



Action for Warm Homes

Northern Ireland

National Energy Action NI

Response to

The Consumer Council

Draft Forward Work Programme

2019–2020

January 2019



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About NEA

NEA is the national fuel poverty charity working to secure affordable warmth for disadvantaged energy consumers. NEA's strategic aims include influencing and increasing strategic action against fuel poverty; developing and progressing solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households and enhancing knowledge and understanding of energy efficiency and fuel poverty.

NEA seeks to meet these aims through a wide range of activities including policy analysis and development to inform our campaigning work, rational and constructive dialogue with decision-makers including regulatory and consumer protection bodies, relevant Government Departments, the energy industry, local and national government and we develop practical initiatives to test and demonstrate the type of energy efficiency programmes required to deliver affordable warmth.

NEA is primarily concerned with energy policy whilst maintaining a watching brief on social justice policies including income inequalities and levels of poverty in Northern Ireland.

Protecting vulnerable customers is our key aim so we work both reactively and proactively to ensure policy makers and regulators recognise the needs of the vulnerable in its widest sense. With tighter household budgets it is more important than ever that consumers are getting the best deal. Paying for domestic energy makes up a substantial portion of total household expenditure, so it is of specific concern to us but is often relegated in the ever-busy policy environment.

Background

Based on the 2016 House Condition Survey, Northern Ireland has a rate of fuel poverty at 22%. It is also estimated that there are approximately 43,800 households in extreme fuel poverty which means they need to spend over 15% of their total income to heat their homes. Additionally, one in five households in Northern Ireland are living in relative poverty and 19% of working age adults in the private rented sector spend more than a third of their income on housing¹.

¹ Joseph Rowntree Foundation, Poverty in Northern Ireland, 2018



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The cold kills, and between August 2017 — July 2018 there were 1,500 excess winter deaths in Northern Ireland. According to the World Health Organisation (WHO), a third of these deaths are directly attributable to living in cold damp homes.

Additionally, and unique to Northern Ireland, 68% of all households are reliant on home heating oil, a non-regulated fuel. This leaves many households in a precarious position and we have key concerns that this industry needs some form of oversight to ensure that 'we are protecting vulnerable consumers, we are improving trust in the market and we are promoting better competition'. At present, we are concerned and have anecdotal evidence that all of the above have been compromised to some extent across Northern Ireland.

Furthermore, we expect that due to Brexit, the falling pound and the recent increase in wholesale costs which while affecting all fuels, will impact oil prices in the immediate term and put severe hardship on individuals and families. Recent increases have demonstrated that already, prices are rising steadily.

Response

We welcome the opportunity to respond to The Consumer Council's Draft Forward Work Programme (FWP) 2019–2020.

The Consumer Council (CC) in Northern Ireland meets a key need and provides vital information, advice and advocacy for all consumers in Northern Ireland and a focus on vulnerable consumers. Indeed, this work has great importance for many organisations throughout Northern Ireland both strategically and operationally. The expertise held with the CC cuts across many aspects of consumer life and plays a key role in supporting and adding additional value to NEA's work, especially in relation to energy matters which includes regulation, switching and policy development which also empowers consumers and communities.

Our strategic partnership, which is now underpinned with a Memorandum of Understanding, highlights the value which we place on this partnership which can also have demonstrable evidenced by our work on the NEA's Energy Justice Campaign and the Fuel Poverty Coalition. We look forward to working with you in the coming years on these issues and the many other areas of mutual association.



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We have made some comments around the objectives in the draft forward work programme. We believe that the projects identified in the document are the right ones and have no queries regarding same. We like the lens of the eight consumer principles in assessing policy impact and the tone and direction of the FWP are sound. We have respectfully made some suggestions on priority projects which we feel may enhance the Forward Work Programme 2019–20.

- Brexit remains a mammoth policy area for Northern Ireland, so we are grateful to have the backing of The Consumer Council working with UK Government to highlight the many out-workings and consequences of Brexit in Northern Ireland. As The Consumer Council has pointed out, consumers could be faced with price increases in food and energy amongst other essential consumables. It is reassuring that this work continues.

NEA has grave concerns about the implications for fuel prices should there be negative consequences whichever deal takes place. We have some comfort that The Consumer Council is working to ensure consumer protection throughout the Brexit process and hope to work together to try to mitigate any negative impact where possible.

- We are particularly pleased with the highlighting of ADR and commend The Consumer Council for making this uptake more inclusive.
- We are also pleased to see the inclusion of new technologies with recognition that not all consumers will be able to embrace this within the changing realm of *prosumer* so appropriate protections should be embedded.
- We commend The Consumer Council on the ongoing Energy Theft Campaign, which will go some way to dispelling several myths around the unintended consequences of who pays for energy. We are encouraged to see that the UKRPA is becoming increasingly apparent within Northern Ireland.
- Whilst domestic water and sewerage do not incur customer charges, there remains a need for consumer protection particularly for vulnerable consumers with specific health requirements. We also endorse water efficiency champions which is a great model to replicate across Northern Ireland.



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- The targeting of constituency offices for training in consumer rights is a welcome development which will further highlight your work but enable constituency offices to be increasingly conscious of consumer needs and signpost appropriately.
- Increasing reliance on digital connectivity is proving to be a barrier for those living in the west of Northern Ireland where rural groups have provided evidence that fast broadband levels are low. We therefore welcome the consumer advocate for telecoms which includes broadband services. The digital divide is still prevalent, and amongst other issues, many types of social security benefits now require a webmail and frequent access to the internet. Connectivity is therefore a vital lifeline for all.
- The role that The Consumer Council plays around the watching brief on oil prices is a vital tool for households and NEA. We look forward to utilising and sharing the proposed oil comparison tool currently in development and we would be interested in working with you on this issue. As outlined above we have key concerns about our reliance on oil and the customer journey and protections around the issue. Recent conversations and input with the Competition & Market Authority (CMA) have also indicated a possible movement around some work in this area. We are very keen to gain traction on this issue.
- We also acknowledge the work that The Consumer Council does with all aspects of government. In particular, the work with Westminster around highlighting the different markets and the different needs of Northern Ireland. This is an important element to ensuring that the needs of Northern Ireland are heard and responded to.
- We are also encouraged by the valuable resource provided by the insight team and look forward to more collaboration and engagement over the next period and we believe that the increased services delivered in the Forward Work Programme will enhance the range of consumer advocacy available.

Other project areas which we believe would benefit consumers in Northern Ireland include:

- Continued collaboration and involvement around the new Fuel Poverty Strategy, which had been actioned in Programme for Government 2016–2021;



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- A continued commitment to energy efficiency training which to date has been a central plank of training for Consumer Council staff;
- A continued commitment to support and help direct the Energy Justice Campaign (EJC) to protect and shape a new and improved Northern Ireland Sustainable Energy Programme (NISEP) which is targeted at the fuel poor in Northern Ireland.

Once again, we thank you for the opportunity to respond to you with these comments. We look forward to maintaining and sustaining our working relationship with The Consumer Council now and into the future.

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Appendix: Fuel Poverty Overview

- Fuel Poverty is the nexus of 3 factors; low income, high energy price and energy inefficiency.
- Fuel Poverty has multiple consequences including mental and physical health impacts.
- 1,500² excess winter deaths occurred across Northern Ireland in 2017–2018 with 30% attributable to living in cold homes³.
- Improving the energy efficiency of the house is the most effective way of reducing fuel poverty, alongside maximising income and reducing the cost of energy to the householder.

The latest Northern Ireland Housing Executive House Condition Survey was released in May 2018 and provides an overview of the housing stock in Northern Ireland, as well as the latest fuel poverty statistics.

Key findings:

- There are approximately 780,000 domestic dwellings in Northern Ireland.
- Owner Occupier is the largest tenure at 63% with the Private Rented sector and Social Housing sector at 17% and 16% respectively.
- **Fuel Poverty decreased to 22%, 160,000 households.**
- **The mean SAP rating improved from 59.63 in 2011 to 64.84.**
- 99% of dwellings had central heating.
- Oil remains the largest type of heating source at 68% of households.
- More than half (52%) of households living in old properties (Pre–1919) were living in fuel poverty.
- 55% of households living in fuel poverty had an annual income of less than £10,399.

² <https://www.nisra.gov.uk/publications/excess-winter-mortality-201718>

³ http://www.euro.who.int/_data/assets/pdf_file/0003/142077/e95004.pdf