



**The Consumer Council**

## **CONSUMER REPRESENTATION IN NORTHERN IRELAND**

**Briefing on the Department of Enterprise, Trade and  
Investment (DETI) consultation on  
'Future Consumer Representation Arrangements'**

## **Introduction**

The Department of Enterprise, Trade and Investment (DETI) recently launched a consultation titled: '*Future Consumer Representation Arrangements in Northern Ireland*', which can be accessed [here](#). In effect, the consultation focuses solely on the role of the Consumer Council, questioning the continued need for the organisation and its cost-effectiveness.

We believe the consultation document contains a number of inaccuracies, omits key information and offers unbalanced comments. We address these issues in a separate document which can be accessed [here](#) and has been shared with DETI and stakeholders.

This briefing paper sets out the Consumer Council's position, the structure that is in place and how this best serves the specific needs and concerns of Northern Ireland consumers. We believe a strengthened Consumer Council, rather than a diluted or an externally funded body, is the best model for consumer representation in Northern Ireland.

## **The need for strong consumer representation**

Now, more than ever, consumers who are still suffering the effects of the economic downturn combined with spiralling living costs need a stable and powerful advocate to speak on their behalf. We are concerned that the alternatives put forward in the consultation document are untested, insufficient and incapable of affording the level of protection, advice and empowerment that consumers have a right to expect.

As consumer spending accounts for 60% of GDP it is essential consumers and businesses are confident of their rights, know how to express them and who to turn to for help. Confident and optimistic consumers knowledgeable about their rights are essential to driving Northern Ireland forward as a region and as a competitive economy.

## Areas covered by the Consumer Council for Northern Ireland

Energy

Transport

Water

Money Affairs

Food

Consumer Skills and Education

Consumer Complaints and Enquiries

### Our Mission

**Our mission is to make the consumer voice heard and make it count.**

We provide an objective, independent voice for consumers throughout Northern Ireland at a local, regional, national and EU level, ensuring their needs and concerns are taken into account by key decision and policy makers.

The Consumer Council has a unique mix of research, policy, education and complaint handling roles. We specialise in working across a range of areas including regulated and competitive markets.

We work directly with consumers to understand the issues affecting them. In the last year we have dealt with over **4,400** consumer enquiries and complaints (returning over **£300k** directly to consumers) and conducted over 100 focus groups. We carry out extensive, detailed research to find out about the issues affecting consumers. Our daily interaction with consumers shapes our work, our policies and our recommendations for improving the experiences of both individual and business consumers.

In almost 30 years' existence we have built up a solid body of knowledge and expertise. Our approach allows us to effectively identify and respond to consumer issues and trends that span different markets impacting on consumers' lives. This enables us to respond in the most effective way through our policy, advocacy, complaints handling and education functions. The approach recognises consumers are faced with many choices across different markets at the same time and therefore it is critical consumer issues are not considered in isolation but collectively.

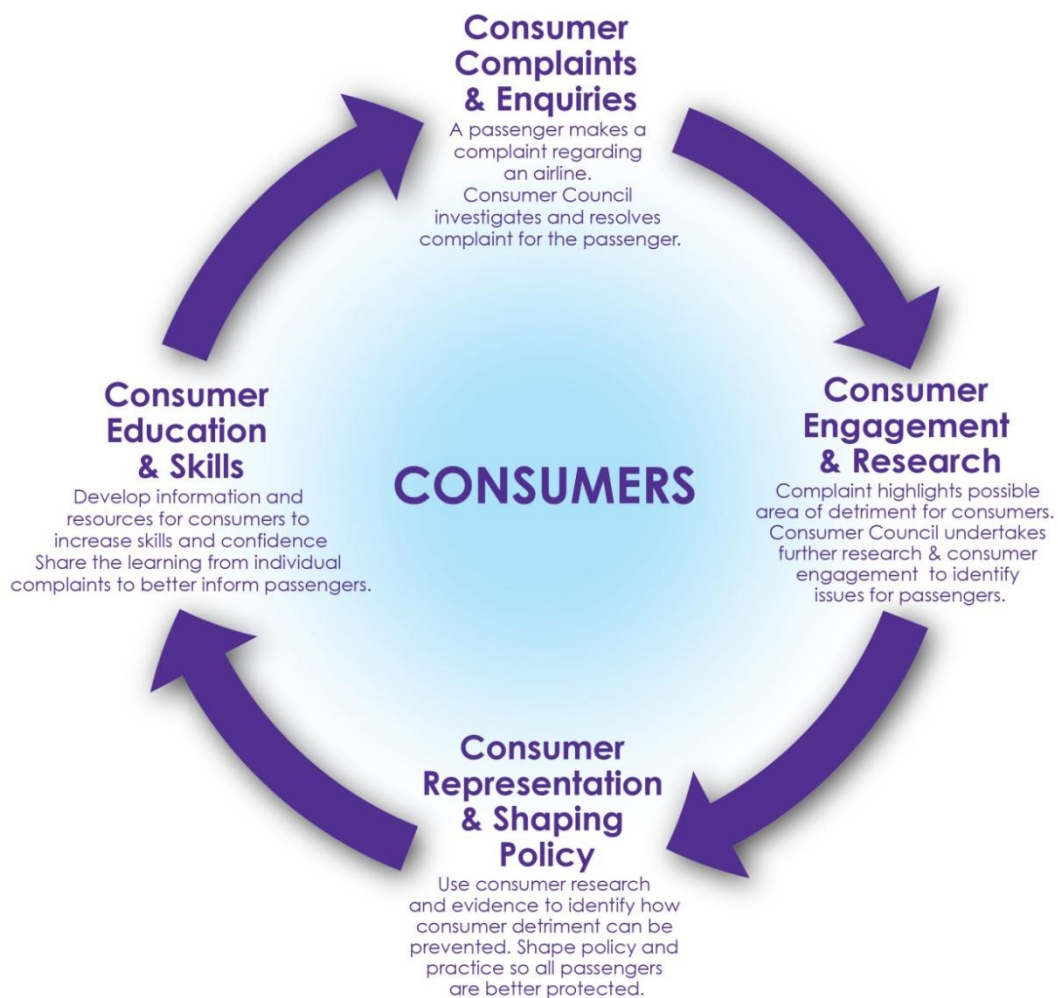
Dealing with consumer issues, enquiries and complaints provides a powerful source of intelligence to spot trends and issues affecting consumers. Working to ensure the voice of consumers is listened to when policy, either at a Government or company

level, is being developed ensures consumer needs are fully considered and the potential for consumer detriment minimised.

### How this works

Our model is simple, straightforward and delivers for consumers. It is an integrated model of consumer representation which brings a strong emphasis and consistency to key issues of importance to consumers. The Consumer Council has a clear focus on local issues affecting consumers and works across a broad range issues of including financial services, transport, energy, water and consumer education. Recognising consumers can face difficulty across a range markets we ensure there is a high degree of cross-sectional working, sharing of knowledge and research.

The diagram below shows how our functions work together and provides just one worked example of how this delivers an outcome for both the individual and consumers more widely.



Taking a joined up approach is key, so we can effectively identify consumer issues and trends that span each area of our work and respond in the most appropriate way through our policy, advocacy or education functions. Our policy work is informed by our complaints handling and feedback from our educational and outreach activities; and knowledge from our policy work feeds through into our education work.

We believe our efficacy and responsiveness, acknowledged by DETI in the consultation document, relies on the above model and the way in which it underpins all that we do for and on behalf of consumers. **Each function supports and informs the other and if, as a result of this review, one or some of the functions were to be removed the integral strength of the structure would be lost.**

Changing this structure at a time when consumers are still experiencing the worst effects of the economic downturn would be detrimental to consumers, cause confusion and uncertainty and could ultimately produce less robust and effective protection for consumers. However, that is not to say we are resistant to change, rather that we see this time as an opportunity to strengthen the impact and reach of the Consumer Council.

### **Responding to consumer needs**

Staying close to consumers means we are able to identify and respond to emerging issues and trends. This is demonstrated in our evidence based approach, conducting research and directly engaging with consumers to find out where they need support. The Consumer Council has adapted to changing consumer issues since being first established with our role extending to now include energy, water and sewerage services, air and sea travel.

Responding effectively to emerging consumer need is clear through our development of education tools to help consumers adapt to and take advantage of choice in the energy and banking markets and has been recognised more recently by the Department for Business, Innovation and Skills, with its decision to make us responsible for postal services from April 2014.

## **What the Consumer Council has delivered**

- **Consumer Proficiency**

The Consumer Council has been at the forefront of supporting consumers to know and express their rights, to exercise choice in competitive markets and protect themselves from poor decisions. In 2001 the Consumer Council first started tracking the knowledge and confidence of consumers - the most recent tracking survey (2011) found 60 per cent felt confident expressing their consumer rights; significant progress in ten years but a recognition there is much more to do.

- **Finding Solutions**

Within consumer markets there are often areas where consumers struggle and suffer detriment. The Consumer Council is committed to working with partners to find new ways to prevent negative experiences developing and ensure consumers are adequately protected. This often means testing new approaches as we have done for example with an 'Affordable Credit' pilot aimed at helping move people off high cost credit such as payday loans to more affordable loans; or developing a pilot brokering scheme to lower the cost of home heating oil for homes in fuel poverty; or by undertaking site visits at airports with consumers who have a range of disabilities to ensure they have a positive experience when they travel.

- **Influencing Policy**

The Consumer Council has established strong and constructive working relationships with a broad range of stakeholders locally and internationally who have an impact on consumers – this means we have the credibility and expertise to advise, influence and challenge decision makers and service providers on behalf of Northern Ireland consumers.

The Consumer Council policy role is comprehensive and extends across a wide range of areas. From lobbying the European Parliament to protect regional access to hub airports; advising Westminster on issues relating to insurance, banking or transport; or supporting the Northern Ireland Assembly and Government departments on energy issues, public transport reform, food costs or the delivery of water and sewerage service for example. We also campaigned to have consumer education and skills in the revised Northern Ireland curriculum, delivered through Home Economics. It's now a compulsory subject for post primary pupils up to GCSE level.

Effective independent consumer representation is critical within regulated sectors such as energy, water and banking to ensure a sufficient focus on consumers. The Consumer Council plays an integral role representing consumers in regulatory process such as price controls, establishing consumer priorities, performance levels and challenging practices. The Consumer Council was the only third-party organisation that was invited and provided evidence to the Competition Commission on the Phoenix Natural Gas Price Control Referral and the only consumers representative to be invited to give evidence to the NIE (Northern Ireland Electricity) Price Control referral. By providing written and oral evidence we ensured the issues and priorities for consumers were given due consideration in the final determinations.

The Consumer Council works effectively with companies to challenge them to continually improve and meet their customer needs. For example we work with transport providers to ensure they improve what matters most to passengers; improving the focus of utility companies on Critical Care Registers, improving redress for consumers under Guaranteed Standards of Service and helping improve the marketing and promotion of energy products to consumers.

The Consumer Council takes its power to influence seriously as this encourages businesses to adapt to meet consumer needs. Statutory powers also underpin all our work, which ensures that, through us, the consumer is given a voice and their needs are placed at the heart of decisions taken by key policy makers and service providers in Northern Ireland.

- **Complaints and Enquiries**

When it comes to handling complaints for consumers, 97 per cent of consumers are satisfied with how we handle their complaint. We have achieved considerable successes for individual consumers, as well as small and large businesses.

So far this year the Consumer Council has dealt with just under **450** enquiries and complaints regarding air travel. In a recent case we helped a family from Portadown get £3,200 compensation when they were unable to resolve their flight delay complaint after four years trying on their own. A family farm business in Armagh benefitted from a reduction in its water bill from £1,541.58 down to £114.71 after the Consumer Council investigated and found it had not been in receipt of the rateable allowance for businesses.

We are the only organisation in Northern Ireland that produces regularly updated price comparison tables for electricity, gas, home heating oil, petrol and diesel for consumers to help them make sure they are getting the best deal. One customer who recently used the Consumer Council website advice for switching electricity supplier saved £150 a year as a result.

“I thought it would be difficult, but the Consumer Council guidance on switching made it as easy as ABC!”

**Judith, Antrim**

**The Consumer Council’s top priority across all consumer issues is to provide the best possible representation and support for consumers, including business.**

### **The Consultation Options**

DETI has put forward three possible options and, of these, Option 1 offers the potential to deliver the best independent advice and protection for Northern Ireland consumers.

Option 1 is:

Continuation of Arm’s Length Body Status

The consultation affirms that **“The Consumer Council, as a Non Departmental Public Body, has operated effectively and has been responsive to customers”**. We agree and, with the vast reservoir of experience in the Consumer Council and our cost effective structure, we believe this places us in the best position to respond to the needs of consumers.

However, we feel this option has potential to be made even stronger, affording consumers greater protection and putting consumer representation arrangements in the best possible position to respond to and grow with the aims and priorities set out in the European Consumer Agenda 2020<sup>1</sup>. This strategy makes the link between empowered, confident consumers and how they can drive forward the economy.

*“Empowered consumers who can rely on a robust framework ensuring their safety, information, education, rights, means of redress and enforcement, can actively*

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<sup>1</sup> [http://ec.europa.eu/consumers/strategy/docs/consumer\\_agenda\\_2012\\_en.pdf](http://ec.europa.eu/consumers/strategy/docs/consumer_agenda_2012_en.pdf)



*participate in the market and make it work for them by exercising their power of choice and having their rights properly enforced.”*

The consumer landscape has changed significantly and with it has come benefits but also new challenges such as those presented by the digital revolution; growing competition and a high degree of complexity in the retail, utility and banking sectors.

This consultation is an opportunity to consider the consumer issues likely to emerge over the next 30 years and build on the opportunity to become the exemplar region in Europe for empowered and confident consumers.

In order to achieve this we would suggest that in addition to continuation of the Consumer Council’s arm’s length body status, we explore the possibility of:

- Powers to gather information across consumer markets, issues and sectors as provided to Consumer Focus in GB under Section 24 of the Consumers, Estate Agents and Redress Act, 2007.
- To consider how all of the organisations who support consumers across Northern Ireland can work together effectively, as opposed to considering the role of the Consumer Council in isolation.
- Ensure sufficient resourcing and independence for the Consumer Council so it can continue to react effectively to current issues for consumers and business, with a clear focus on consumers who are disadvantaged or vulnerable.
- Recognise the need for the Consumer Council to be forward looking and anticipate future consumer concerns and issues in order to shape policy and prevent where possible consumer detriment arising in the first place.

And finally ...

The Consumer Council welcomes change, the type of change that will afford greater protection to consumers. As families and business struggle to deal with economic uncertainty, it’s important that we strengthen what is there rather than undermine or dismantle it. **What happens to the Consumer Council, as an organisation, is important but it pales beside the needs of the consumers we serve.**

For that reason, we urge you to:

- support us in our view that a strengthened Option 1 is the best way forward for consumers;
- guard against anything that would dilute the present arrangements;
- reject options that would undermine the independence of the Consumer Council; and
- support our view that, only by taking a longer term view of consumer representation, which identifies the issues likely to emerge and how these can best be addressed will consumers be properly protected.

### **Responding to the consultation**

The consultation period on the Consumer Council's future ends on 17 January 2014. We would encourage all of our stakeholders to participate in the consultation exercise.

You can do this by completing the consultation response document on the DETI website, or by sending your views by email to [consumeraffairs@detini.gov.uk](mailto:consumeraffairs@detini.gov.uk) or by post to: Consumer Affairs Branch, DETI, 176 Newtownbreda Road, Belfast, BT8 6QS.

If you wish to copy the Consumer Council into your correspondence with DETI we would be grateful to receive your views and feedback ([info@consumercouncil.org.uk](mailto:info@consumercouncil.org.uk)).

You may also wish to attend a public meeting on the consultation which is being organised by DETI – you can register your interest in attending such a meeting by emailing [consumeraffairs@detini.gov.uk](mailto:consumeraffairs@detini.gov.uk) or by phone on 028 9025 3948 or textphone 028 9052 9304.

The dates and venues for the public meetings are:

Monday **2 December** at 2pm in Ramada Encore Hotel, 20 Talbot Street, **Belfast**

Tuesday **3 December** at 2pm in **Ballymena** North Centre, 120 Cushendall Rd

Wednesday **4 December** at 2pm in Glenavon House Hotel, 52 Drum Rd, **Cookstown**

Tuesday **10 December** at 2pm in Tower Hotel, 17-19 Butcher Street, **Londonderry**

Tuesday **17 December** at 2pm in Sean Hollywood Arts Centre, 1a Bank Parade **Newry**

Wednesday **18 December** at 2pm in Fermanagh District Council, 2 Townhall Street, **Enniskillen**

If you wish to speak to the Consumer Council about the issues raised by the consultation exercise, please contact Aodhan O'Donnell, Interim Chief Executive – e-mail: [aodhan.odonnell@consumercouncil.org.uk](mailto:aodhan.odonnell@consumercouncil.org.uk) or telephone: 028 9067 4817.



**The Consumer Council**

# ***Making the consumer voice heard and making it count***

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