delivered in Wales is due to change.

The UK Government has already recognised that there are issues that are particular to Wales and Scotland and has committed to providing funding to a Scottish organisation to provide them in Scotland. In addition the existing model of the General Consumer Council for Northern Ireland will be maintained and indeed strengthened by the Government's proposals.

We believe that funding and functions of Consumer Focus Wales should be given by the UK Government to a Welsh Minister. The Public Bodies Bill as drafted enables this to take place. But this limits the choice of Welsh Government as to which model can best deliver consumer advocacy in Wales. The Public Bodies Bill should be amended to give the Welsh Government the flexibility to create a new body and the opportunity to consult in Wales. This would not constitute an increase in devolution or a transfer of consumer policy, merely the delivery of consumer advocacy. It would also give the Welsh Government the opportunity to decide how a strategic advocacy and empowerment body can fit best with its new National Trading Standards Service in Wales.

An organisation based in Wales, sensitive and responsive to the issues and opportunities in Wales, able to forge partnerships with other organisations in Wales and beyond and to use these and its own resources to produce evidence-based work, should be the basic requirements of this organisation.

It should also be both transparent and answerable to the elected representatives of Wales and its focus should stem from the citizens of Wales and their needs rather than dictated by constitutional or funding conditions.

We believe that there is a strategic opportunity here for the Welsh Government as well. One which would enable them to consider their desire to achieve citizen-centred services across all their areas of responsibility and beyond, by creating, and part-funding, an organisation capable of providing them with the insight, scrutiny and citizen-focussed solutions that will help to develop effective public policy.

The organisation could be charged with providing citizen representation and advocacy across the board, not just in markets and areas funded by levies, but in all or any areas that affect people in Wales. With a broad remit, the organisation could remain flexible and responsive to new areas of work and responsibility as they were devolved or exercised by the Welsh Government.

We understand that this is a time of budgetary constraint but suggest that with shared funding via levies and direct UK Government funding, allied to shared resources with other organisations and savings built in by the removal of the need to pragmatically recreate the function across multiple Welsh Government portfolios, this spend is minimised and practical.

We believe that a new statutory organisation in Wales could fulfil this role, could provide the flexibility necessary whilst still delivering on the remit dictated by the UK Government; could provide the accountability required by both Governments; generate confidence in the way it accounts for public funds and utilises statutory powers and, via its actions, create confidence in citizens that it was *their* champion. We see this as the best way of creating the independence and accountability in a Welsh context that will be necessary to deliver on behalf of the people of Wales.