



**National Energy Action NI**  
**Response to the**  
**Consumer Council NI**  
**Draft 2024 – 2025 Forward Work**  
**Programme Consultation**

**March 2024**



## About Us

National Energy Action (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 NI.

Protecting vulnerable consumers 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.

NEA's policy priorities naturally evolve in response to wider government policy and the reality of fuel poverty within households but there are four key areas in NI that NEA have long been calling for. These are as follows:

- The introduction of a statutory fuel poverty target (NI is the only region of the UK without one);
- The development and implementation of a new Fuel Poverty Strategy for NI (currently underway);
- The introduction of minimum energy efficiency standards, especially within the private rented sector;
- Ongoing financial support for low income and vulnerable households in NI. This includes both short term measures to boost incomes in response to the ongoing cost of living crisis, but also a longer-term commitment to invest in energy efficiency measures in homes in NI as part of the just transition to net zero.



To support these key ask and seeking to get a better understanding of the real impacts of rising energy prices on NI households, NEA NI undertook an [NI-wide representative survey](#) in September 2023. The findings of this study were stark, with the results showing that at least 40% of households were spending more than 10% of their total household income on their energy costs.

The study also found that soaring energy prices have led to a rise in dangerous ‘coping’ mechanisms, as households look to manage rising costs on ever tightening budgets. When asked about how they were changing their behaviours in response to rising energy costs, 80% of households admitted to rationing the use of their central heating in an effort to reduce costs.

More worryingly, 1 in 10 households admitted to skipping meals in order to ensure they had enough money to pay for their energy. This means that choosing between heating and eating is very much a reality for around 100,000 homes across NI.

These ‘coping’ behaviours can put households at an increased risk of experiencing detrimental impacts to their health and wellbeing. These impacts are already being felt by many; 29% of respondents to NEA NI’s survey stated that they had experienced a direct negative impact on their health and 75% of respondents admitted to being ‘stressed, anxious or worried’ about how they would be able to cover the cost of their energy bills during the winter. Households across the region are worried about how they will be able to keep their homes warm and safe.

Energy prices underwent an unprecedented rise during 2021/22 and consumer bills remain challengingly high in 2023/24. We continue to have amongst the lowest levels of household income across the UK and the highest weekly household expenditure on energy of any UK region. Taken in conjunction with the challenging economic conditions of rising inflation rates and the high cost of essentials, including food prices, many families continue to face challenges with meeting their energy costs despite the welcoming fall in the cost of electricity and gas. Our Warm and Well project demonstrates this reality day and daily.

## **Response**

NEA welcome the opportunity to respond to the Consumer Council’s (CCNI) Draft 2024 – 2025 Forward Work Programme (FWP). We work closely with the CCNI across many aspects of this work, but especially in relation to energy issues including consumer protection and policy development. We value the strong working relationship we have



developed and look forward to continuing to work together in the coming years as we strive to eradicate fuel poverty in NI.

NEA believe that the CCNI has captured the right focus and consumer priorities for the next 12 months and have made some comments on those priorities below. The cost of living crisis is the number one issue affecting society today and this will require the concerted effort of key organisations including the voluntary and community sectors to help support and ameliorate major issues for struggling households.

We also agree with the move towards digital inclusion and the highlighted need to support all consumers to avail of and be supported through the dependency on digital markets. Indeed we must also ensure that there is support and protection for those marginalised and unable to take advantage of these markets until such times as they can do so. It is our belief that innovation through digitalisation could enable low income and vulnerable consumers to participate in a smart, flexible energy market. This should allow vulnerable consumers to access better deals thus helping to reduce their level of vulnerability. There are, however, additional risks that could emerge for these consumers as a smart energy market develops, including:

- Consumers may not be able to afford to purchase smart products and services;
- Consumers may not benefit from smart products and services;
- Consumers face greater risks if the product or service fails to work as expected;
- Lack of data access reduces how much consumers benefit;
- Unequal distribution of system costs;
- Low income and vulnerable consumers experience problems that may impede the emergence of a smart energy.

Currently c.20% of the population has limited access to the internet. NEA believe these households already face an energy cost premium of £300 per annum because they are unable to access the best deals or missing out on programmes that are only accessible to those that are online.

Decarbonisation remains crucial in our energy future, and we need to ensure that no one is left behind in the move to net zero. With 68% of households in NI reliant on home heating oil, this remains a key gap in policy development and one where we believe the CCNI can continue to push for powers and duties to tackle the issue.

The transition to decarbonisation will mean a significant change in energy policy in NI where consumers will be required to change how they heat and power their homes.



As outlined in our previous response, this will be a challenging journey for many households as they will be required to learn new skills and adopt new behaviours to make efficient use of emerging technologies. To support this change, provisions will be required to make the transition as simple as possible for energy users. **This means it is important to provide clear information, advice, and support for all and we believe that the CCNI will have an important role to play in ensuring this is the case.**

The recent volatility within the home heating oil market in NI continues to highlight the failure of our energy system to protect over two thirds of households. This continues to catch many consumers unaware and force additional hardships on those who are already suffering the most. We need to utilise all policy levers to protect the interests of consumers across electricity and gas and especially those 68% of households reliant on domestic home heating oil. **NEA call on the CCNI to use its influence to look at how it can extend protections across the oil sector. We do acknowledge the excellent work that the CCNI currently carry out in relation to the oil comparison toolkit online, which we promote and encourage individuals to use.**

We are also pleased to see the EU exit priority remain as we continue to understand the importance of divergence and any potential that may have to weaken consumer protection. If anything, we should be using any opportunities within the EU exit to strengthen the rights, accessibility and protections for wider civic society,

We agree with the identified work areas. No 14...Energy Efficiency Campaign planned for Q3 is particularly welcome. NEA believe that energy efficiency should be considered the 'first fuel'. We know that energy efficiency improvements offer a tried and tested, cost-effective approach to reducing household energy consumption, whilst also alleviating the hardships on fuel poor households and contributing to ensuring warm, safe, and healthy homes. The emerging low carbon technologies will not offer affordable energy for many households in NI without widespread energy efficiency improvements. Fixing NI's cold, damp and leaky homes will therefore be imperative if we are to ensure a 'just transition'. Doing so will assist in unlocking several wider social and economic benefits, lifting households out of fuel poverty, reducing the burden on the NHS and freeing up household incomes which can be reinvested in their local communities. We look forward to working with you and others on this campaign.

Habits and behaviours can be hard to change, but they can have a huge impact on how much a household spends on energy. Advisors will need to be able to provide guidance around habits and behaviours when talking to householders. To support energy advisors, NEA has developed a 'Changing Energy Related Behaviour' training



course. This course, which has been designed for frontline staff working across a range of organisations who are in a position to provide energy-related advice directly to householders, looks at some of the theories and findings in the field of decision making, focusing specifically on simple practical things to encourage people to act on the energy-related advice they receive.

In relation to further areas of work, NEA continue to be worried about the prevalence of pre-payment meters (PPM) in NI. We would like to see further efforts to obtain more detailed information and data around vulnerable consumers' use of PPMs and the levels of self-disconnection in NI. With currently 45% PPM customers in the electricity market and 62% in Gas Greater Belfast, and 82% in Gas Ten Towns, we believe there is a need for further exploration into the range of aspects of coping with a PPM. To date we still don't have enough information to adequately assess the degree of self-disconnection, rationing, consumer behaviour, accessibility, ease of use, PayPoint issues and many other aspects. This project should also look at other programmes to tackle debt such as through extending the use of Fuel Direct – something we think is well overdue. **We call on the CCNI and the Utility Regulator to work with industry to design and deliver an in-depth piece of research to uncover these issues relating to PPMs.**

Below we outline some additional points which we believe should be considered by the CCNI in relation to the fuel poverty landscape and the FWP. It is our belief that these options/recommendations will assist in easing the pressures on vulnerable energy consumers in NI in the longer term, and we hope that the CCNI can support us in our advocacy asks by including them in some capacity within the FWP.

- **Consideration should be given to the Introduction of the Warm Home Discount (WHD) Scheme (or equivalent) in NI.** The WHD provides for mandatory social price support to reduce energy bills for the most vulnerable. Qualifying households in GB receive a £150 discount on their electricity bill between October and March. Each year the scheme supports 2 million homes, helping more than 600,000 poorer pensioners<sup>1</sup>. Currently vulnerable households in NI do not receive this support.
- **Support a review of the current system of regulation in NI and assess how this compares with the protections provided by the Energy Price CAP in GB.** The price cap sets a limit to how much energy firms can charge consumers for gas and electricity and was introduced in 2019 to help households who do

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<sup>1</sup> David Hough (2016), 'The Warm Home Discount Scheme' Briefing Paper, House of Commons Library, Accessed Online: <https://researchbriefings.files.parliament.uk/documents/SN05956/SN05956.pdf>



not regularly switch suppliers. Ofgem, the energy regulator, determines the level of the cap four times a year. Crucially this means price rises are passed through to consumers at set periods, meaning consumers have more time to prepare and react. In contrast, in NI we have seen a rapid rise in energy prices throughout the winter months in recent years. This has meant many consumers have been caught unaware and faced extended hardship during the winter. This is yet another example of households in NI being further disadvantaged in comparison to their GB counterparts, as they cannot avail of the additional protections provided by the price cap.

- **Implement a new social tariff to help make energy more affordable for a discrete and well-defined set of energy customers.** In the 2000s, the UK Government and Ofgem introduced voluntary social tariffs in the energy sector as a form of 'social price support' for vulnerable consumers. This represented an attempt by Government to protect the poorest consumers from fuel price rises without the need to interfere in the market or invest excessive amounts of public money.
- **Establish pathways to identify self-disconnection.** The huge prevalence of PPMs in NI means our households are at much greater risk of self-disconnection during times of acute energy price hikes. Despite this, there is little information available to identify which households are at immediate risk. This should be tackled as a matter of priority to safeguard the most vulnerable. NEA NI believe the energy companies and network operators have a key role to play in this regard.

Finally, we welcome the continued work of the Consumer Protection Advisory Group and look forward to the partnership opportunity this provides NEA and others to provide advocacy for consumers and liaise with industry.

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 on our many areas of mutual association.