

# Citizens Advice: Consumer champion

The Citizens Advice and  
Citizens Advice Scotland  
work plan for 2016/17



# About Citizens Advice

Citizens Advice and Citizens Advice Scotland are the statutory representatives of consumers in England, Wales and Scotland. This role covers energy and postal services in England, Scotland and Wales and the water market in Scotland.

This work plan describes the activities we will carry out in the pursuit of these specific responsibilities in 2016/17.

The plan was first published in draft as part of a six week consultation ending on 11 March. This final document incorporates feedback from the many organisations who responded to the consultation. We are grateful to them for taking the time to respond and for the many suggestions they provided.

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# Foreword

Well-functioning consumer markets are a keystone of a modern economy. When they work well, they deliver extraordinary levels of innovation and efficiency, keeping prices low and creating products and services that meet people's needs. Sometimes, though, markets misfire. Scams emerge that exploit consumers and undercut companies that play by the rules. Prices become opaque and hard to compare. And, in regulated markets like energy and post, such problems can be systemic: consumers can become locked into bad deals, vulnerable groups can be overlooked, and a range of market failures can leave prices unjustifiably high.

As a consumer champion, we're here to correct these problems, working with government, regulators and competition authorities, to spot problems early and hold bad behaviour to account. We do this with a mix of public pressure and behind the scenes partnerships, representing consumers in everything from public debate about energy bills to complex negotiations over regulatory rules. This plan describes the work we will do in 2016/17. It is the first fully integrated plan from the combined consumer organisation created by the government's consumer landscape changes. As such, the plan starts to realise the benefits of an integrated consumer voice that is both more effective and more efficient.

We are grateful for the feedback we received to our draft work plan. This feedback was broadly supportive, and endorsed the central question that guides our work for the year: how to improve consumer outcomes in a world of such rapid technological change. There was particular support for the emphasis our plan puts on data. The Citizens Advice service helps 2.5 million people directly a year, face to face or over the phone, and 23 million unique users visit our website annually. The unrivalled real-time data this work generates has huge value, particularly when joined with other data sources, allowing new ways to spot detriment early, guide enforcement, and scrutinise consumer outcomes.

The feedback we received was particularly helpful in linking our plan with work being done by other organisations. 'Additionality' is a watchword for everything we do, and our consultation helped us hone our plans to add maximum value. In places, we have been able to drop plans that duplicated other work, refocusing our resources. We will continue these conversations throughout the year, with

progress meetings with Ofgem and Ofcom, research bilaterals with government and others to link up our work and, of course, our ongoing accountability relationship with the Department for Business, Innovation and Skills.

This year, funding for our work has been frozen, meaning this work plan will be delivered within the same £6.9 million budget as our 2015/16 work. This covers the combined work of Citizens Advice and CAS. We believe this is the right settlement, creating a healthy pressure for ongoing efficiencies to maintain our impact. Within this envelope, we plan to proceed with the same proportional split between our work on energy and post. We will work closely with BIS and the Scottish Government as appropriate to track our expenditure on projects throughout the year.

Of course, the ultimate test of our work lies in the return we deliver for consumers. We want to maximise our impact for every pound spent. Last year, our campaign on prepayment meters alone put more money back into consumers' pockets than the entire budget for our energy work. This year again, our plan is designed to secure an impact far in excess of our budget; at the end of the year we will publish our annual report to assess how we have done.

Thank you again to those who responded to our consultation, and we look forward to working with you in the coming year.

James Plunkett  
Director of Policy and Advocacy  
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Head of Policy and Public Affairs  
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# Executive summary

This plan describes the work Citizens Advice and Citizens Advice Scotland (CAS) will carry out in 2016/17 to represent consumers in regulated markets. This work covers the energy and postal markets in England, Wales and Scotland and the water market in Scotland. This is the first fully integrated work plan to be produced by the combined consumer organisation created by the UK government's consumer landscape reforms. We hope readers will see the benefits of these changes reflected in the ambitious and varied set of work we have planned.

One theme cuts across the activities described in these pages: the challenge of protecting consumers in the face of rapid technological change. We see this as the defining challenge of the year, as government and regulators grapple with everything from new approaches to regulation to rolling out smart meters. We want to make sure new technologies give power to consumers and this plan is a down payment on this goal. For this reason we focus on using data and digital tools and the latest behavioural approaches to consumer engagement.

Turning to the work itself, we have set out our work in each area under two headings: (1) our day-to-day work representing consumers, for example by negotiating behind the scenes or publishing regular data and (2) our forward-looking, more public-facing research themes for the year.

In energy we plan five strands of ongoing activity in 2016/17: pushing for better customer service in the retail market; representing consumers in technical and regulatory negotiations; supporting and scrutinising the smart meter rollout; providing advice and information direct to consumers; and pushing for affordable energy to cut the number of cold homes. Within these strands, we plan to place particular emphasis on our work on regulations.

To complement this work we plan three forward-looking research projects: understanding how the retail experience will change as smart meters and one-day switching come online; identifying how new regulations, including everything from a less prescriptive approach to regulation to 30 minute price settlements, can be made to work for consumers; and finding new ways to make energy affordable when money is tight, particularly by reforming other markets like the private rental sector to reduce energy demand.

When it comes to postal services, our five strands of ongoing work are: pushing for better customer service for both senders and receivers of mail; representing consumers in regulatory negotiations; mapping how access to postal services is changing for different groups; standing up for vulnerable users of post,

particularly outside the postal market; and providing advice and guidance. Alongside this we will run three research projects exploring a pro-consumer regulatory settlement that is fit for the future, changing access needs over time, and the question of how to protect vulnerable users of post in a digital economy.

Our work on water in Scotland is developed and led by CAS. Here our three strands of ongoing work are: representing Scottish Water consumers, scrutinising policy and practice in the water industry, and strengthening CAS's evidence base. This work is backed up by four thematic research projects: promoting support for vulnerable consumers, sharing best practice on debt recovery in the non-domestic market, supporting consumer engagement and improving outcomes for communities at risk of floods.

Finally, we plan to continue our valuable cross-cutting work. This breaks down into five ongoing work strands: helping regulators learn lessons from effective consumer protections in other markets, pushing for an easier switching experience, using our data to create early warning systems for consumer detriment, comparing the economic implications of regulatory settlements, and delivering consumer education. To support this we will run three bigger picture research projects: applying behavioural economics to consumer protection, quantifying the economic scale of consumer detriment, and using open data and new digital tools to engage unengaged consumers. CAS will direct additional research projects, looking at issues of consumer policy with distinct impacts in Scotland.

# Introduction

Citizens Advice and CAS are the statutory representatives for consumers of energy and postal services in England, Scotland and Wales, and CAS is the consumer representative for water in Scotland. We assumed these duties between 2012 and 2014, when we also took on the national Consumer Service helpline, the lead role in consumer education from the former Office of Fair Trading (OFT), and the consumer advocacy role of Consumer Futures.

These changes to the consumer landscape created a single consumer voice with key strengths. We maintain the technical expertise and ability to scrutinise the regulated markets in the same informed way consumers have come to expect. And this work is now bolstered by the strengths of the Citizens Advice service, from real-time data to a recognised and trusted brand to a physical presence providing advice in communities across the country.

In the last year, the benefits of this combination have started to play out. In energy, our *Fair Play for Prepay* campaign convinced several energy suppliers to use £6 million of unallocated payments to help vulnerable consumers, an amount which, on its own, far exceeds the entire budget for our energy work.<sup>1</sup> Meanwhile our data supported referrals to the energy regulator for breaches of licence conditions or other rules that put millions more back into consumers' pockets. We also secured more transparency over the regulations that govern the way networks invest tens of billions of pounds.

In post, 60 per cent of the cases we have referred to Post Office Limited as part of our Network Transformation work have resulted in proposals being changed or withdrawn. Our research and advocacy work also informed Ofcom's review of rules for handling complaints and resolving disputes. Our work on Scams Awareness Month with local Citizens Advice in Broxtowe and West Berkshire mailed warnings to 222,000 people, triggering a big spike in the scams being reported to Trading Standards and the Royal Mail, while CAS and Scottish Water worked together to warn up to 2.4 million households about doorstep crime. And in CAS's report *Sink or Swim*, we laid the groundwork for a consumer protection framework to balance income maximisation with protecting vulnerable and low income consumers.

These successes are just the beginning of what a fully integrated consumer organisation can achieve and this plan builds ambitiously on this work.

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<sup>1</sup> Citizens Advice. *Energy firms use 'missing millions' to help customers*. <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/energy-firms-use-missing-millions-to-help-customers>

# The changing landscape

In the coming year the Scotland Bill will pass into legislation delivering new powers to Scotland in energy, advice and advocacy. Following enactment and devolution, CAS will become accountable to the Scottish Government for delivery of their elements of the Work Plan. This represents a significant opportunity for the representation of consumers in Scotland to Scottish decision makers.

While this difference in accountability will inevitably bring change to the working relationship between Citizens Advice and CAS, we are jointly committed to our continuing work as a Citizens Advice Service representing the needs and interests of consumers across GB.

## The structure of the work plan

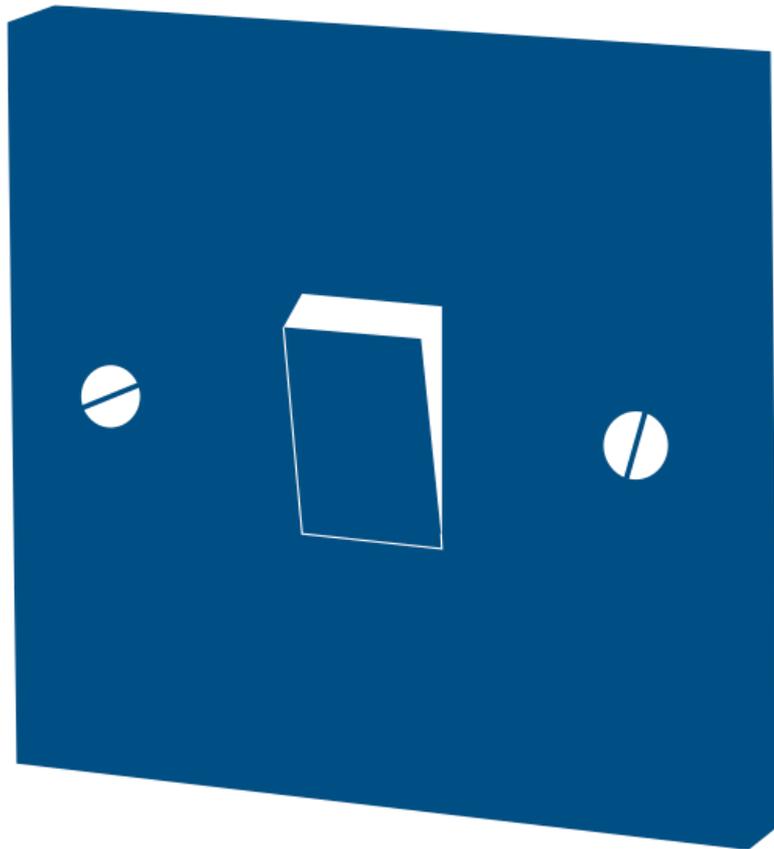
This draft work plan is divided into four chapters covering our energy, post, cross-sector, and water priorities for 2016/17. In order to provide a clearer breakdown of our work this year, each chapter is divided into two sections:

- **Our day to day functions.** This section describes the ongoing work we will do in the year to deliver our ongoing function as the statutory consumer representative. This is our business as usual work, often carried out behind the scenes and through our role in advisory and governance processes. This includes, for example, our ongoing role representing consumers in technical negotiations over regulations or the standing role we play on consumer advice and education.
- **Our forward research themes.** These are the big research questions that we will be exploring through our internal and commissioned policy research program throughout the year. This work is more outward-facing and is intended to challenge thinking, support public debate and win arguments in favour of consumers. This includes, for example, new research into the future retail experience in the energy market or cross-cutting research into the economic and social impacts of consumer detriment in different markets.

We have organised the work plan to make it as easy as possible for stakeholders in different parts of the UK to identify the work that is most relevant to them. We indicate where a particular activity relates to a devolved area of Scottish or Welsh administration (e.g. energy efficiency in Wales) or is a problem that is

specific to a part of the UK (e.g. rural or urban). Unless otherwise stated, the activities in this work plan will be delivered by Citizens Advice (operating under the names 'Citizens Advice Cymru' and 'Cyngor Ar Bopeth' in Wales) and CAS across Great Britain for all consumers.

# Chapter 1: Energy



## Context

Energy consumers will once again find themselves in a changing market in 2016/17. On top of dealing with the persistent problem of affordability, they will be asked to choose between new and unfamiliar offers and make increasingly complex choices about technology.

Policy and regulatory changes are also expected. This year the Competition and Markets Authority (CMA) will conclude its investigation into the energy market, with potentially wide-reaching consequences for consumers - although these changes might take some time, potentially years, to be implemented and felt.<sup>2</sup> The deadline for the Scottish Fuel Poverty Target and the expiration of GB-wide and nation specific energy efficiency policies are both approaching, so new initiatives will be needed to reduce the amount of energy households consume and reduce the amount they spend.<sup>3</sup>

Changes enacted in the Scotland Bill will affect the consumer landscape in Scotland as consumer advocacy and advice are devolved to the Scottish Government.<sup>4</sup> The draft Wales Bill, in its current form, would give the Welsh government the power to grant planning consent for non-wind generation projects up to 350MW, as well as to issue licences for onshore oil and gas extraction, introducing a new government decision-maker in the energy system.<sup>5</sup> European legislation is being developed to further integrate European energy markets.

As efforts continue to move to a secure, low carbon system, care must be taken to prevent unnecessary burdens falling on the families and businesses who pay the costs. A careful balance will need to be struck, for example, in European

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<sup>2</sup> Competition and Markets Authority. *Energy Market Investigation*.

<https://www.gov.uk/cma-cases/energy-market-investigation>

<sup>3</sup> The Scottish Government. *Housing (Scotland) Act 2001*.

[http://www.legislation.gov.uk/asp/2001/10/pdfs/asp\\_20010010\\_en.pdf](http://www.legislation.gov.uk/asp/2001/10/pdfs/asp_20010010_en.pdf) and Ofgem. *Energy Company Obligation*.

<https://www.ofgem.gov.uk/environmental-programmes/energy-company-obligation-eco>

<sup>4</sup> UK Parliament. *Scotland Bill 2015-16*. <http://services.parliament.uk/bills/2015-16/scotland.html>.

The Scottish government will gain control over how the supplier levy-funding for Energy Company Obligation (ECO) schemes are delivered nationally. Further energy policy changes in Scotland in 2016 will arise from the expiration of the fuel poverty target, implementation of a new energy strategy and the development of a new national energy efficiency scheme (SEEP) in addition to publishing of the RPP3, a road map which outlines how climate change targets will be met.

<sup>5</sup> HM Government. *Draft Wales Bill*.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/469392/Draft\\_Wales\\_Bill\\_Web\\_2\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469392/Draft_Wales_Bill_Web_2_.pdf)

legislative initiatives on energy efficiency and renewable energy that could impact British consumers.<sup>6</sup>

Perhaps most importantly in 2016-17, energy consumers will expect to see the benefits of lower wholesale costs feeding through into their bills.

Competition is central to resolving these problems. A retail market that consumers can trust must emerge from the CMA's investigation, and is essential to ensuring families get the best deal for their energy supply. Competition is also vital for ensuring that the costs of the low carbon transition are kept under control, going green at the lowest possible cost.

However, no matter how rigorous the reforms are that emerge in the next few years, there will continue to be some families who cannot participate in competitive energy markets and who suffer ill-health because they live in a cold home. For those families, protections must be in place to prevent them being penalised for factors outside their control. Society's most vulnerable cannot be left behind as the energy market moves forward.

We have selected five streams of ongoing work, and three key themes for new work, to respond to this external environment in 2016/17.

## Our five key areas of ongoing work

In 2016/17 we'll continue our ongoing work to improve consumers' experiences of energy markets. This work falls into five areas.

### 1. Pushing for improved customer service in the energy retail market

The CMA has shown the shortcomings of competition in the energy sector, demonstrating widespread discontent with the way the market works for consumers. Data from Ofgem shows that 57 per cent of consumers are disengaged from the market while certain groups, such as those on pre-pay meters and small businesses, face exceptional difficulties accessing competitive deals.<sup>7</sup> We also know that, even where competition is robust, aspects of the consumer experience are only

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<sup>6</sup> European Commission consultations:

<https://ec.europa.eu/energy/en/consultations/public-consultation-new-energy-market-design>  
[;https://ec.europa.eu/energy/en/consultations/preparation-new-renewable-energy-directive-period-after-2020;](https://ec.europa.eu/energy/en/consultations/preparation-new-renewable-energy-directive-period-after-2020)  
<https://ec.europa.eu/energy/en/consultations/consultation-review-directive-201227eu-energy-efficiency>

<sup>7</sup> Ofgem. *Retail Energy Markets in 2015*, p 21.

[https://www.ofgem.gov.uk/sites/default/files/docs/2015/09/retail\\_energy\\_markets\\_in\\_2015\\_report\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2015/09/retail_energy_markets_in_2015_report_0.pdf)

weakly responsive to this competition. That's why, as the consumer champion, we use a range of tactics to push companies and the regulator to improve customer service. Where appropriate, we work collaboratively with Ofgem and the Ombudsman Service.

A priority this year is exploiting the power of data to achieve better customer service.

**We will:**

- 1.1. Analyse data from the Citizens Advice Consumer Service and Extra Help Unit to identify harmful supplier practices. We will then work with suppliers and others to negotiate improvements that minimise the need for regulatory intervention. Where this fails, and there is evidence of a licence or other breach, we will refer the matter to Ofgem's Enforcement Team.
- 1.2. Extend our work monitoring customer service and tariffs by using data from the Citizens Advice service and external sources. For example, we will use data on switching volumes and locations to produce reports to guide consumer education. We will also use data to compare customer service in specific sub-markets, for example prepayment vs. direct debit offers or standard variable vs. acquisition tariffs.
- 1.3. Publish data to incentivise customer service improvements, including:
  - Two quarterly supplier performance league tables, supplementing our existing publication on the retail domestic sector with a new publication on companies supplying small businesses.
  - A new regular report that analyses our Consumer Service cases related to district heating, renewable heating, microgeneration, insulation and heating controls.
  - The annual *Advice in Detail: Energy* report that analyses the energy issues Scottish consumers raised with the local Citizens Advice network, the Consumer Service and the Extra Help Unit.<sup>8</sup>

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<sup>8</sup> Citizens Advice Scotland. *Advice in Detail: Energy*.  
<http://www.cas.org.uk/publications/advice-detail-energy-2014/15>

- 1.4. Build our relationships with new energy suppliers, using our knowledge of best practice to help them develop consumer-friendly processes, particularly for vulnerable consumers.
- 1.5. Analyse energy company performance information submitted to Ofgem as part of reporting against Quality of Service Guaranteed Standards of Service, and Supplier Guaranteed and Overall Standards of Performance requirements.
- 1.6. Publish research into consumer detriment in unregulated parts of the energy market, exploring the issues faced by consumers who use heating oil, LPG, district heating, and solid fuel.
- 1.7. Monitor industry compliance with codes of practice and raise issues through Ofgem's Renewable Heat Incentive (RHI) Consumer Panel.

## **2. Representing consumers in negotiations over regulation, policy and investment**

Consumers' experiences of the energy market, from the service they receive to the size of their bills, are driven by the regulations that govern the energy market. These rules are agreed in complex technical negotiations between industry, the regulator and government - and we are the voice of consumers in the room. This work has become even more important as a growing range of policy objectives have been delivered through the energy system and paid for through energy bills, even while energy costs have attracted rising public concern. We use our technical expertise to push hard for a fairer balance between profits and prices, and to push for approaches to cost-allocation that ease the burden on low to middle income households.

This is a critical year for the regulatory framework and so we want to step up our work in this area. The regulator faces the daunting task of continuing its vital day job while reviewing its approach to regulations in a complex and fast-changing market. To help ensure this change benefits consumers we will complement our day-to-day regulations work with bigger picture research into the impact of new technologies on the regulatory framework (see key themes 1 and 2 on page 20-21).

### **We will:**

- 2.1. Represent consumers in the mid-period reviews of the £17.9 billion RIIO-T1 (electricity and gas transmission) and £24.8 billion RIIO-GD1 (gas distribution) price settlements.

- 2.2. Submit further evidence to the CMA Energy Market Investigation and, following the CMA's final report in June 2016, evaluate the proposed remedies from a consumer perspective and work with Ofgem, DECC and industry to ensure their effective implementation.<sup>9</sup>
- 2.3. Represent consumers on Ofgem, DECC and industry working groups including reviews of the supplier objections process, next day switching, the regulation of third party intermediaries, the role of the Ombudsman Service and complaints handling.
- 2.4. Shape and support Ofgem's Future Retail Regulation workstream and any move to a less prescriptive approach to regulation by participating in Ofgem working groups and industry challenge panels. We want to focus our efforts on developing new ways to monitor compliance and identify detriment early — a function that would become more important in a world of less prescriptive rules, particularly to protect vulnerable households.
- 2.5. Represent consumers on the Uniform Network Code Panel, the Balancing and Settlement Code Panel, the Smart Energy Code Panel and the Connection and Use of System Code Panel, analysing the consumer impact of proposed rule changes. Our priority in these discussions is more open and transparent industry codes.
- 2.6. Represent British energy consumers' interests in the implementation and enforcement of the European gas and electricity market rules and in the development of the legislative framework for a new single EU energy market, through direct engagement with the EU institutions in Brussels, and in collaboration with partners such as BEUC (the European Consumer Organisation).
- 2.7. Monitor follow-up to the National Assembly for Wales' Environment and Sustainability Committee's inquiry, *A Smarter Energy Future for Wales*.<sup>10</sup>
- 2.8. Report on the operational and financial performance of the electricity and gas networks under the RIIO price controls using new information published under transparency measures that are being

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<sup>9</sup> Competition and Markets Authority. *Energy Market Investigation*.

<https://www.gov.uk/cma-cases/energy-market-investigation>

<sup>10</sup> National Assembly for Wales. *A Smarter Energy Future for Wales*.

<http://www.senedd.assembly.wales/mgConsultationDisplay.aspx?ID=184>

introduced by Ofgem in response to our 2015 research report *Beginning to see the light*.

- 2.9. Submit evidence to the National Infrastructure Commission and DECC to inform decisions over energy infrastructure, including scrutinising the contracts for difference and capacity market programmes.
- 2.10. Monitor and seek to inform the implementation of the Welsh government's Energy Efficiency Strategy.
- 2.11. CAS will act as a conduit to ensure consumers' views are listened to as the Scottish Government develops its Energy Strategy.

### **3. Supporting and scrutinising the smart meter rollout to maximise consumer benefits**

The programme to install smart meters in households across Britain is the largest ever consumer-facing energy infrastructure project.<sup>11</sup> Smart meter installers will visit more than 26 million homes and replace more than 50 million meters over the next 5 years. This could transform the consumer experience, improve customer service, and reduce consumption and bills.

Alongside these opportunities are risks, not least over suppliers' progress with implementation and around the technical and data handling capabilities of smart meters. We will work hard to make sure the benefits of smart meters are realised, not least because an attractive offer is the best way to drive uptake.

As the smart rollout moves from planning to implementation in 2016/17, our top priority is using data and building digital tools to support and scrutinise the rollout and assess its value.

#### **We will:**

- 3.1. Develop a best-in-class process to monitor the smart meter rollout. This will include (a) a new digital tool to map progress using a mix of our client data and information requested from suppliers (b) publications to report on progress and the consumer experience and (c) improving internal data handling techniques to more accurately track smart metering problems.
- 3.2. Share our research on the household and small business experience of smart meters and the rollout with energy firms,

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<sup>11</sup>See Smart Energy GB website <https://www.smartenergygb.org/en/the-bigger-picture/about-the-rollout>.

DECC, Ofgem, the UK, Scottish and Welsh governments, Smart Energy GB and in the EU, to inform delivery plans as they progress.

- 3.3. Develop a smart meter 'data dashboard' to empower consumers to understand their energy data, who has access to it on what terms, and giving consumers control over access rights. Work with DECC to use this tool to support the Data Access and Privacy Framework.
- 3.4. Monitor small businesses' experiences in relation to the smart meter rollout. We will also respond to the CMA's remedies for the small business market, contribute to Ofgem's workstream on regulating third party intermediaries and help ensure the Future of Retail Regulation agenda meets their needs.
- 3.5. Monitor the roll-out to ensure the needs of Welsh speakers are being met, for example to make sure advice about how to use IHDs is available in Welsh.
- 3.6. Consult with European counterparts and EU bodies to ensure the EU Digital Single Market initiative incorporates suitable protections for consumers' energy data.

#### **4. Helping consumers make informed choices over how they buy and use energy**

Through our network of over 300 local Citizens Advice offices, our Consumer Service and Extra Help Unit helplines, our website with over 20 million visits each year, and our Energy Best Deal initiative that reaches hundreds of thousands of people, we are uniquely well-placed to advise energy consumers.<sup>12</sup> No one else has the reach and expertise of the Citizens Advice service to help people engage with the energy market, resolve disputes with their supplier and access support programmes. And by helping companies make bills and energy information simple to understand we can reduce the need for people to seek out assistance in the first place. Our priority in 2016/17 will be to expand the reach of our trustworthy information and advice using new digital tools, boosting consumers' confidence in the changing energy market.

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<sup>12</sup> Citizens Advice. *Energy Best Deal 2015-16*. <https://www.citizensadvice.org.uk/about-us/how-we-provide-advice/our-prevention-work/financial-skills-for-life/financial-skills-for-life-what-we-do/energy-best-deal/energy-best-deal/>. Local Citizens Advice will deliver approximately 16,600 additional, more bespoke one-to-one sessions for consumers under the *Energy Best Deal Extra* programme in 2016/17.

## **We will:**

- 4.1. Advise 100,000 clients on energy issues through the local Citizens Advice network and Consumer Service and inform 800,000 unique users about energy issues through the Citizens Advice website.
- 4.2. Provide deeper, more targeted support for approximately 8,500 energy consumers with complex problems through the Extra Help Unit helpline and by engaging vulnerable consumer groups through Energy Best Deal.
- 4.3. Produce the Energy Consumer Checklist, giving 26 million households direct information about switching, how to complain and where to get energy advice and energy efficiency support.
- 4.4. Audit the way energy suppliers signpost and refer customers when things go wrong and push to simplify the customer redress journey.
- 4.5. Publicise the rights of consumers using heating oil, LPG, solid fuel and district heating, for example by:
  - Researching the experience of ‘off-gas’ consumers to improve our advice and industry customer service and redress.
  - Advocating fairer treatment for off-gas consumers and publishing research describing the household characteristics of off-gas consumers and the issues facing these consumers.
  - In Wales, encouraging dissemination of the Federation of Petroleum Suppliers’ customer charter and calling on other “off-gas” trade associations to develop similar charters.<sup>13</sup>
  - Researching the experience of ‘off-gas’ consumers in order to improve advice provision in Scotland.
- 4.6. Inform the Welsh Language Commissioner’s development of Welsh Language Standards for energy companies, ensuring they benefit consumers, and are aligned with Ofgem’s Standard Licence Conditions (SLCs).

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<sup>13</sup> Federation of Petroleum Suppliers. *Customer Charter*.  
<http://www.fpsonline.co.uk/eng/customer-charter>

## 5. Pushing for steps to reduce the number of cold homes

Millions of people in Britain live in dangerously cold homes, leading to more deaths every year than result from road accidents.<sup>14</sup> Efforts to support vulnerable energy users face a constrained funding environment, requiring a focus on the most vulnerable groups. Meanwhile, new energy efficiency policies are coming online such as the £3.2 billion supplier obligation programme. At the same time, efforts to revive housebuilding and improve the private rental sector are an opportunity to raise building standards and hold landlords to account for renting out dangerously substandard properties. One key emphasis for our work this year will be using developments outside the energy market to help vulnerable energy users and reduce the number of cold homes.

This year our ongoing push against cold homes will focus on opportunities outside the energy market.

### **We will:**

- 5.1. Promote minimum standards as way to tackle cold homes:
  - Pushing for the government's infrastructure strategy to commit to the following targets for homes in England to meet an EPC C standard: 2025 for low income homes and social housing, 2027 for private rented homes and 2035 for owner-occupied homes.
  - Advocating ambitious minimum standards in the Scottish Government's work on Regulation of Energy Efficiency Standards in the Private Sector, as well as in new Welsh energy efficiency policy.
- 5.2. Support DECC's work on the new energy efficiency supplier obligation, helping the program to reach those in most need, work with the devolved nations' energy efficiency programmes, and make sure local authorities and other local agencies play a central role in identifying and referring people for help.

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<sup>14</sup> According to the Office of National Statistics, an estimate 43,900 excess winter deaths occurred in England and Wales in 2014/15. [http://www.ons.gov.uk/ons/dcp171778\\_425192.pdf](http://www.ons.gov.uk/ons/dcp171778_425192.pdf). According to the World Health Organisation about a third, or 14,000 in this case, of excess winter deaths can be attributed to cold homes - see Rudge, J. (2011). Indoor cold and mortality. In "Environmental Burden of Disease Associated with Inadequate Housing", (Bonn: World Health Organisation (Regional office for Europe)), p. 81. In 2013, 1,713 people died in road accidents in Great Britain <https://www.gov.uk/government/publications/annual-road-fatalities>.

- 5.3. Support research on the impact of cold homes on ill health in England and Wales, for example by supporting the DECC/PHE/CSE health and fuel poverty evaluation toolkit.
- 5.4. Pilot an outreach program in which our specialist energy advisors in England and Wales will visit homes to give efficiency advice to vulnerable groups.
- 5.5. Work with the Scottish Government to develop a new fuel poverty strategy and target beyond 2016.
- 5.6. Engage with the EU institutions to align the European legislative framework for energy efficiency with initiatives under development in the UK, including in devolved administrations.

## Themes for new energy work

One of the challenges of working in such a fast-changing environment is that energy regulators and policymakers have sometimes barely finished addressing one challenge before another arrives. To help with this, we complement our day to day work with some bigger picture, more thematic research that casts ahead to changes a few years hence. In this work we make a conscious effort to look up at longer term challenges facing consumers and reflect on what these will mean.

In the energy market, a particular challenge in the next decade will be the widespread impact of new technologies. These technologies could transform the consumer experience of what it feels like to buy and use energy. They will also necessitate changes to the way the energy market is regulated. And, of course, both these changes, to the consumer experience and the underlying regulatory framework, will interact in complicated ways. To explore this we plan three themes of forward-facing research for 2016/17.

### 1. Future energy regulation

Over the last decade, a range of new technologies have reshaped the energy sector in unexpected ways. The declining costs of solar panels, the emergence of shale gas and oil, the digitisation of energy markets – each of these leaves the energy market in 2015 much changed from in 2005.

But as we look into 2016, many of these long-heralded technologies are set to start reaching scale. In 2016/17, we will therefore devote attention to preparing for these developments. As things stand, we know that new technologies, from widespread solar PV to smart networks to affordable batteries, will require changes in the way energy is regulated. Some of these changes will seem technical but will have widespread implications –

for example, a move to more regular price settlement. Others will be wider ranging – for example, a less prescriptive approach to regulation.

So what could these regulatory changes mean for consumers? And how will they need to be designed in order to bring consumer benefits?

**Throughout the year, we will use a range of research methods, from international case studies to economic modelling, to explore questions including:**

- 1.1. If electricity distribution networks are allowed to vary charges geographically or based on consumption, what effects could this have on the level and distribution of energy bills, including for rural and urban users? How would this affect future price controls?
- 1.2. What effect could half-hourly or 15 minute price settlement have on the level and distribution of prices in the energy market? Could new risks of detriment emerge from this change?
- 1.3. More affordable energy storage could lead to new energy tariffs and consumer products and require changes to the way energy is priced and regulated. What could this mean for consumers?
- 1.4. What have we learnt so far about the consumer impacts of community energy schemes? What could a greater role for core cities and Local Authorities in energy mean for consumers? What role might devolved governments play?
- 1.5. What should regulation of the domestic heat market look like in Scotland? How can the recommendations of the District Heating Expert Commission report on regulatory options be implemented to best serve Scottish district heat consumers?

## **2. The new energy consumer**

If our first research theme focuses on future regulations and their implications for consumers, our second theme looks more directly at how the consumer experience of energy retail markets is changing. New firms are entering the energy market, bringing new styles of business to the sector. Meanwhile, new smart equipment could personalise the consumer experience and create new products and services. These are exciting developments but it should not be assumed that their promise will automatically, or even easily, translate into a better retail experience. Smart meters will, for example, reduce what it costs to service pre-pay customers but, with pre-pay customers often unengaged, will these savings feed through fully into cheaper bills?

Our hope and belief is that new technologies can, if used well, significantly empower consumers, including the unengaged.

**In 2016 we want to explore how this will this happen. We will:**

- 2.1. Research how innovations like smart meters and one day switching could increase consumer engagement. For example:
  - What do behavioural insights tell us about how consumers might use their energy data to help switch?
  - How are under-engaged groups, and particularly customers on prepayment meters, responding to the opportunities of smart meters and other new technologies?
- 2.2. Road test some practical ways of using data and digital tools to empower energy consumers in England and Wales. As part of this, we will:
  - Launch new data streams of reliable information on customer service in the energy industry so that intermediaries, such as price comparison websites, can provide this information to consumers.
  - Build and test a tool to help people sign up for the energy and water priority service registers.<sup>15</sup>

### **3. New routes to energy affordability**

In a world of constrained spending we need new ways to make energy bills more affordable. Energy efficiency is well-established as the most cost-efficient way of doing this, reducing the cost of energy for households while also being one of the cheapest ways of reducing greenhouse gas emissions. Alongside our ongoing work on cold homes, we therefore want to use 2016/17 to explore new ways to improve the energy efficiency of Great Britain's homes. To make the most of our breadth of perspective, we are particularly keen to develop new ideas outside of traditional energy policy, understanding how the latest developments in health or housing and planning policy can help save energy consumers money.

**To this end we will:**

- 3.1. Road test some new ways of supporting energy efficiency in

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<sup>15</sup> These registers are used to target specialist services, for example where a consumer requires backup power for essential medical equipment.

## England and Wales:

- Launch a pilot housing and health referral service, taking forward new NICE guidelines on excess winter deaths and research the public health case for better energy standards.<sup>16</sup>
- Work with the local Citizens Advice network in core cities to see what new powers and budgets could be used at city-level to improve energy efficiency.

### 3.2. Research:

- The barriers to energy efficiency in the private rental sector and how incentives could be better aligned to help renters to reduce their energy bills.
- How consumers are using digital heating controls, drawing lessons for policy and advice provision.
- The consumer experience of heat networks in the private sector in England and Wales, seeking better statutory protections, improved customer service standards and easier advice and redress.
- What opportunities exist for scheme design and financing in Scotland, where energy efficiency has now been designated as a national infrastructure priority.

## The Extra Help Unit

The Extra Help Unit (EHU) has statutory powers to provide support to consumers in vulnerable positions across GB who are experiencing problems resolving complaints with energy companies and regulated postal providers. As well as helping individual consumers with their complaints, the EHU also works with energy suppliers to address performance and policy concerns and to help improve how they support customers in vulnerable positions.

Continuing its work in these areas, this year the EHU will:

- Investigate and negotiate with suppliers until a consumer's case is resolved or deadlock reached.

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<sup>16</sup> National Institute for Health and Care Excellence. *Excess winter deaths and illness and the health risks associated with cold homes*. <https://www.nice.org.uk/guidance/ng6>

- Ensure appropriate payment methods and payment plans are in place.
- Signpost and make referrals for consumers to trust funds, debt advice, food banks, energy efficiency and social services.
- Carry out policy analysis on casework and raise any concerns initially with suppliers, energy policy team and Ofgem.
- Meet supplier groups and individual companies to address issues that emerge from our caseload and to share best practice.
- Assist policy teams with the provision of evidence and suggestions for consultation responses.

# Chapter 2: Post



## Context

The way we use post has transformed in the last generation. Email and mobile phones have replaced letters as the main way people communicate personal information, leaving businesses and government as the main senders of letters. Meanwhile, the rise of e-retail is driving rapid growth in the parcels market, shifting the market as a whole away from letters and towards parcels. Far from making post less relevant, these trends have simply changed the way post is used; if yesterday the consumer's experience of post was receiving a letter via Royal Mail's universal service network, today it may more typically be delivery of an item bought online.

In the long-run, these shifts could have widespread implications for the way the postal market is regulated. And in many ways these discussions are more important than ever as the way in which post serves the wider economy changes. Today's postal operators are the final mile of e-retail as well as the means through which government and businesses communicate with and bill their customers. Consumers enjoy the right to a universal postal service which includes regular collection and delivery of letters and parcels. As such, post is interconnected with everything from the delivery of government services, to the government's wider priorities on digital telecoms; universal access to broadband, for example, loses much of its value without universal access to parcel delivery to make e-retail possible.

Debate continues over how the industry should adapt to these changes. In practice, in 2016/17, much of this debate will take place through two channels. The first is Ofcom's ongoing review of the regulatory regime governing post, considering different options for changing the regulatory framework.<sup>17</sup> This will entail a careful weighing up of benefits and harms to consumers, taking into account effects on price and customer service and the value of regulatory certainty.

The second is the Post Office's transformation programme. The vast majority of consumers interact with the postal system through the network of 11,500 Post Offices.<sup>18</sup> But this network is undergoing profound change as many branches are converting to the new 'Local' or 'Main' models, while a further franchising of Crown branches has been announced. This sets the context for our work representing postal consumers in 2016/17.

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<sup>17</sup> Ofcom. *Review of the regulation of Royal Mail*.

<http://stakeholders.ofcom.org.uk/consultations/royal-mail-regulation-review>

<sup>18</sup> Post Office. *Modernising the Post Office*.

<http://corporate.postoffice.co.uk/modernising-post-office>

## Our five key areas of ongoing work

Throughout the year we will undertake five areas of ongoing work to stand up for the interests of postal services consumers.

### 1. Push for better customer service for people sending and receiving mail

Competition in mail delivery remains very limited and whilst competition in the parcels market can create strong incentives for companies to improve the customer experience, some aspects of that experience are less sensitive to these pressures. Redress and performance reporting standards vary between Royal Mail and new entrants. Subgroups of consumers, such as vulnerable people living in rural areas, can be overlooked as the market develops and require protections such as the Universal Service Obligation. Likewise, some examples of poor customer service affect people other than the immediate customer, as is the case with people receiving a parcel delivery that has been arranged by a retailer, or struggling to arrange redelivery of an item after having no previous contact with the delivery firm.

We use a range of tactics to put proportional pressure on companies to monitor and improve these aspects of the consumer experience, complementing work by Ofcom and the CMA to support competition in the sector.

#### **We will:**

- 1.1. Publish the results of a consumer survey comparing the way different customer groups experience postal services, with a particular focus on vulnerable groups. This includes research into the consumer experience of *receiving* post and parcels as well as campaigning for a better experience for receipt and redelivery.
- 1.2. Test the viability of an early warning system, to use our client data and other sources of information to spotlight consumer detriment in the postal market. This would enable preventative action to be taken by industry or the regulator on issues including the performance of different postal service operators and ease of securing redress, rather than correcting after problems have arisen.
- 1.3. Work with stakeholders including Royal Mail to understand more fully the importance and value of postal services to particular

consumer groups and how their reliance on the service is likely to change over time.

- 1.4. Begin to publish regular data on quality and customer service in the parcels market to help people choose postal services on the grounds of quality as well as price.
- 1.5. In Scotland, CAS will monitor Scottish-specific market developments, highlighting detriment and proposing solutions, including in parcel delivery to the Highlands and Islands.

## **2. Representing consumers in negotiations over regulations and policy governing postal services**

The postal services market is governed by a complex array of regulations at UK and European level that set universal service requirements, place price caps on basic services, set out minimum standards for universal services, and ensure that consumers can obtain redress when they suffer detriment. These rules are developed through a rolling series of negotiations and consultations involving industry, the regulator and government in different cases. While industry's interests in these negotiations sometimes overlap with the interests of consumers, they sometimes conflict and, in all cases, it is important that these discussions are informed by a deep understanding of consumer interests, particularly for those who are vulnerable. As the market develops, appropriate protections must remain for vulnerable consumers and for consumer groups who are most reliant upon postal communications and distribution.

### **We will:**

- 2.1. Submit evidence to Ofcom's review of regulation and analyse the impact of any subsequent proposals on the level and distribution of prices, customer service quality and consumer detriment.
- 2.2. Evaluate options for better consumer protections in the parcels market, including stronger standards for complaint handling and more transparency over delivery prices in e-retail.
- 2.3. Influence decisions to be taken by government, industry and the EU on access to universal mail services through Post Offices and continue to provide the secretariat for the Cross Party Group on Postal Issues in the Scottish Parliament.<sup>19</sup>

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<sup>19</sup> Scottish Parliament Cross Party Group on Postal Issues.  
<http://www.scottish.parliament.uk/msps/54444.aspx>

- 2.4. Provide the secretariat and bring a strong consumer voice to the Post Office Advisory Group, the post market stakeholder body that brings together expert parties with an interest in the Post Office network.
- 2.5. Launch a Complaints Working Group to identify and disseminate best practice complaint handling.

### **3. Mapping access to postal services and tracking how this is changing over time**

The way people access postal services is changing. Consumers can now send and receive parcels from a variety of outlets including garages, shops and click and collect services. The Post Office network itself is part way through a transformation programme that will see around 8,000 Post Offices converted into one of two new formats: Post Office Locals and Post Office Mains. Further franchising of Crown branches, wholly owned and run by Post Office Limited, has also been signalled. Meanwhile, new entrants and retailers are transforming the parcels market, creating a range of new access points with an uneven geographic spread. These changes affect how easy it is to access a range of postal services, at different price points, and these impacts fall unevenly on different age and income groups and in different regions.

We have a legal responsibility to monitor these changes to make sure they work for consumers. And, in part because the Post Office network is still the main way people access postal services directly, we also have an explicit role monitoring the number and location of Post Offices.

#### **We will:**

- 3.1. Map access to postal services across the country, including by price, to understand how access to the market is changing over time for different consumer groups.
- 3.2. Continue our lead role monitoring the Post Office's network transformation programme by publishing regular reports and holding regular meetings to provide proportionate and tailored feedback on each round of proposals.
- 3.3. Discharge our Code of Practice functions by making sure changes to Post Offices engage with and respond to local community needs.

## 4. Working with organisations outside post to stand up for vulnerable postal users

Some of the biggest risks to vulnerable users of post come from outside the postal service market. For example, a decision by a government department, or a financial services firm, to digitise its communications can disadvantage groups that are digitally excluded. There are similar dependencies when it comes to policy objectives. For example, consumers will not reap the full benefits of universal broadband if they struggle to get online purchases delivered and the same consumers will struggle to obtain refunds if redelivery processes are cumbersome. Often these problems overlap, as a high street degrades in an area that has poor online access, weak mobile signal and limited parcel delivery.

This reflects how market development (fuelled by the choices of consumers with spending power) can create tensions whereby other consumer groups can be left behind, exposed to risks to essential services. As Citizens Advice has a unique data and relationship with vulnerable consumer groups we are well placed to understand the needs of, and represent these consumers, in policy discussions. A key emerging risk, for example, may be that universal services (funded by decisions taken by bulk mailers including government) may become unviable over time. We would wish to consider how far this may happen and what its effects may be.

Because the Citizens Advice service works across consumer markets we also have an unusually broad set of stakeholder relationships. This makes us uniquely well-placed to spot risks to postal services users emanating from outside the sector. In 2016/17 we want to use this capability to work with companies and government to avoid or mitigate risks to consumers and to help ensure that all consumers can access benefits offered by online shopping.

### **We will:**

- 4.1. Help government departments understand the role post plays in delivering public services, with research exploring the value of post in services such as benefit claims which need to reach groups with relatively low levels of digital access.

- 4.2. Conduct research into how vulnerable postal services users can be protected when, and if, services are moved online, sharing our findings with utility companies and the financial services industry.<sup>20</sup>

## **5. Help people make informed choices about postal services**

Our research shows that consumers often struggle to make informed choices over postal services. There is low awareness of the cost of postal products and low understanding of which products are appropriate for which needs. For example, we know that consumers often overpay for postal services, using a first class stamp, rather than a second class stamp, for a letter they themselves say is not urgent, while the price of postage can be unclear when buying goods online. People also struggle to navigate routes to redress, often not understanding which company is responsible when things go wrong and therefore not knowing how best to pursue a complaint. As consumers increasingly shop online the need for free, impartial and clear advice is only growing.

The Citizens Advice service has substantial experience helping people, and particularly vulnerable groups, resolve problems. Today our teams are at the forefront of digital advice, using the latest eye-tracking software and user-research to design digital content that works for people.

### **We will:**

- 5.1. Provide advice on postal services issues to 800,000 unique users through our digital advice content, and update our digital content on post on issues from consumer rights to redress to postal scams.
- 5.2. Develop new content to help postal service users navigate today's complex redress landscape so that errors are put right and complaints find their way to the right place.
- 5.3. Make high profile interventions to raise awareness on issues where we know there is low consumer understanding. These will include:
  - The appropriate use of first and second class stamps and other postal products and services.
  - The risk of scams carried out through the post.

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<sup>20</sup> For example, we work closely with the British Bankers Association (BBA) through processes such as the BBA Consumer Panel and the BBA Retail Policy Committee, where we can share research findings with senior decision-makers in the financial services industry.

- Consumer rights at key periods like Christmas.
  - Misdelivery or “doorstepping” of parcels.
- 5.4. Run targeted consumer education for vulnerable groups through the local Citizens Advice network, raising awareness of issues such as the risk of postal scams.

## Themes for new post work

In addition to our regular work standing up for postal consumers in 2016/17 we will also continue our forward-looking research into consumer challenges in post. We do this work in order to ask the broader, more far-sighted questions that can get lost in the day job of regulating a market and protecting consumers. The intention is to help the regulator, industry and government spot new risks and opportunities before they arrive.

In 2016/17, our proposed research program has three main themes.

### 1. A regulatory regime fit for tomorrow’s postal user

Technological innovation is not only leading to more efficient practises in the postal market, it is also affording consumers a far greater range of options. New collection points, locker banks and dedicated timeslot deliveries are services designed to fit with contemporary lifestyles. Regulation needs to keeps pace with these developments, not stifling innovation or becoming unduly cumbersome while still ensuring consumer protections stay up to date.

In the coming year, we will explore these disruptions and think through the changes they necessitate to the regulatory regime to maximise the benefits for consumers.

#### **Continuing our Postal Futures project, we will explore the following questions:**

- 1.1. Casting ahead, what risks will consumers face as the market evolves and how should consumer protections change to keep pace with the shift from letters to parcels? This may include a consideration of risks or challenges to universal service financing.
- 1.2. As the *receipt* of parcels becomes relatively more important, what steps could be taken to improve the experience of redelivery? What are the costs and benefits of greater protections in this area?

- 1.3. As e-retail continues to expand, what more could be done to ensure consumers have clarity over delivery prices and options when buying online?<sup>21</sup>

## 2. Promoting the needs of vulnerable postal users in a digital economy

It is not hard to predict the direction of certain trends in the postal market. Digitisation is likely to continue, further reducing the use of letters to communicate basic information. Meanwhile, e-retail will continue to expand, increasing the use of parcels.

But what are the *distributional* consequences of these shifts in the market? And what might they mean for vulnerable users of post? For example, if response rates are lower for online messages than for letters, is there a risk that arrears will rise as utilities companies move customer accounts online? And if response rates are lower for elderly or low income groups, will they be hit disproportionately by this change? Likewise, if some regions or customer groups struggle to post parcels, will the ongoing rise of e-retail and decline of the high street frustrate access to refunds for vulnerable consumers?

In 2016/17 we want to explore the distributional consequences of post in a digital age, with a particular focus on vulnerable consumer groups. Our research will answer questions such as:

- 2.1. What unintended impacts could digitisation have on consumers? And, from what we know about relative response rates, how could these impacts play out differently for vulnerable customer groups?
- 2.2. How is the use of refund rights changing with the rise of e-retail? And how does this compare for consumers in different age groups, income groups and regions?
- 2.3. How does access to postal services compare to broadband and mobile internet coverage? Do limitations in access to online retail delivery threaten to undermine the benefits of broadband, particularly in rural areas?

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<sup>21</sup> This is particularly relevant in rural areas, such as Highland Scotland, where consumers can face limited options for parcel delivery.

### 3. The changing face of access to postal services

The rules that govern access to postal services remain essential, ensuring that the benefits of post are accessible to all, including in rural and remote communities.

Yet the context in which access rules operate has changed significantly in recent years and is set to change further in years to come. As consumers send less mail and order more goods online, the receipt of mail, and the ability to return a parcel, is becoming relatively more important.

Meanwhile, competition in the parcels market is well advanced, creating an array of new delivery and collection points that differ by price and that have an uneven geographical spread. At the same time, the Post Office is going through a major transformation programme to rationalise its costs and make its network commercially viable, again with uneven implications for access in different regions and customer groups.

In this theme, we cast ahead to explore how access can remain relevant to the needs of tomorrow's consumers.

#### **In 2016/17, we will explore issues including:**

- 3.1. How is access to postal services continuing to change in the medium- to long-term as a result of the Post Office network transformation, competition in the parcels market and demographic change?
- 3.2. What is the wider social and economic value of universal access to postal services through the Post Office network—and how could this value evolve and be enhanced in a digital economy?
- 3.3. How are cost-drivers in the parcels market likely to change in coming years and what could this mean for prices? How could government work with industry to meet rural communities' needs?

# Chapter 3: Water



CAS is the consumer representative for Scottish water consumers. This chapter has therefore been led by CAS, in close contact with colleagues at Citizens Advice, to ensure the work is tightly coordinated with wider work in England and Wales. Where work impacts on policy and consumer service in England and Wales, Citizens Advice will work in conjunction with CCWater, the statutory body with responsibility for water consumers in England and Wales. The goal of our work on water is to draw on evidence from our local network, and our research, to challenge and shape government policy and industry practice to ensure it reflects the needs of consumers.

In 2015/16, we focused on helping develop a consumer-focused water industry, promoting fair charges and debt management and support for non-domestic water consumers.

Our work in 2016/17 prioritises three key processes that will impact the price Scottish water consumers pay and the quality of the service they will receive in the coming years, and which will help to improve outcomes for consumers in the non-domestic market. Firstly, we will engage in the key policy debates on issues emerging from the work of the Commission on Local Tax Reform and its report *Just Change: A New Approach to Local Taxation*, and looking at the ongoing basis of domestic water billing and collection practice.<sup>22</sup> Secondly, we will participate in stakeholder work associated with planning for the next Scottish Government *Strategic Review of Charges for Domestic Customers* (to cover 2022-28). And thirdly, we will collect evidence ahead of the IR18 mid-period review of investment in the water industry.

CAS will also continue to work on behalf of non-domestic consumers in Scotland, particularly Small and Medium-Sized Enterprises and sole traders, and respond to any issues arising for non-domestic consumers in Scotland from the launch of competition in the non-domestic water market in England.

We are also mindful that the Scotland Bill, when enacted, could result in significant changes to the consumer landscape in Scotland, including in relation to water. Scottish Parliamentary elections in May could also bring changes to the direction of policy and legislative travel within the water industry, and will be closely monitored in delivering the work plan.

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<sup>22</sup> The Commission on Local Tax Reform. *Just Change: A New Approach to Local Taxation*. <http://localtaxcommission.scot/download/1566>

# CAS's ongoing workstreams in water

## 1. Representing Scottish Water consumers

Scottish Water provide an essential service to Scotland's consumers. CAS will ensure that the consumer's voice is heard within industry decisionmaking forums, and will work with Scottish Water, industry regulators and the Scottish Government to promote the interests of consumers in terms of water and sewerage provision, charges and infrastructure development.

### **We will:**

- 1.1. Monitor the Scottish Government's response to the Commission on Local Tax Reform's report and ensure any future local taxation reform is fully cognisant of the need to clarify the inclusion of water and sewerage charges and the implications of this for vulnerable consumers.
- 1.2. Brief Scottish Government, MSPs, local authorities, Scottish Water, WICS and other key stakeholders on water consumer issues and participate in industry monitoring groups including the Scottish Government's Output Monitoring Group and associated working group.
- 1.3. Submit evidence to the Scottish Parliament's Infrastructure and Capital Investment Committee ahead of their annual evidence session with Scottish Water and on other appropriate occasions.

## 2. Scrutinising policy and practice in the water industry

The water industry is a fast moving sector responding to legislative, regulatory and discretionary demands and policy changes. The water industry in Scotland is keen to place its customers at the heart of its services. Therefore, in order to inform this process, it is vital that the consumer's perspective is evidenced and understood by the sector and that best practice, such as consumer engagement and participation, is developed by water industry stakeholders.

**We will:**

- 2.1. Work with water industry stakeholders to support the development of the consumer's role in contributing to decision making processes and influencing outcomes.
- 2.2. Monitor developments in the water industry and raise awareness of these internally in Citizens Advice Scotland, throughout the local Citizens Advice network, and externally with relevant stakeholders.
- 2.3. Work with the Scottish Government, the Water Industry Commission of Scotland (WICS) and other stakeholders to monitor, and to respond to any issues arising from competition in the non-domestic water market in England, that could impact consumers in the non-domestic market in Scotland.

### **3. Strengthening CAS's evidence base in the water industry**

Consumers should be provided with information that empowers them to make the right decisions, and that informs them of their rights and responsibilities. It is particularly useful for consumers to understand who is responsible for water and sewerage billing and collection, supply issues, infrastructure investment and flood management, so that they can receive help when they need it and hold service providers to account.

**We will:**

- 3.1. Work with the local Citizens Advice network to raise awareness of water issues and provide resources to help consumers.
- 3.2. Develop methodology, working with the research team, to improve recording of cases related to water issues.
- 3.3. Conduct independent and outward facing research to evidence consumer needs and priorities.

## **Cross-sectoral themes related to the water market**

Scottish Water provides a non-competitive service to domestic consumers in Scotland and it is therefore particularly important that consumers understand their rights and responsibilities. Evidence suggests that low income and vulnerable consumers are at particular risk of accumulating water and sewage debts and may struggle to recover. Although the current tariff structure

incorporates some affordability measures more could be done to prevent debt. We can raise awareness among consumers who receive state benefits of their liability to pay, and to help consumers recover from debt by providing more tailored affordability measures.<sup>23</sup>

The non-domestic water industry is complex, and information for customers can often be presented in language that is hard to understand. Changes to how properties are charged may impact smaller organisations that until now have not been billed. Industry approaches need to consider the needs of consumers when engaging with them and informing them of their rights and responsibilities. Information for consumers of private water and wastewater supplies should be available, accurate and accessible, and should be presented in simple, clear terms to equip them to take appropriate action when issues arise.

**We will:**

**1. Promote targeted support for low income and vulnerable water consumers**

- 1.1. Work with the Scottish Government and Local Authorities to build on progress to date and develop new ways of contacting hard to reach consumers to prevent debt occurring; develop new ways of contacting hard to reach consumers to raise awareness of their liability to pay, encourage payment, and signpost support and advice.
- 1.2. Engage with Scottish Water and local authorities to identify ways of preventing debt occurring and propose changes to debt recovery practices to improve protection for vulnerable consumers.

**2. Improve outcomes for consumers in the non-domestic water market**

- 2.1. Propose changes to debt recovery practices to improve protection for vulnerable consumers.
- 2.2. Develop and promote best-practice guidance to strengthen competition and improve outcomes for non-domestic consumers, including in relation to debt recovery.

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<sup>23</sup> See Citizens Advice Scotland (2015), '*Sink or swim: Consumer experiences of water and sewerage debt*'  
<http://www.cas.org.uk/publications/sink-or-swim-consumers-experiences-water-and-sewerage-debt>

- 2.3. Encourage water companies to write contracts in plain English.
- 2.4. Make the case for customer impacts to be assessed as part of changes to the Market Code.
- 2.5. Engage in key discussions with the WICS and other stakeholders about the WICS's development of a code of practice on pricing and switching.

### **3. Create a consumer engagement framework for the water sector and beyond**

- 3.1. Support the development of innovative consumer engagement models and share best practice with other regulated sectors and beyond.
- 3.2. Encourage the development of effective consumer engagement principles and promote networks and initiatives to ensure consumers have a strong voice in the water industry.

### **4. Improve outcomes for consumers using private water and wastewater services**

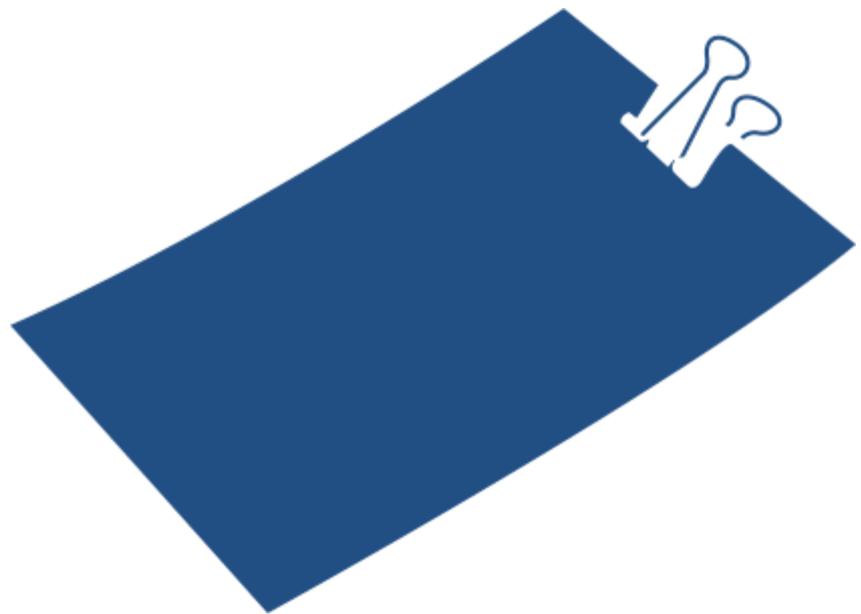
- 4.1. Map available information and sources that provide consumers with information on their rights and responsibilities regarding access to, use of and management of private water and wastewater services.<sup>24</sup>
- 4.2. Work with key stakeholders such as DWQR and SEPA to improve consumers' access to information and also quality of information on issues such as available grants, organisational responsibilities and dispute resolution.

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<sup>24</sup> Around 150,000 people in Scotland rely on a private water supply - any water supply not provided by Scottish Water - for their drinking water. Instead of Scottish Water, the owner or person who uses the supply is responsible for its maintenance.

# Chapter 4:

## Cross-sector challenges



## Context

One of our strengths as a consumer advocate lies in our ability to look across markets. For example, we can evaluate consumer protections that have worked in one market and help other regulators apply a similar approach, as with our work on debt collection practices. We also see how problems in different markets interact with each other, requiring cross-sector solutions, for example in the way the rise of an insecure private rental sector is complicating efforts to improve home energy efficiency. Our cross-market comparisons are also a powerful way of pushing for improved consumer protections when one industry lags behind others.

## Our five key areas of ongoing work

In 2016/17, we will undertake five strands of ongoing cross-sector work.

### 1. **Help and push regulators to learn from other markets**

Consumer protection develops unevenly in different regulated markets and, as a result, significant gains can sometimes be made if regulators or industry copies approaches already used elsewhere. For example, the financial services industry began to improve the way it collected overdue debts at the end of the last century. These improvements sped up and became standardised after the 2008 crash and have been widely adopted in the utility sector too. The United Kingdom Regulators Network (UKRN), which was established in 2014 by nine of the UK's economic regulators, is now working to unlock the benefits of shared learning in a more formal way.<sup>25</sup> Our work with helping consumers across all these markets means we can add real value to this work.

As well as sharing lessons between sectors, we also push regulators to pursue a pro-consumer agenda. Regulators work hard to protect consumers, but we know demands on them are high and industry is well-resourced. We exist in part to redress this balance by holding regulators themselves to account and making sure consumer interests remain salient.

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<sup>25</sup> The UKRN identified eight key work areas in its 2015/16 work plan, three of which we have focussed on to date: 'consumer engagement and switching', 'understanding affordability across sectors' and 'market returns and cost of capital'. UK Regulators Network. *2015-16 Work Programme*.

<http://www.ukrn.org.uk/wp-content/uploads/2014/05/Work-programme-statement-and-report-fina.pdf>

## **We will:**

- 1.1. Work with other consumer representatives including CCWater, and the UK Regulators Network to improve debt collection practices by sharing best practice between regulators.
- 1.2. Support the Essential Services Access Network which works to make sure vulnerable consumers can access and afford essential services.
- 1.3. Hold regulators to account by publishing the next in a series of *Rating the Regulators*<sup>26</sup> reports, comparing the consumer-friendliness of regulatory regimes on metrics including redress provisions, ease of switching, and allocation of regulatory risk between consumers and regulated firms.
- 1.4. Hold industries to account by publishing a comparison of customer service across several domains, from redress to complaint handling times, to identify key areas for attention.
- 1.5. Assess the implications of overlapping regulatory regimes on consumer protections for smart energy data services and when energy, telecoms, and other services are bundled in one product or under one contract agreement.
- 1.6. Spot and pursue violations of the advertising code with high profile media work, supporting the Advertising Standards Authority and building on our successful work on misleading price claims.
- 1.7. Play a central role in the Consumer Protection Partnership (CPP) which prioritises action on consumer education, enforcement, advocacy and competition policy in the UK and devolved nations
- 1.8. Host sessions with regulators and companies in Wales on the implementation of the new Welsh Language Standards, encouraging best practice in design, advertising and monitoring.

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<sup>26</sup> Consumer Focus published the first Rating Regulators report in 2009, available here [http://webarchive.nationalarchives.gov.uk/20100114004539/http://www.consumerfocus.org.uk/assets/1/files/2009/06/10708\\_CF\\_Rating\\_Regulators\\_web.pdf](http://webarchive.nationalarchives.gov.uk/20100114004539/http://www.consumerfocus.org.uk/assets/1/files/2009/06/10708_CF_Rating_Regulators_web.pdf). Citizens Advice published a report that focused more narrowly on the performance of regulators in relation to consumer vulnerability in 2014, that is available here [https://www.citizensadvice.org.uk/global/migrated\\_documents/corporate/tackling-consumer-vulnerability.pdf](https://www.citizensadvice.org.uk/global/migrated_documents/corporate/tackling-consumer-vulnerability.pdf)

## 2. Push to make it *far* easier to switch suppliers

The best way to improve price and customer service is through pressure from consumers switching away from poor value products or services. Yet in many markets switching rates remain low. Next year we plan a new strand of ongoing work to improve the switching experience. This aims to build on the success of the Department for Business, Skills and Innovation's recent publication of a set of 'switching principles'.<sup>27</sup>

### **We will:**

- 2.1. Develop a consistent set of practical tests to monitor how well the switching principles are being followed in different markets, monitoring issues like speed and ease of price comparison.
- 2.2. Commission research to compare the reliability, transparency, consistency and comprehensiveness of price comparison websites across regulated markets.
- 2.3. Develop and test new ways to help unengaged consumers switch, for example through the Consumer Service helpline, targeted social media work or the local Citizens Advice network.
- 2.4. Feed new research on switching through the CPP to support a coordinated approach with the CMA and Trading Standards and National Trading Standards Board.
- 2.5. Articulate consumer expectations of proposed mechanisms to speed up switching via data portability such as the Midata scheme.
- 2.6. Commission research into new risks to switching, for example around the rise of bundled service contracts and barriers to switching for consumers in arrears.
- 2.7. Lead the Consumer Protection Partnership for Wales, sharing information with regulators and other consumer bodies.

## 3. Develop live data tools to give early warning of consumer detriment

The earlier harmful practices can be identified the better the chances of preventing consumer detriment. Yet in a context of tight funding constraints, including for Trading Standards, it is more important than

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<sup>27</sup> The Department consulted on six switching principles in October 2015. Department for Business Innovation and Skills. *Switching Principles*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/469998/BIS-15-533-call-for-evidence-switching.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469998/BIS-15-533-call-for-evidence-switching.pdf).

ever that preventative and enforcement actions is well-targeted. Our work with the Financial Conduct Authority on payday loans and credit brokers has shown how data can be used to guide intervention; we saw payday loan problems halve after our data led to better protections. Likewise, we have used our data to support Ofgem's enforcement actions, delivering millions of pounds back into consumers' pockets.<sup>28</sup>

One of our key priorities in 2016/17 will be finding new ways to use the unique data we generate through the Consumer Service helpline and Citizens Advice network to spot consumer detriment earlier.

**We will:**

- 3.1. Develop cutting edge data tools using data from the Consumer Service and the local Citizens Advice network to monitor consumer detriment and provide an early warning system.
- 3.2. Publish a regular Consumer Barometer outlining the key problems consumers experience and publicising trends.
- 3.3. Share our data more routinely through the CPP to help link up actions on consumer education, advocacy, enforcement and competition policy in the UK and devolved regions.

#### **4. Throw light on regulatory settlements that disadvantage consumers**

Regulated markets are governed by agreements that constrain, to differing degrees, the prices companies can charge and the profits they can make. These agreements are complex and agreeing them is no easy task; regulators must strike a difficult balance between profit levels that reward risk-taking and investment and the need to reduce consumers' bills. And they must strike this balance in multi-year deals negotiated in conditions of chronic uncertainty.

There is also, however, reason to believe that regulatory settlements tend to lean in favour of high profits over low prices; our own analysis suggests that, across regulated industries, rates of return tend to be in excess of the regulator's initial aims. Meanwhile, when it comes to how costs are

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<sup>28</sup> See Ofgem decisions in relation to BES Commercial Electricity Ltd and Business Energy Solutions Ltd. [https://www.ofgem.gov.uk/sites/default/files/docs/bes\\_penalty\\_notice\\_of\\_decision.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/bes_penalty_notice_of_decision.pdf), Spark Energy, [https://www.ofgem.gov.uk/sites/default/files/docs/2015/04/notice\\_of\\_decision\\_to\\_impose\\_a\\_financial\\_penalty\\_spark\\_21\\_april\\_2015\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2015/04/notice_of_decision_to_impose_a_financial_penalty_spark_21_april_2015_0.pdf), Economy Energy [https://www.ofgem.gov.uk/sites/default/files/docs/20151216\\_final\\_penalty\\_notice\\_ee.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/20151216_final_penalty_notice_ee.pdf) and Npower [https://www.ofgem.gov.uk/sites/default/files/docs/npower\\_penalty\\_notice.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/npower_penalty_notice.pdf).

allocated between different groups of consumers, there are important concerns about equity to take into account. For this reason, it is also instructive to understand the *distributional* effects of regulatory settlements in different industries.

**We will:**

- 4.1. Update and extend our *Many Happy Returns* research, comparing rates of return across regulatory price controls, and keep using these findings to push for better value from infrastructure investment.<sup>29</sup>
- 4.2. Compare the consumer-friendliness of the settlements governing different regulated industries, identifying good practices, such as approaches to indexing, that can be transferred.
- 4.1. Commission further research to explore the distributional impact of infrastructure investment across different consumer markets.

## **5. Help consumers secure quick and easy redress**

The Citizens Advice network helps 2.5 million clients a year resolve a consumer problem.<sup>30</sup> Our Consumer Service helpline helps 600,000 people and the consumer pages of our website receive over 2 million unique visits.<sup>31</sup> In many of these cases consumers are struggling to navigate unresponsive complaints systems and redress policies. This adds insult to injury, wasting more time than is necessary and leaving many problems unresolved. BIS estimates that nearly nine in ten of the people who experience a consumer problem take action to resolve it. Yet only half of these problems were considered to be fully resolved, with a third not resolved at all.<sup>32</sup>

One year on from the Alternative Dispute Resolution Directive coming into force in the UK, the time is ripe to review and compare the routes to redress that are open to consumers.

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<sup>29</sup> Citizens Advice, *Many Happy Returns*

<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/many-happy-returns/>

<sup>30</sup> See Citizens Advice. *Our Annual Report and Accounts*, p. 9

<https://www.citizensadvice.org.uk/Global/Public/About%20us/Annual%20report/Citizens-Advice-annual-report-2014-15.pdf>

<sup>31</sup> *Ibid* p. 14

<sup>32</sup> Department of Business, Innovation and Skills. *Consumer Engagement and Detriment Survey 2014*, p. 5

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/319043/bis-14-881-bis-consumer-detriment-survey.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/319043/bis-14-881-bis-consumer-detriment-survey.pdf)

### **We will:**

- 5.1. Compare the performance of out-of-court redress schemes across regulated and non-regulated markets to assess the effectiveness of the Alternative Dispute Resolution (ADR) regulations and promote best practice and conduct.
- 5.2. Publish a report exploring the consumer experiences of complaint handling and redress.

## **Themes for new cross-sector work**

Citizens Advice plans to undertake three more forward-looking research projects in our cross-sector work in 2016/17.

### **1. A behavioural approach to consumer regulation**

In recent decades huge progress has been made in understanding human decision-making and behaviour.<sup>33</sup> Research has helped to explain the shortcuts people use to make decisions, the importance of the surrounding choice architecture, and the way people prioritise. These insights now inform many areas of public policy but, while this thinking has begun to inform regulatory discussions, more could be done to realise its potential for supporting light touch but effective consumer protection.

In several areas of consumer protection this is a question of real practical importance. One case in point is the terms and conditions that are placed on consumer contracts: they place burdens on business and yet their length, often running to thousands of words, makes them impractical and inaccessible for consumers. This red tape burden falls on consumers as much as businesses, requiring people to spend hours deciphering long, legalistic documents to protect themselves from fees or limitations of use.

In this work theme, we will commission research to show how behavioural insights can put consumer behaviour at the heart of consumer policy and business practice.

#### **We will explore questions including:**

- 1.1. How could behavioural insights be used to make switching easier? For example, are there practical ways to use automatic triggers to encourage consumers, and particularly the unengaged, to switch?

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<sup>33</sup> This field began to emerge in the late 1960s but has been popularised in recent years by Daniel Kahneman's *Thinking Fast and Slow*, Richard Thaler and Cass Sunstein's *Nudge* and Dan Ariely's *Predictably Irrational: the Hidden Forces that Shape our Decisions*.

- 1.2. Could the 'small print' approach to terms and conditions be replaced by a more practical approach to information, and a smarter way of prioritising the terms that matter most?
- 1.3. How can behavioural tools help cost-conscious consumers control their spending or avoid unexpectedly high bills? For example, could more use be made of opt-out or self-imposed caps?

## 2. Counting the costs of consumer detriment

One of the key challenges in consumer policy is that the gains and losses from consumer detriment are less easy to quantify than those from a tax or welfare cut. This can result in consumer policy playing second fiddle to a higher profile debate about taxes and benefits, underplaying consumer protection as a way to support living standards. This order of priorities is not always justified; for example, the Payment Protection Insurance scandal alone has led banks to put aside £22.2 billion in compensation payments to date.<sup>34</sup>

In recent years important work has begun to assess the scale of consumer detriment.<sup>35</sup> But there remains scope to build on these estimates and to incorporate indirect costs such as time spent or deterred market activity. A fuller understanding of the level of consumer detriment will help make the case for consumer policy while an understanding of its *distribution* could help target scarce resources for enforcement and policy work.

### **We will:**

- 2.1. Work with partners including BIS, the CMA and Trading Standards and the National Trading Standards Board to publish a new study quantifying the level and distribution of consumer detriment.
- 2.2. Build on this work to develop the first estimate of the economic cost of the time consumers spend resolving consumer problems.
- 2.3. Explore the potential for quantifying the range and cost of 'structural' consumer detriment, for example the detriment associated with inertia among unengaged consumer groups.

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<sup>34</sup> See the Financial Conduct Authority's website on the payment protection compensation here <http://www.fca.org.uk/consumers/financial-services-products/insurance/payment-protection-insurance/ppi-compensation-refunds>.

<sup>35</sup> See Department of Business Innovation and Skills (2014), 'Consumer engagement and detriment survey', [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/319043/bis-14-881-bis-consumer-detriment-survey.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/319043/bis-14-881-bis-consumer-detriment-survey.pdf)

### 3. Using open data to engage under-engaged consumers

It is hard to predict where the next disruption in consumer markets will come from. But one disruption with significant potential to empower consumers is the rise of open and interconnected data. Through innovations like smart meters the volume of data generated by consumer products is set to explode. And, as these technologies combine with one another, and with other data streams and tools, their potential to help consumers make choices will only grow.

There are already examples of data being used to help people make decisions. The app *If This Then That* uses logic-chains to trigger reminders, for example, by sending an email when the Met Office's data stream forecasts rain that day.<sup>36</sup> Other services, such as OpenSignal's map of mobile phone coverage, use crowd-sourced data to give consumers information that promises to be more accurate than top-down statistics generated by industry.<sup>37</sup> In other markets, such as public transport, data streams have made it possible to develop a tool that applies for a refund automatically when a train is late.<sup>38</sup>

Technologies like these have obvious potential to improve the consumer experience, whether by alerting people to engage at the right moment or even by making automatic decisions on their behalf. The government's Midata initiative<sup>39</sup> has already begun to support these opportunities but more could be done, including by removing regulatory barriers. To give one example, our advisors sometimes struggle to help clients because some companies are inflexible about letting intermediaries negotiate on a customer's behalf, even with authorisation. More consistent approaches could help intermediary services operate on behalf of customers.

#### **In 2016/17 we want to explore questions including:**

- 3.1. How could new data sources, for example data from smart meters, be used to help decision-making, such as by setting trigger points for switching? And how could policy encourage these innovations?

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<sup>36</sup> See the IFTTT website here <https://ifttt.com/>

<sup>37</sup> See the OpenSignal website here <http://opensignal.com/>

<sup>38</sup> See this Office of Rail Regulation document [http://orr.gov.uk/\\_data/assets/pdf\\_file/0016/5704/information-assurance-map.pdf](http://orr.gov.uk/_data/assets/pdf_file/0016/5704/information-assurance-map.pdf)

<sup>39</sup> See UK government website here

<https://www.gov.uk/government/publications/2010-to-2015-government-policy-consumer-protection/2010-to-2015-government-policy-consumer-protection>

- 3.2. What more could be done using APIs to provide trusted data on customer service, for example by publishing data to be re-used by intermediaries such as price comparison websites?
- 3.3. How could the law make it easier to set up intermediary services that help people switch or manage their utility bills? Could barriers be removed without undue risks to consumers?
- 3.4. What tools or mechanisms could support collective routes to redress? This could include new digital tools and/or regulatory powers like those in the Consumer Rights Act.
- 3.5. How could crowd-sourced data be used to guide consumer protection and enforcement, for example by using data from social media or high volume services like the Citizens Advice service?

## CAS cross-sector work

CAS will explore an additional research theme, considering how consumer policy functions in regulated sectors in Scotland, following changes to the Scottish public sector landscape.<sup>40</sup>

### **In 2016/17 CAS will:**

- Build a list of consumer principles applicable across all sectors among the essential regulated industries, going beyond subject specific areas for consumer based improvements, to motivate industry and organisations to do more to prioritise and protect consumer rights;
- Trial methods of engaging with consumers to inform industry and organisational decision-making in the essential regulated industries.

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<sup>40</sup> See UK government website:

<https://www.gov.uk/government/publications/2010-to-2015-government-policy-consumer-protection/2010-to-2015-government-policy-consumer-protection>

# Provisional expenditure for 2016/17

The overall budget for Citizens Advice and CAS activities in 2016/17 will remain frozen at £6.9 million. This budget will be allocated between the streams of activity outlined in the tables below. The overall intention of this work plan is to maintain the same proportional split of spending between our work on energy and post as in recent years. Also provided in the tables below is a budget allocation by programme spend and staffing and related costs. These specific allocations are necessarily provisional, and subject to change should we have to adapt our work in response to external developments during the year.

## Summary Budget for 2016/17

**Table 1: Citizens Advice activities**

Citizens Advice	Programme Spend	Staffing & related costs	TOTAL
Directorate	£0	£209,715	£209,715
Energy	£637,500	£2,365,208	£3,002,708
Post	£394,592	£1,951,010	£2,345,602
Cross-Sector	£261,138	£469,136	£730,274
TOTAL	£1,293,230	£4,995,070	£6,288,300

**Table 2: Citizens Advice Scotland activities**

Citizens Advice Scotland	Programme Spend	Staffing & related costs	TOTAL
Energy	£107,657	£220,443	£328,100
Post	£101,772	£93,628	£195,400
Cross-sector	£31,594	£93,006	£124,600
TOTAL	£241,023	£407,077	£648,100

# Conclusion

This work plan has described the activities that Citizens Advice and CAS will undertake to represent consumers in the regulated industries in 2016/17. To support a discussion with our stakeholders, the plan provides detail on our planned activities wherever possible. Running through this detail are a number of judgments about our key priorities for the year. In particular, the plan emphasises the challenge of improving the consumer experience in a world of rapid technological change. To this end, the plan puts a particular emphasis on:

- Doing more with data and digital tools, from publishing data that helps consumers make informed decisions to developing tools that give early warning of consumer detriment or that can monitor the consumer impact of large-scale delivery programmes.
- Thinking early about the way regulations will need to change in response to new technologies to stay efficient and avoid duplication or excessive burden, and anticipating the risks and opportunities this will present to consumers in the energy, postal and water markets.
- Applying the latest insights from behavioural economics, and using these insights to help regulators and government develop consumer protections that are flexible, light touch and effective.

If these themes provide the content of our work for the year, the rhythm of that work will be set by a number of key processes in the markets we work in. These processes include the culmination and initial implementation of the CMA's energy market investigation, the smart meter rollout and one day switching initiative, the Post Office's network transformation, BIS's ongoing work to improve the switching experience, the Scotland and Wales Bills and the Scottish Government's work on fuel poverty, redress and vulnerable consumers. Our will feed into these processes to maximise their benefits for consumers.

This is one of many reasons that we cannot achieve our objectives alone. As a result of the consultation we carried out this year, we have identified many areas for cooperation with colleagues in regulators, government, industry and other consumer advocacy organisations. We thank everyone who responded to the consultation, and look forward to working with you in the coming year.