The Environment and Climate Change Committee's inquiry into electric vehicles

Citizens Advices response to the call for evidence





1. Executive summary

- 1.1. As statutory advocate for energy consumers, Citizens Advice welcomes the opportunity to submit evidence to the Environment and Climate Change Committee's inquiry into electric vehicles.
- 1.2. To inform our response to this call for evidence, we have drawn on analysis of contacts to our consumer service about electric vehicles since 2016 and insight from our recent research exploring people's experiences of electric vehicle public charging.
- 1.3. Government should maintain clear pathways and visible targets to phase out petrol and diesel vehicles. This is critical not only for business and industry but also for affordability and consumer confidence.
- 1.4. We see low consumer confidence about electric vehicles, affordability and insufficient public charging as the major obstacles to the achievement of the government's 2030 and 2035 phase-out dates.
- 1.5. To improve consumer confidence in electric vehicles we are calling for enhanced consumer protections, broader accessibility standards for public chargepoints and a national information campaign about how households can contribute to net zero.
- 1.6. To improve affordability we are calling for a reduction of VAT on public charging costs from 20% to 5%.
- 1.7. To address the current insufficient public charging infrastructure, we urge the government to follow through with the proposals in the 2021 <u>consultation on the future of transport regulatory review: zero emission vehicles</u> and confirm when it plans to enact the necessary legislation.

2. About Citizens Advice

- 2.1. We can all face problems that seem complicated or intimidating. At Citizens Advice we believe no one should have to face these problems without good quality, independent advice. We give people the knowledge and the confidence they need to find their way forward whoever they are, and whatever their problem.
- 2.2. We provide support in approximately 2,500 locations across England and Wales with over 18,000 volunteers and 8,650 staff.
- 2.3. Through our advocacy work we aim to improve the policies and practices that affect people's lives. No one else sees so many people with so many different kinds of problems, and that gives us a unique insight into the challenges people are facing today.
- 2.4. As the statutory consumer watchdog for the energy and post industries we have an important role to play in shining a spotlight on the problems consumers

encounter, providing solutions to these problems and ensuring their voices are heard when important decisions are made about the future of these essential markets.

3. Submission

Question 1. What are the main obstacles to the achievement of the Government's 2030 and 2035 phase-out dates? Are the phase-out dates realistic and achievable? If not, what steps should the Government take to make the phase-out dates achievable

- 3.1. Having a clear pathway with visible targets to phase out of petrol and diesel vehicles is critical not only for business and industry but also for affordability and consumer confidence.
- 3.2. In the last 6 years the number of contacts to our consumer service about electric vehicle problems has more than tripled.¹ The main obstacles to the Government's phase-out dates are low consumer confidence about electric vehicles, affordability and insufficient public charging.
- 3.3. The government should not delay its implementation of the ZEV mandate; as raised by industry participants, clear direction from the government is crucial for stimulating the market.² We do not have a clear view on whether the phase-out dates are realistic and achievable, but we urge the government to take the following steps to mitigate the main obstacles.
- 3.4. To improve consumer confidence, the government should progress its proposals to take powers to require financial redress for consumers and penalties for chargepoint providers when things go wrong. It should consult on the need for mandated chargepoint accessibility standards that cover the inclusive design of apps and payment processes. More broadly, we are calling for a national information campaign to improve awareness about how households can contribute to net zero.³
- 3.5. To improve the affordability of public charging we have called for a reduction of VAT on public charging costs from 20% to 5%. People who are unable to charge at home (generally people without private parking) are paying more (see more on affordability in our answer to question 10). The government should

¹ Data from the Citizens Advice consumer service between 2016 and 2022. We received 62 cases about EV public charging in 2016 and 237 cases in 2022.

² Environment and Climate Change Committee, <u>Electric Vehicles: Oral evidence</u>, 13 September 2023

³ Citizens Advice (2023) <u>A flexible future: extending the benefits of energy flexibility to more people</u>

- comprehensively monitor consumer experiences of using public chargepoints and carry out more research to understand the impacts of people's different circumstances on their experiences.
- 3.6. To tackle insufficient public charging infrastructure, the government should follow through with its proposals in the <u>future of transport regulatory review: electric vehicles</u>. This made important proposals to introduce a statutory obligation to plan for and deliver charging infrastructure, funding for local authorities based on their need for chargepoint provision, arrangements to increase the number of chargepoints in non-residential car parks and the Rapid Charging Fund. We want the government to confirm when it plans to enact the necessary legislation.

Question 3. What specific national policies, regulations or initiatives have been successful, or have hindered, EV adoption to date? Are these policies or initiatives fit for purpose?

- 3.7. We welcomed the introduction of <u>The Public Charge Point Regulations 2023</u> which aim to improve consumer experience by mandating contactless payments, standard metric pricing per kWh, availability of chargepoint operator data and reliability requirements for rapid charging. It's important that the government comprehensively monitors the impact of these policies.
- 3.8. As set out in our response to question 1, the <u>future of transport regulatory review:</u> <u>electric vehicles</u> made important proposals to tackle the unequal distribution of public charging across the country. We want the government to confirm when it plans to enact the necessary legislation.

Question 4. Given that the Government should apply a behavioural lens to policy—which involves people making changes to their everyday lives, such as what they purchase and use—is there a role for clearer communication of the case for EVs from the Government? If so, who should take the lead on delivering that?

- 3.9. Yes. The government should consider lessons learned from previous behaviour change campaigns (such as the roll out of smart meters) and use these to introduce a national information campaign on how households can contribute to net zero (including, for example, switching to an EV) and investment in and expansion of statutory advice designed to offer support on topics like smart tariff comparison.
- 3.10. A behavioural lens and extensive user testing should ensure that the messaging is accessible and takes into account different needs (e.g. additional literacy needs, BSL, digital exclusion). Some consumers (particularly those deemed 'hard to reach' or in 'vulnerable circumstances') will need tailored support and information available via different channels.

3.11. In <u>A flexible future</u>, we explored how to extend the benefits of energy flexibility to more households. We recommend the introduction of a national information campaign on how households can contribute to net zero (including, for example, switching to an EV) and investment in and expansion of statutory advice designed to offer support on topics like smart tariff comparison.

Question 10. How is the Government helping to ensure that EVs are affordable and accessible for consumers, and are these approaches fit for purpose?

- 3.12. More needs to be done to understand and address the affordability and accessibility barriers that will be faced by some consumers based on the type of home they live in and geographical location.
- 3.13. People who are unable to charge at home (generally people without private parking) are paying more. <u>Analysis</u> from the Resolution Foundation estimated a household reliant on public chargepoints could be paying nearly 6 times per year (£712) than someone with access to domestic charging.
- 3.14. We are disappointed that the government has not taken action on the <u>public</u> charging pricing penalty and we would like to see consideration of options such as lowering VAT at public chargepoints. One third of households (9.8 million) across England and Wales do not have access to off street parking and there's a link to income. 76 per cent of the wealthiest families live in homes with a garage or driveway (more often in rural areas), compared to 56 per cent of the poorest fifth of households (more often in urban areas). Without intervention, this is likely to mean that poorer households, reliant on public chargepoints, will pay more to charge their vehicles than wealthier households.
- 3.15. The small-scale trials and projects exploring cheaper public charging solutions such as Agile Streets, referenced in the government outcome to its consultation on the consumer experience at public chargepoints, are welcome but will not resolve the public charging pricing penalty.

Question 18. What are the main challenges that UK consumers face in their use of EVs?

3.16. We have been monitoring contacts about electric vehicles to our consumer service since January 2016⁵. Contacts rose steeply from 2019 and we expect this trend to continue as EV ownership increases.

⁴ Resolution Foundation (2022) <u>Shrinking footprints: The impacts of the net zero transition on households and consumption</u>. Analysis of English Housing Survey and Welsh Housing Survey.

⁵ Between January 2016 to July 2023, our consumer service has answered 1,134 contacts about electric vehicles.

- 3.17. In 2022, 76% of contacts were about general consumer issues related to a vehicle sale, for example people seeking advice when they believe their vehicle is faulty or that they've been mis-sold on features such as charging range.
- 3.18. 15% of contacts related to problems using public and private charge points (such as faulty chargepoints, accessibility issues) and 9% of contacts concerned issues with paying for charge (such as inaccurate billing).
- 3.19. Analysis of 2023 contacts (up to end of July 2023) shows a rise in the number of contacts about problems consumers are experiencing using/accessing public and domestic chargepoints (we have already received 16% more contacts than the whole of 2022).

Question 19. What are the main benefits that UK consumers could realise from using an EV?

- 3.20. In addition to the <u>road tax savings</u>, <u>long-term cost savings</u> and <u>cheaper charging costs</u> (when using a domestic chargepoint), households with EVs will have more opportunities to engage with emerging flexibility services such as time-of-use tariffs and demand-side response.
- 3.21. In 2025, the introduction of the market-wide half-hourly settlement is expected to incentivise the sector to offer more tariffs and services based on dynamic pricing. Domestic consumers stand to benefit financially by participating in such offerings, with greater control over their energy bills and access to cheaper energy or financial rewards for shifting demand. Consumers are expected to benefit significantly more by accessing EV smart charging and vehicle-to-grid services.⁶

Question 22. The Government recently published the draft legislation of "Public Charge Point Regulations 2023". What assessment have you made of the draft legislation text, and what contribution will it make in ensuring the charging experience is standardised and reliable for consumers?

Question 23. What assessment do you make of the requirements set out in the draft legislation of "Public Charge Point Regulations 2023" for charge point operators to make data free and publicly available, and how may this improve the EV charging experience for consumers?

3.22. In response to questions 22 and 23, we welcome the introduction of these regulations. In <u>our response</u> to the government's consultation on the consumer experience at public chargepoints, we shared our view that the regulations should improve standardisation and reliability of experience by mandating contactless

⁶ Cornwall Insight (2023) The power of flex: Rewarding smarter energy usage

- payments, standard metric pricing per kWh, availability of chargepoint operator data and reliability requirements for rapid charging.
- 3.23. We support the requirements to adopt a standard for openly available data. This will be essential to ensure that consumers can have a full, live picture of their charging options.

Question 24. In terms of charging infrastructure, are there unique barriers facing consumers in areas of low affluence and/or multi-occupancy buildings, such as shared housing or high-rise flats? Do you consider public EV charging points to be accessible and equitable compared to home-charging points? What can be done to improve accessibility and equitability?

- 3.24. We do not consider public EV charging points to be accessible and equitable, due to the cost disparity between public and home charging (see our answer to question 10) and accessibility barriers for disabled people (evidenced by <u>research</u> from the disability charity Motability). We would welcome more research on the barriers facing people in various circumstances, such as different housing types and tenures.
- 3.25. We welcomed the introduction of <u>accessible charging standards</u> however, as no monitoring data is currently available, we cannot comment on how effective these voluntary standards have been at increasing accessibility. We have called for the standards to be <u>extended</u> to include non-physical aspects such as the accessible design of providers' apps and payment processes. We expect the government to regularly review the option of mandating accessible charging standards.
- 3.26. Improving accessibility of public chargepoints should increase equity of access to the electric vehicle transition for disabled people. In <u>Powering up participation</u>⁷, we call for the smart energy industry to put inclusivity at the heart of product design and to test its products with people in a variety of circumstances.

Question 29. What are the challenges or concerns around grid capacity in relation to significantly increased EV adoption?

3.27. The extensive use of flexibility by all consumers will ensure that grid capacity is being used as effectively as possible. This will require appropriate and cost-reflective signals to reward consumers for their flexibility. Ofgem's plans for ensuring effective Distributed Flexibility need to be implemented at pace, alongside any relevant reforms identified by the Review of Electricity Market Arrangements (REMA). To ensure widespread engagement from domestic consumers, there is a need for a suite of interventions. This would include a

⁷ Citizens Advice (2023) <u>Powering up participation</u>

national information campaign, appropriate regulation with enhanced protections for consumers engaging with novel tariff propositions, the ability for consumers to compare tariffs on a consistent basis, and innovation funding and design standards to ensure new products and services are inclusive.

Question 30. What is the role of distribution network operators in ensuring EV infrastructure can be rolled out sufficiently to meet 2030 target?

3.28. Distribution network operators (DNOs) have been provided with funding to build new capacity as well as uncertainty mechanisms to release funding for higher demand as needed. This should allow DNOs to make the necessary investment. DNOs should also make sure that non-reinforcement options (i.e. utilising consumer flexibility) are fully explored to deliver value-for-money for consumers. Ofgem needs to ensure the right metrics are in place to monitor DNO progress.

Question 33. What role do you see local authorities playing in the delivering the 2030 phase out target, particularly in relation to planning regulations, charge points and working with District Network Operators? How can government best support local authorities in their roles?

- 3.29. The Future System Operator (FSO) will have a greater role to determine whole system planning needs. It is intended that the FSO, through Regional System Planners, will work with Local Authorities to incorporate their aims and goals for net zero implementation as well as incorporate DNO forecasts and planning.
- 3.30. Government should support Local Authorities via the rapid establishment of the FSO as a guiding and supporting expert body, as well as ensuring that Local Authorities are adequately resourced to undertake their net zero responsibilities including production of LAEPs.
- 3.31. Local Authorities should be responsible for the planning and roll out of key infrastructure related to electric vehicles, such as public charging points. Local Area Energy Plans (LAEPs) should be used to support this, particularly where charging points would be best placed. Local Authorities should engage with local communities to better understand people's needs and concerns when it comes to electric vehicles.

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