



Action for Warm Homes

Northern Ireland

**National Energy Action NI Response to
The Utility Regulator Backbilling in the
NI Retail Energy Market Consultation**

February 2019

Backbills

We commend the Utility Regulator (UR) for progressing this issue as we believe the lack of a framework for dealing with this backbilling project is seriously disadvantaging Northern Ireland consumers by causing significant financial hardship and stress. The fact that suppliers can backbill for up to six years in Northern Ireland as opposed to 12 months in GB is an inequitable position and needs to be remedied as soon as possible. In short, as NEA specified in the recent Consumer Protection Strategy (CPS) review, it is appropriate for the UR to align the backbilling provisions with that laid out by OFGEM.

Other issues that cause us concern is the substantially low number of electricity backbills issued, 400 throughout 2017 as opposed to the 36,000 homes who had no actual meter reads. The consultation outlines a potential reason for this could be in how the underestimated bill is recovered, however, this practice does mask the size and scale of backbilling and there should be a way to ensure that suppliers capture this practice as backbilling and ensure that it is recorded in any new backbilling arrangement. We feel that some further scoping work needs to occur to understand the variables responsible for this disparity. We also believe that some further research needs to occur to understand why so many consumers seem to be disengaged in this process.

NEA strongly welcome the implementation of a licence obligation to prevent suppliers from backbilling consumers for gas and electricity consumed over 13 months when the consumer is not at fault.

A 'shock' bill is a core reason why low-income households are pushed into debt. This debt can then spiral out of control, causing further hardship and prevent consumers from availing of competition through switching.

Suppliers also need to do more to tackle high levels of debt and suppliers' own actions should not exacerbate existing vulnerable situations or create new ones.

Further proposals should be made to improve performance from suppliers to identify, respond to and prevent vulnerable consumers from falling into further debt.

In this context, NEA notes a widespread need to ensure debt advice or debt advice referrals are offered when customers are in serious levels of debt.

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