

# Citizens Advice Scotland

Draft consumer work plan for consultation



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## The Citizens Advice Service in Scotland

Citizens Advice Scotland and its member bureaux form Scotland's largest independent advice network. CAB advice services are delivered using service points throughout Scotland, from the islands to city centres.

The CAB Service aims:

to ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively

and equally

to exercise a responsible influence on the development of social policies and services, both locally and nationally.

The CAB Service is independent and provides free, confidential and impartial advice to everybody regardless of age, disability, gender, race, religion and belief and sexual orientation.

# Chief Executive's foreword

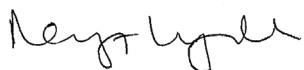
"The UK Government has decided that the Citizens Advice service will become the publicly-funded voice of consumers, championing their needs and empowering them to make the right choices for themselves. The Citizens Advice service will become a one-stop shop for consumers, offering an integrated service involving consumer advice, research, advocacy, campaigns and community action.

Working for the consumer is not a new thing for the service. Through the bureau network and the new Citizens Advice Consumer Service, we are already undertaking significant work for consumers. In this financial year alone, we have assisted with over 350,000 new issues or problems, with over 100,000 directly related to consumer issues such as goods, services, financial products and utilities. So, far from being a new role, the service is already playing a key role for consumers.

In the next few months, we will be finalising our plans and putting in place the right infrastructure and support for the service to prepare for the changes. The task ahead of us won't be easy, but we believe that we have a plan that will work for consumers. It is different from what has gone before - we are a very different service. However, I believe it is these differences that hold the key to success. Our unique local network allows us to speak to and for consumers both locally and nationally; the direct link between advice and advocacy will allow us to react quickly to consumer detriment; while our client databases ensure an evidence based approach. The integration of the consumer functions will mean that consumer detriment feeds directly into advocacy, campaigns and education on their behalf.

We have identified a range of consumer priorities that we will focus on over the coming year. This includes high profile issues such as payday loans and fuel poverty, but also lesser known areas such as parcel delivery charges. We will monitor the issues that cause detriment to ensure that we are working on the right areas for consumers.

But we can't do all this on our own. We need your input, advice, support, and expertise to get this right. With less resource than was previously available, the task ahead of us won't be easy, but a collaborative approach will point us in the right direction. The CAB service in Scotland has many strengths – we are trusted by the public, we have an extensive local network of bureaux and volunteers, and we have a national and local voice on social issues. Our responsibilities in the new consumer landscape will not change what we do. Instead, we take on these responsibilities by building on our strengths."



Margaret Lynch

**Chief Executive Officer**

**Citizens Advice Scotland**

# Introduction

In April 2013, the general consumer advocacy functions of Consumer Focus and the Office of Fair Trading's responsibility for consumer-facing education will both transfer to the Citizens Advice service. This is part of an on-going series of reforms to the consumer landscape in which the Government intends for the Citizens Advice service to become the publicly-funded voice for consumers. These reforms include:

- **April 2012** – the Consumer Direct helpline transferred to the Citizens Advice service becoming the Citizens Advice Consumer Service
- **April 2013** – the general advocacy functions of Consumer Focus will transfer to the Citizens Advice service
- **April 2013** – the responsibility for consumer-facing education will transfer from the Office of Fair Trading (OFT) to the Citizens Advice service
- **April 2013** – a Regulated Industries Unit will be created covering advocacy for the Energy Market, Postal Services and Water in Scotland
- **2014** – responsibility for the Regulated Industries Unit and the Extra Help Unit will transfer to the Citizens Advice service

This document outlines the consumer advocacy and education work plan for the Citizens Advice service in Scotland for the forthcoming year 2013/14. Over the next four weeks, we are seeking views and suggestions on the work plan to ensure that we have developed an effective way of working for consumers and have identified the right issues to focus on.



## The consultation

The consultation will run from 13 February until 15 March 2013. You can respond to this consultation by emailing [keith.dryburgh@cas.org.uk](mailto:keith.dryburgh@cas.org.uk) or by sending responses to:

Keith Dryburgh

Citizens Advice Scotland

Spectrum House

Powderhall Road

Edinburgh

EH7 4GB

We would welcome any comments on the proposed workplan, but we set out questions below which might help to structure feedback.

### Consultation questions

1. Do you agree with the key principles of working that we outline on pages 05 -10
2. Do you have any additional suggestions on ways of working for consumers in Scotland?
3. How can your organisation contribute to the collaborative approach outlined in the work plan?
4. Are the priorities set out on pages 11 – 19 the right priorities for consumers in Scotland?
5. Are there any additional consumer issues that we should address?
6. Could we address these areas differently than is outlined in the workplan?

# How we will work

The final work plan will be published in Spring 2013 which will incorporate the feedback provided to the consultation.

We are currently putting in place a new infrastructure and new ways of working in advance of the changes in April. This includes increasing the support that is available for bureaux to undertake work in their communities, which is a key benefit of our plans. We have been piloting this approach for the last year under the Community Action team which has been successful in supporting local advocacy and campaigning. We are also putting in place additional research and campaigning resources to increase our ability to advocate for consumers.

With these resources in place, the way in which we undertake our responsibilities will be as important as the issues that we identify as priorities. The following list outlines a number of key principles about how we will undertake our consumer advocacy work. This doesn't cover everything that we plan to do, but gives you an idea of how we want to do things.

## Key principles of working

- We will be **responsive** to the needs and views of consumers, bureaux and stakeholders
- We will develop positive working relationships with key **partners** to ensure that consumers benefit from a collaborative approach
- We will follow an **evidence** based approach to ensure that we spot consumer trends as they develop and respond quickly
- We will **horizon scan** to identify potential future areas of detriment and work with partners to prevent them occurring or lessen their impact
- We will utilise our **local** network of offices and volunteers so that national messages have a local voice
- We will place emphasis on **policy solutions** that are clear and achievable, and take steps to make change happen
- We will be an **integrated** consumer service, where consumer advocacy flows directly from the consumer seeking advice

## A responsive approach

We want to be as responsive and open as possible – to consumers, our own bureaux and to stakeholders. This proposed workplan represents the first step in this approach. We want consumers, bureaux and stakeholders to fill in the gaps and make sure that we are on the right track. We want to make the best start possible and to do that, the plan needs to reflect the views and needs of Scottish consumers.

While the workplan is key, we want to emphasise that we will always retain flexibility within the plan to respond to issues as they develop. We will regularly monitor consumer issues to ensure that we always have the right priorities.

## A partnership approach

Working in partnership with regulators, consumer groups and private companies will be a key element of our approach locally, nationally and across the UK. With persistently high levels of consumer detriment, a challenging economic environment and significant reductions in public expenditure affecting the level and nature of public services, it is essential that organisations work together to deliver the most efficient and effective system to look after the interests of consumers.

We will work to develop a close working relationship with Trading Standards, both locally and nationally. Nationally, using the detailed information from the Consumer Service database, Trading Standards will be provided with detailed analytical data regarding rogue traders, as well as trends and patterns in business practices. Locally, we will support individual CAB to work closely with Trading Standards, sharing resources, in order to take action where consumers are being affected.

## An evidence based approach

In order to monitor consumer issues, and respond to them, we will make use of the two consumer databases at our disposal. CASTLE – the bureau case recording system – records information on the advice needs of hundreds of thousands of consumers

each year. In the first nine months of this financial year, the database recorded data on over 126,000 clients with almost 340,000 new issues. Over 75,000 of these issues could be described as consumer matters, such as consumer debt or problems with goods and services. We will also use the Citizens Advice Consumer Service database to monitor key consumer issues. In 2012/13, this has recorded evidence on over 36,000 consumer cases in Scotland.

The service has access to huge amounts of evidence and we will use it to underpin our consumer advocacy plans. So far in 2012/13, this includes evidence on almost 350,000 new issues with more than 100,000 directly related to consumer issues. We plan to produce a quarterly Consumer Snapshot report that will outline key consumer trends from the last three months on a national and local basis. We will monitor these evidence sources on a real-time basis so that we can monitor and track trends as they emerge and react quickly where it is clear that there is consumer detriment.

## A horizon-scanning approach

As well as reacting to evidence of consumer detriment, we will horizon scan to identify potential future areas of detriment and work with partners to prevent them occurring or lessen their impact. Prevention is a key focus of our work for consumers. We will work jointly with the Citizens Advice service in England and Wales to identify upcoming issues and address them accordingly.

## A local approach

A local approach is essential to the consumer advocacy plans of the service. We have a local network which is almost second to none, including a presence in over 250 locations across the country, an army of over 2,200 dedicated volunteers, and contact with hundreds of thousands of consumers each year.

A unique aspect of the bureau network is the ability of the service to speak to and for consumers on both a local and national level. Many consumer problems occur locally, such as rogue tradesmen and small scale scams. CAB are able to advocate on behalf of clients at this local level, while CAS is able to advocate on national issues using the experiences of clients from across the country. The Citizens Advice service

can make use of its local network to find local solutions to local problems. As a movement, we will speak for consumers with one voice nationally and with many voices locally.

To be successful as a consumer advocate, we must build on the strength of the bureau network. This involves building infrastructure to empower bureaux to identify local consumer issues and to take local action for consumers. We will support bureaux to present their evidence to the greatest effect, and use this to highlight issues in their communities. When a local issue is identified, we will support bureaux with campaigns and events that will speak directly to consumers. In this way, we can localise campaigns and solutions to ensure that as many consumers benefit as possible. We have already been piloting a new approach to local work for almost a year that will become the Community Action Team in April 2013.

## A person-centred approach

Our experience is that our clients rarely face one problem in isolation. Dealing with only the presenting problem risks ignoring its causes and effects. A consumer issue can often be caused by problems with benefit entitlement, employment pay, poor health, or debt. Likewise, a consumer issue may cause the above problems. Citizens advice bureaux offer a holistic approach in dealing with a person's situation.

This principle extends to our advocacy work. We advocate for the whole person – not just as a consumer – to ensure that we provide a voice on all of the issues that they face. We bring together insight from across the full range of our work to make links between sectors and problems to ensure that our advocacy best represents our clients.

## A solutions-based approach

We don't want our consumer advocacy simply to point out where consumer detriment exists – we want to be part of the solution. We will identify policy solutions that are clear and achievable, and then take steps to make the change happen. We will work with policy makers to develop solutions and campaign on key consumer asks to lobby for change.

## An integrated approach

One of the strengths of the new consumer landscape is that it integrates many functions together. This will ensure that consumer advocacy flows directly from the consumer seeking advice to research, campaigns, and community action that directly benefit the consumer.

For example, a client could approach a bureau for advice on a consumer issue. The case is then used as evidence of consumer detriment which results in a consumer awareness education campaign. So the initial problem is used to develop policy solutions and campaigns that could then directly benefit the consumer.

The following diagram outlines the link between consumer detriment and the advocacy and community work that will benefit the consumer:



### **Consultation questions**

1. Do you agree with the key principles of working that we outline on pages 05 -10
2. Do you have any additional suggestions on ways of working for consumers in Scotland?
3. How can your organisation contribute to the collaborative approach outlined in the work plan?

# Main areas of work for consumers 2013/14

We plan to advocate for consumers on a range of issues in 2013/14. In identifying our priorities for consumer advocacy and education, we will use the criteria for identifying consumer detriment that has been formulated by the newly established Strategic Intelligence Prevention and Enforcement Partnership (SIPEP). When considering whether an issue should be a priority for our consumer advocacy and education, we will consider the following:

- What is the problem?
- Why is it important?
- Is it a problem now or for the future?
- How strong is the evidence (evidence of detriment)?
- How harmful is it?
- Are we well placed to address the issue? Are there other organisations better placed?
- Can we make a difference?
- Do we have the resources to make a difference?

Our priorities will be informed by the significant evidence base that we have on consumers, which contains information on hundreds of thousands of advice enquiries. We will use this evidence base to ensure that we are addressing the issues that are causing consumers the most detriment.

Using the SIPEP criteria and evidence from the service, we have identified a series of issues that we plan to address in 2013/14. These include issues that cause some detriment for a significant number of consumers and issues that cause more significant detriment for a smaller number of consumers. We would like to hear the views of as many stakeholders as possible to ensure that we have the right priorities when advocating for consumers in Scotland.

## Scams

According to the OFT, UK consumers lose at least £3.5 billion each year due to consumer scams – affecting around 3 million UK consumers. While scams can be variable in nature, as well as in their execution, there is the potential to identify emerging scams, and look at ways of taking immediate action to mitigate their impact.

We plan to work alongside partners, including local Trading Standards, to quickly identify new types of scams and raise consumer awareness as quickly as possible. This will involve a reactive approach – new scams can emerge at any time so we must be able to react to them immediately. This will involve careful and regular monitoring of our consumer databases as well as developing local and national relationships with key stakeholders. A successful outcome would be for consumers to be more aware of current scams and less likely to fall victim to them.

Examples of our work in this area include:

- [\*\*Crimes of Persuasion evidence report \(2011\)\*\*](#)



## Mobile phones

Evidence from bureaux and the Citizens Advice Consumer Service helpline shows that issues with mobile phones are causing Scottish consumers detriment. In 2010, 19% of Scots households relied solely on mobiles for telecommunications. According to a recent Ofcom report, 26% of mobile only households are in the DE socio-economic group. Telecoms issues dominate complaints to OFCOM, and in 2011 Scottish Citizens Advice Bureaux reported telecommunications issues as a growing area of enquiry. Alongside this, issues concerning mobile phone hardware and service agreements were the fifth and sixth most common issues dealt with by the Citizens Advice Consumer Service in 2012.

We will work closely with Ofcom and Citizens Advice in England and Wales to make the best use of our evidence on mobile phones. We will explore the possibility of conducting public facing research with bureaux to gauge levels of consumer awareness and confidence about their rights when buying a phone or taking out a contract. If this research suggests an area of consumer detriment, we will look at developing a consumer education campaign to build awareness of consumer rights.

Examples of our work in this area:

- [Telecommunications briefing sheet \(2011\)](#)

## Postal charges

Our research shows that at least a million consumers in Scotland face surcharges, late delivery or are refused delivery altogether, because of where they live. Based on a public survey of over 3,000 consumers and analysis of 534 retailers, we found that consumers in Scotland's island communities face a postcode penalty of nearly £19 extra to deliver goods that they buy online – a mark-up of 500% on the standard delivery price. We have worked closely with the Office of Fair Trading, Consumer Focus Scotland, Trading Standards and politicians to address the issue, including two round table events with retailers. We will continue this approach to persuade retailers to change their practices and explore the possibility of a kite mark approach.

Examples of our work in this area:

- [The Postcode Penalty evidence report \(2012\)](#)

## Food poverty

A range of factors are pushing families and individuals into food poverty and increasing the need for food parcels. The cost of food is one factor, with Oxfam reporting that food prices have risen by 30.5% in the last five years – almost double the rate of inflation and 2.5 times the rate of increase in the National Minimum Wage. Food is expensive, but this is only one factor in the increase in demand for food parcels, with falling incomes and benefits changes also contributing. We will work alongside citizens advice bureaux and food banks to identify the causes of food poverty and develop potential policies to deal with the problem.

Examples of our work in this area include:

- **Voices from the Frontline: the rising demand for food parcels**

## Second hand cars

Problems with second hand cars are the most common area of consumer enquiry on the Citizens Advice Consumer Service helpline. In the first six months of the financial year, the helpline advised on over 2,000 cases related to second hand cars. However, recent research for Audit Scotland found that fewer than half of consumers (38%) would know to contact either Trading Standards or the Citizens Advice service about a second hand sale. We plan to analyse our evidence to pinpoint the key issues in the industry and develop relationships with key stakeholders to ensure that our evidence is seen and acted upon.

# Consumer Credit and Debt

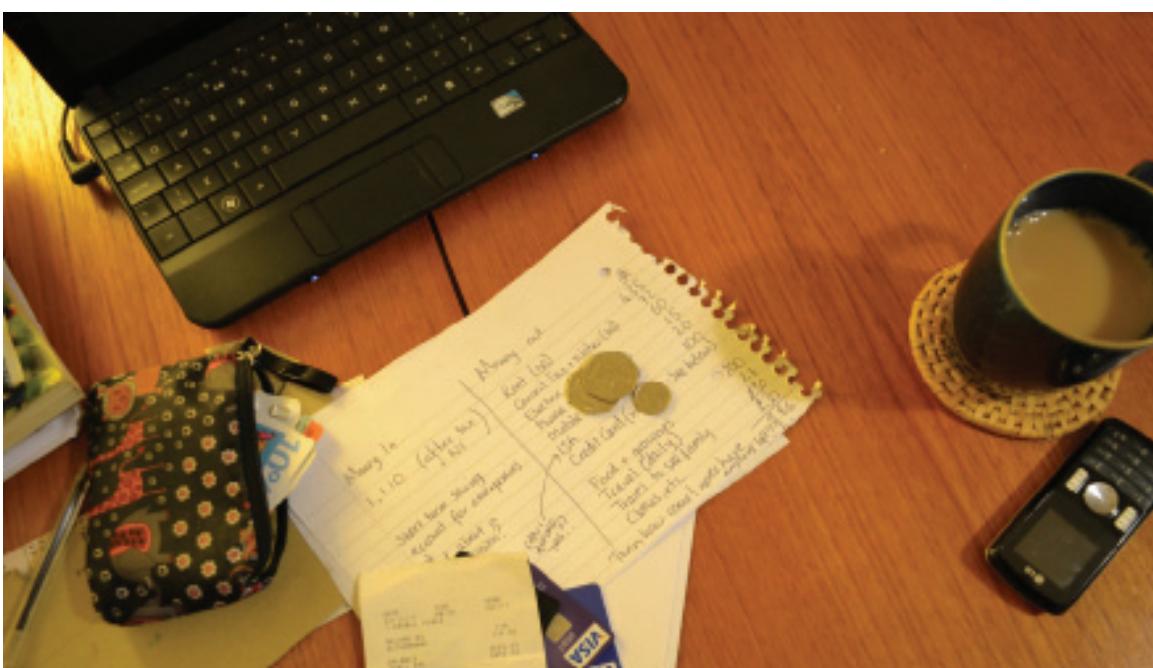
## Payday loans

Payday lending is one of the most talked about consumer issues in the country. Bureaux evidence shows that many consumers are falling into serious debt as a result of taking out a payday loan and that their consumer rights are being disregarded by lenders. We are already running a national and local campaign – Your Rights; Their Responsibilities – which aims to both monitor the policies and practices of lenders as well as to empower consumers with knowledge of their rights. We will continue to promote this campaign into the next financial year as we look to increase consumer awareness of the potential pitfalls of this type of lending.

The campaign is a good example of the integrated approach that we are taking. The issue was identified in bureaux and evidence was fed back to CAS. This evidence was used to produce a report on payday loans which was launched alongside the campaign. The campaign, which is being run jointly with Citizens Advice (England & Wales), is now being promoted through bureaux with assistance from the new Community Action Team. This shows how evidence from consumers can be directly fed into research, media, campaigns, and consumer education. This demonstrates the direct link between consumer detriment and the advocacy and education work of the Scottish CAB service that will benefit consumers.

Examples of our work in this area include:

- [Payday loans: your rights; their responsibilities campaign page](#)



## Debt research update

Every few years, Citizens Advice Scotland undertakes state of the nation research on the debt problems that clients face. The last report – Drowning in Debt – was published in 2009 and made some key findings on the early impact of the recession on consumers in Scotland. These findings have been influential in the development of public policy since then, including the Homeowner and Debtor Protection (Scotland) Act in 2010. We plan to update this research in 2013/14, looking at the changing behaviour of consumers and creditors in relation to credit and debt, and the effectiveness of the public policy in place to help consumers with debt problems.

Examples of our work in this area include:

- [Drowning in Debt evidence report \(2009\)](#)

## Bankruptcy Bill

The Scottish Government and the Accountant in Bankruptcy (AiB) have proposed significant changes to the debt remedies that are currently in place to help consumers in Scotland. A Bankruptcy Bill will be brought forward in the Scottish Parliament in 2013/14 which will have significant implications for consumers.

The changes proposed include a Scottish-specific Common Financial Tool which will determine a consumer's ability to repay their debts, a proposal for financial education to be an integral part of debt relief, and a likely increase in the number of debtors entering the Debt Arrangement Scheme (DAS). Many of the proposed changes will be positive, but they are likely to increase the contributions that are made to creditors which will impact on consumers. We will assess the likely impact of the Bankruptcy Bill on consumers and work to positively influence the Bill during its passage through Parliament.

Examples of our work in this area include:

- [CAS bankruptcy law reform consultation \(2012\)](#)

## Supporting and representing energy consumers

The proportion of Scottish households that are in fuel poverty is increasing and we believe that the Scottish CAB service needs to be at the heart of supporting vulnerable energy consumers through advice, information, education and advocacy work. We will highlight the issues faced by energy consumers in Scotland to inform policy makers and energy companies.

The service already has positive relationships with energy companies and will continue to develop these for the benefit of consumers. This includes chairing and contributing to the customer forums/panels of Scottish Hydro and Scottish Power to ensure that the voices of consumers are listened to and acted upon by energy companies. The service is also undertaking a number of initiatives alongside energy companies, including the Energy Best Deal and Energy Best Deal+, and will be responsible for Big Energy Saving Week in Scotland later in 2013.

Examples of our work in this area include:

- [Advice in Detail: Energy Issues evidence report \(2012\)](#)
- [Energy Best Deal + evaluation report \(2012\)](#)



## Digital participation

Digital exclusion is becoming a more pressing issue for all consumers, particularly in Scotland. The Scottish Household Survey found that around a third of households in Scotland do not have access to the internet, with less than half of households with an income of less than £15,000 having access to the internet. While some of those affected feel that they can't afford the internet, the majority feel that the internet is not for them. As a result, these consumers are paying more for services and will find it increasingly difficult to access public services and benefits in the future.

Digital exclusion is likely to become an even more pressing issue this year due to the Government's 'Digital by Default' agenda. Applications for many benefits, including Jobseekers Allowance (JSA), are increasingly required to be made online, while the Government's flagship Universal Credit will encourage all applications to be made online as much as possible. Consumers who do not have online access or who lack computer skills may therefore struggle to claim the benefits to which they are entitled. We are planning to conduct research through bureaux to assess the extent of the problem, develop potential solutions, and work with Government to ensure that consumers do not lose access to vital benefits.

## Investigating the preventative nature of advice

Research for Audit Scotland found that an estimated 1.3 million consumers each year in Scotland think they have reason to complain about the quality of products or services they have bought. Their route to resolving their problem can be informal, through personal action or by getting advice, or it may involve taking a more formal route through the legal system.

Citizens advice bureaux play a key role in resolving consumer complaints both formally and informally. In 2013/14, we will undertake a mapping exercise of the advice that bureaux provide so that we can link the outcomes we gain for our clients with the development of legal policy. Citizens advice bureaux play a key role in the resolution of legal problems and we wish to use an understanding of this role to influence access to justice in Scotland.

## Civil Justice reform

We will use our evidence base to be the leading organisation representing the needs of users in the civil justice system. This will involve developing key relationships with stakeholders and contributing to the Scottish Government's Making Justice Work Programme to ensure that consumers have access to appropriate and accessible dispute resolution processes.

### Consultation questions

4. Are the priorities set out on pages 11 – 19 the right priorities for consumers in Scotland?
5. Are there any additional consumer issues that we should address?
6. Could we address these areas differently than is outlined in the workplan?

# Next Steps

In the run up to April, we will be finalising our plans and putting in place the right infrastructure and support for the service to prepare for our new responsibilities. We need your input, advice, support, and expertise to get this right. We welcome any comments on our proposed work plan, both in terms of ways of working and the issues that we have identified as priorities. More than that, we welcome any suggestions on how your organisation can work with us to address issues of consumer detriment. In an era of reduced budgets, a collaborative approach will best serve consumers.

The deadline for this consultation is the 15 March 2013. You can respond to this consultation by emailing [keith.dryburgh@cas.org.uk](mailto:keith.dryburgh@cas.org.uk) or by sending responses to:

Keith Dryburgh  
Citizens Advice Scotland  
Spectrum House  
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**and equally**

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The CAB Service is independent and provides free, confidential and impartial advice to everybody regardless of age, disability, gender, race, religion and belief and sexual orientation.

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Produced by The Scottish Association of Citizens Advice Bureaux -  
Citizens Advice Scotland (Scottish charity number SC016637)  
Spectrum House, 2 Powderhall Road, Edinburgh EH7 4GB  
Tel: 0131 550 1000

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